

**Dispute Settlement Body  
16 September 2002**

**MINUTES OF MEETING**

Held in the Centre William Rappard  
on 16 September 2002

*Acting Chairman: Mr. Sergio Marchi (Canada)*

**1. European Communities – Provisional safeguard measures on imports of certain steel products**

(a) Request for the establishment of a panel by the United States (WT/DS260/4)

1. The Chairman recalled that the DSB had considered this matter at its meeting on 30 August 2002 and had agreed to revert to it. He then drew attention to the communication from the United States contained in document WT/DS260/4.

2. The representative of the United States said that his country was making its second request for the establishment of a panel to examine the provisional safeguard measures imposed by the EC on certain steel products from the United States and elsewhere. As had been explained at the 30 August DSB meeting, the United States considered that the EC's safeguard measures were inconsistent with the Agreement on Safeguards and Article XIX of the GATT 1994. Notably, the EC had imposed these measures without following the required due process investigatory procedures and without clear evidence that increased imports were causing or were threatening to cause serious injury. Furthermore, the United States recalled that there was an important principle at stake in this dispute: Members should not be able to impose safeguard measures – even for a relatively short time – in the absence of clear evidence and due process. Accordingly, the United States was requesting the DSB to establish a panel at the present meeting.

3. The representative of the European Communities said that the EC strongly deplored the US decision to pursue its request for the establishment of a panel on this matter. The EC was confident that the measures at issue fully complied with WTO requirements concerning provisional safeguards. The EC insisted again on the fact that these provisional safeguards, as many other similar measures implemented in response to the US protectionist action of 5 March 2002, had only been adopted as a safety net against the highly probable diversion of the steel trade barred from the US market. Therefore, the EC provisional safeguard measures were fundamentally different from the US protectionist measures, which had been challenged by eight complainants, while the United States was alone in questioning the legality of the EC measures.

4. The representative of Argentina said that his country's exports were affected by the provisional measure at issue in this dispute. Argentina noted the EC's decision to adopt a definitive safeguard measure, as notified and circulated in the past week. In this regard, Argentina was concerned about two out of the seven categories of products that would be subject to a definitive measure. His country was still in the process of analysing whether the measures in question were consistent with the provisions of the Safeguards Agreement and Article XIX of the GATT 1994, both

with regard to some aspects of the EC investigation and the appropriateness of the proposed measures. Moreover, Argentina was convinced that there was no causal link between its exports and the serious injury found. Argentina was concerned about these measures and would take action, without precluding any options, in accordance with its industry's export interests.

5. The DSB took note of the statements and agreed to establish a panel in accordance with the provisions of Article 6 of the DSU with standard terms of reference.

6. The representatives of Egypt, Korea and Japan reserved their third-party rights to participate in the Panel's proceedings.

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