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Relations with third countries for Trade
Defence matters
DG Trade
European Commission
Rue de la Loi 170
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22 June 2020

Subject: Review of the safeguard measures against imports of certain steel products

Dear Mr Fernandez Martin,

In light of the review of the safeguard measures against imports of certain steel products, Orgalim would like to express its continued concerns regarding these measures, imposed provisionally since July 2018¹, imposed definitively² since January 2019 and renewed in September 2019³.

We strongly oppose any changes to the steel safeguard measures that restrict the flexibility of downstream industries.

We draw attention to the special economic situation that has been caused by the COVID-19 pandemic. In this challenging economic crisis, it is crucial that companies have the freedom to react to the new situation by having access to raw materials.

The recent discussions regarding a possible tightening of these safeguard measures are raising strong concerns. We consider that the demand for a 75% reduction in duty-free import quotas in the short term is inappropriate. This request is contrary to WTO requirements, does not take into account the actual situation of the European steel market, and it is contrary to the interests of the downstream users in Europe. We would like to share some specific observations:

¹ Commission Implementing Regulation (EU) 2018/1013 of 17 July 2018 imposing provisional safeguard measures with regard to imports of certain steel products https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.181.01.0039.01.ENG&toc=OJ:L:2018:181:TOC

² Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0159>

³ Commission Implementing Regulation (EU) 2019/1590 of 26 September 2019 amending Implementing Regulation (EU) 2019/159 imposing definitive safeguard measures against imports of certain steel products https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2019:248:FULL&from=EN#bookmark_nopage_005

Orgalim represents Europe's technology industries: companies that innovate at the crossroads of digital and physical technology. Our industries develop and manufacture the products, systems and services that enable a prosperous and sustainable future. Ranging from large globally active corporations to regionally anchored small and medium-sized enterprises, the companies we represent directly employ 11.5 million people across Europe and generate an annual turnover of over €2,100 billion. Orgalim is registered under the European Union Transparency Register – ID number: 20210641335-88.

- We have very serious doubts that a drastic 75% reduction in import quotas is compatible with WTO provisions. As foreseen by Regulation 2015/478⁴, the import quota should be calculated on the average of imports in the last three representative years.
- The impact of COVID-19 on production and demand in the EU steel market cannot yet be quantified. A 75% reduction in import quotas on the basis of current assumptions would therefore not be appropriate.
- Maintaining the current steel quotas is crucial to the competitiveness of the European technology industries. Moreover, some specific steel products which are currently affected by the safeguard measures are essential to meet the EU's ambitious key targets for a greener and more energy-efficient economy.
- The current Union interest analysis insufficiently addresses the economic impact for many end-user industries.

We believe that the current system, which foresees that the unused balances of the tariff-rate quota shall automatically be transferred to the next quarter⁵, should be kept. Changing this system would considerably reduce the import opportunities for EU steel users, due to long lead and transport times. EU steel users need to be able to plan ahead for any significant changes, so any alteration to the system would not be expedient in a time when our industries find themselves in exceptional situations. Our companies need access to raw materials to recover from the COVID-19 crisis.

Furthermore, given the close economic ties between the European Union and Switzerland, Switzerland should be exempted from the steel safeguard measures in the same way as the European Economic Area countries⁶.

We once again urge the European Commission to consider the interests of the downstream steel users when making a decision on the annual review of the steel safeguard measures. The competitiveness of European manufacturing needs to be preserved.

Yours sincerely,



Malte Lohan
Director General

⁴ Regulation 2015/478 of 11 March 2015 on common rules for imports – article 15(3) <https://eur-lex.europa.eu/legal-content/EN/https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015R0478TXT/?uri=CELEX%3A32015R0478>

⁵ According to Article 1.4 of Commission Implementing Regulation (EU) 2019/159.

⁶ According to Article 6.1 of Commission Implementing Regulation (EU) 2019/159 of Norway, Iceland, and Liechtenstein shall not be subject to the safeguard measures.