

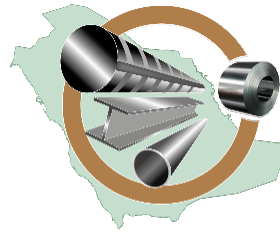
European Union Imposes Safeguard Measures on Steel Imports – Exports from Saudi Arabia Excluded from the Scope of the Safeguard Measures



Riyadh, 26th February 2019: The European Union (“EU”) has imposed early this month a definitive safeguard measures on imports of 26 categories of steel products. Further to the active participation of the National Committee for Steel Industry (“NCSI”) all exports of steel products from Saudi Arabia are excluded from the scope of the EU safeguard measures.

The imposition of the definitive safeguard measures, which take the form of 25% tariff-rate quotas and will remain in force until June 2021, are the outcome of an investigation initiated in March 2018. Following the imposition of a 25% additional duty on imports of steel products by the United States under Section 232 of the Trade Expansion Act of 1962, EU authorities initiated a safeguard investigation.

Immediately after the initiation of the investigation, NCSI reserved its rights. It filed a submission and coordinated the responses of all of its members to the questionnaires issued by the EU authorities. In July 2018, after finding that imports of steel products into the EU had increased and that the EU industry was threatened to suffer from serious injury, EU authorities imposed provisional safeguard measures. Exports of large welded tubes from Saudi Arabia were subject to the provisional measures. In August and September 2018, NCSI filed submissions with



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the EU authorities and took part in the hearing in Brussels to call for the termination of the measures imposed on large welded tubes and the exclusion of all exports from Saudi Arabia from the scope of the measure. After hearing NCSI, EU authorities excluded all exports from Saudi Arabia from the scope of the definitive safeguard measures.

The exclusion of Saudi steel products from the scope of the safeguard measures is a landmark victory for NCSI and its members as the EU is the second largest steel market. However, the definitive safeguard measures imposed by the EU, together with the US Section 232 measures, the global steel safeguard investigations currently undergoing in Turkey, Canada and Russia and the numerous trade measures maintained by other countries are a significant threat to the Saudi steel industries. These measures result in a diversion of trade that greatly affects Saudi Arabia – and more generally the GCC – as tariffs are low, there are no safeguard and anti-dumping measures and the regulatory environment is to be developed.

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