

# Common rules for imports. Codification

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The Commission presents a staff working document accompanying its 37th annual report on the EU's anti-dumping, anti-subsidy and safeguard activities and the use of trade defence instruments by third countries targeting the EU in 2018.

The report notes that safeguard measures remain an instrument that the Commission would only apply in truly exceptional circumstances. Indeed, they are only used where it is clear that, applying the highest standards, such measures are necessary and justified because, due to unforeseen circumstances, there has been a surge in imports and this has caused or threatens to cause serious damage to the EU industry.

## *Details on individual safeguard cases*

### *General safeguard measures on certain steel products*

The investigation showed that over the period considered, there had been a sudden, steep and significant increase in imports, in both absolute and relative terms, for the products concerned (+71%). The increase in imports of steel products in the Union was the result of unforeseen developments, including unprecedented steelmaking overcapacity, distortive subsidies and government support measures. The Commission concluded Union industry was under the threat of serious injury if the increasing trend in imports continued with the ensuing price depression below sustainable levels.

The definitive safeguard measure took the form of a tariff-rate quota in order to prevent serious injury, but at the same time preserve as much as possible traditional trade flows. This level of tariff-rate quota was set at the average level of imports over the last three representative years. The Commission will initiate the first review investigation no later than on 1 July 2019.

Definitive measures apply to imports from all origins, except: (i) products under assessment originating in Norway, Iceland, and Liechtenstein; (ii) certain countries with which the Union has signed an Economic Partnership Agreement; (iii) WTO developing countries accounting for less than 3% of EU imports are also excluded. Measures shall be in place from February 2019 until July 2021.

### *Indica Rice from Cambodia and Myanmar*

In March 2018, upon Italy's request, the Commission initiated a safeguard investigation under [the GSP Regulation](#), regarding imports of Indica rice from

Cambodia and Myanmar. The findings of the investigation confirmed that a significant surge of rice imports from these two countries has caused economic damage to the rice sector in the EU. The Commission decided on 16 January, after consultation with Member States, to reinstate the Common Customs

Tariff applied duties of 175 EUR/ton, with a progressive liberalisation (175 EUR/ton for the first year, 150 EUR/ton for the second year and 125 EUR/ton for the third year).

### *New legislation on safeguards*

In April 2018, the Commission put forward a proposal for a horizontal bilateral safeguard regulation that will allow it use the bilateral safeguard clauses laid down in all future trade agreements. The objective of

these safeguard clauses is to temporarily suspend tariff preferences where preferential imports increase to such an extent that they cause or threaten to cause serious injury to a particular EU industry. This horizontal regulation provides standard rules for the implementation of bilateral safeguard clauses, including the conditions and decision-making process. In the past, the EU adopted separate regulations for each individual free trade agreement, which will no longer be necessary. The co-legislators have politically approved the proposed Regulation in December 2018.