

**NOTIFICATION UNDER ARTICLE 12.1(C) OF THE AGREEMENT
ON SAFEGUARDS
(DECISION TO EXTEND A SAFEGUARD MEASURE)**

**NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2
OF THE AGREEMENT ON SAFEGUARDS**

VIET NAM

Certain semi-finished and finished products of alloy and non-alloy steel

Supplement

The following communication, dated 27 March 2020, is being circulated at the request of the delegation of Viet Nam.

The Ministry of Industry and Trade of the Socialist Republic of Viet Nam hereinafter referred as "MOIT" encloses a notification pursuant to Article 12.1(c) and Article 9, footnote 2 of the WTO Agreement on Safeguards, on taking a decision to extend a safeguard measure that is being applied against imports of "Certain semi-finished and finished products of alloy and non-alloy steel" under HS Code 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.10; 7213.10.90, 7213.91.20; 7214.20.31; 7214.20.41; 7227.90.00; 7228.30.10; 9811.00.00.

Consistent with Article 12.3 of the Agreement on Safeguards, MOIT is ready to hold consultations with those Members having a substantial interest as exporters of the product concerned.

**A. NOTIFICATION UNDER ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS UPON
TAKING A DECISION TO EXTEND A SAFEGUARD MEASURE**

1. Evidence that the safeguard measure continues to be necessary to prevent or remedy serious injury or threat thereof caused by increased imports and that the industry concerned is adjusting

- After the application of the initial safeguard measure, the domestic industry's performance had improved noticeably during the period of 2017 – 2018, particularly with regards to production, market share, employment and productivity. However, production began to decline in the first six months of 2019.

- Sales: domestic and export sales increased. However, domestic sales of semi-finished products tended to decrease since 2018.

- Profits: After the application of the initial safeguard measure, as for semi-finished products, the domestic industry incurred profits but profitability was still low. In the first six months of 2019, there were signs of losses. As for finished products, profitability increased during 2015-2016. However, it started to decrease gradually.

- Inventory: the ratio of inventory to output reduced in 2016 and 2017 but increased in 2018 and reached a record high in the first six months of 2019.

The indicators have demonstrated that the domestic industry has not fully recovered from the injury caused by imports. According to the present domestic industry's performance, if the initial safeguard measure is not extended, it will be difficult for the domestic industry to compete with imports.

The domestic industry has conducted adjustment plans aiming at increasing its productivity, product quality such as adjustment in production, production lines, technology, employment, management and marketing etc.

2. Information on whether there is an absolute increase in imports or an increase in imports relative to domestic production

Year	2015	2016	2017	2018	6M 2018	6M 2019
Semi-finished products of alloy and non-alloy steel						
Imports (Ton)	1,606,819	672,469	33,915	30,028	25,050	101,486
Trend (%)		- 58.1	-95	-11.5	-	305.1
Ratio of imports to domestic production(%)	28.5	8.6	0.3	0.3	0.5	2.2
Finished products of alloy and non-alloy steel						
Imports (Ton)	1,153,461	693,820	201,479	162,824	76,041	82,588
Trend (%)		- 39.8	-71	-19.2	-	8.6
The ratio of imports to domestic production(%)	17.2	8.0	2.2	1.6	1.5	1.8

The volume of imports under review tended to decrease significantly. However, in the first six months of 2019, the amount of imports under review (both semi-finished and finished products) tended to increase both in relative and absolute terms. The volume of imports of certain semi-finished products of alloy and non-alloy steel increased from 25,050 tons in the first 6 months of 2018 to 101,486 tons in the first six months of 2019. The volume of imports of certain finished products of alloy and non-alloy steel increased from 76,041 tons in the first six months of 2018 to 82,588 tons in the first 6 months of 2019.

3. Precise description of the product involved

Certain semi-finished and finished products of alloy and non-alloy steel under HS Code: 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.10; 7213.10.90, 7213.91.20; 7214.20.31; 7214.20.41; 7227.90.00; 7228.30.10; 9811.00.00 imported into Viet Nam.

4. Description of any part of the imported product that will no longer be subject to the measure in the extension

Not applicable

5. Precise description of proposed measure

The safeguard measure is proposed to be extended for 3 years from March 22, 2020 until March 21, 2023 (March 21, 2023 is included) in the form of ad valorem duties which are shown in the relevant columns of the table below.

Timetable	Semi-finished products of alloy and non-alloy steel	Finished products of alloy and non-alloy steel
From March 22, 2020 to March 21, 2021	15.3%	9.4%
From March 22, 2021 to March 21, 2022	13.3%	7.9%
From March 22, 2022 to March 21, 2023	11.3%	6.4%
From March 22, 2023 onwards	0.00 (If not extended)	0.00 (If not extended)

6. Proposed date of introduction of the measure

See response to item 5 above.

7. Expected duration of the measure

See response to item 5 above.

8. For a measure with a duration of more than three years, provide the proposed date for the review (under Article 7.4) to be held not later than the mid-term of the measure, if such a date for the review has already been scheduled

Not applicable.

9. Expected timetable for progressive liberalization of the measure

See response to item 5 above.

10. If the notification relates only to a finding of serious injury or threat thereof, and does not relate to a decision to apply or extend a safeguard measure

Not applicable.

11. If the measure is being extended, also provide:

(i) evidence that the industry concerned is adjusting and that the safeguard measure continues to be necessary to prevent or remedy serious injury: provided in item 1.

(ii) reference to the WTO document that notified the initial application of the measure: G/SG/N/8/VNM/3, G/SG/N/10/VNM/2, G/SG/N/11/VNM/4

(iii) duration of the measure from initial application till the date at which it will be extended:

The initial safeguard measure was applied from 22, March 2016 to 21, March 2020. Viet Nam now extends the safeguard measure until 21, March 2023 (21, March 2023 is included)

and,

(iv) precise description of the measure in place prior to the date of extension (in this context, please note that the last sentence of Article 7.4 states that: "A measure extended under paragraph 2 shall not be more restrictive than it was at the end of the initial period, and should continue to be liberalized.")

Timetable	Semi-finished products of alloy and non-alloy steel
From March 22, 2016 (the date which the provisional safeguard measure takes into effect) to August 01, 2016 (one day before the definitive safeguard measure takes into effect)	23.3% (provisional safeguard measures)
From August 02, 2016 (the date which the definitive safeguard measure takes into effect) to March 21, 2017	23.3%
From March 22, 2017 to March 21, 2018	21.3%
From March 22, 2018 to March 21, 2019	19.3%
From March 22, 2019 to March 21, 2020	17.3%

Timetable	Finished products of alloy and non-alloy steel
From March 22, 2016 (the date which the provisional safeguard measure takes into effect) to August 01, 2016 (one day before the definitive safeguard measure takes into effect)	14.2% (provisional safeguard measure)
From August 02, 2016 (the date which the definitive safeguard measure takes into effect) to March 21, 2017	15.4%
From March 22, 2017 to March 21, 2018	13.9%
From March 22, 2018 to March 21, 2019	12.4%
From March 22, 2019 to March 21, 2020	10.9%

12. If the notification relates to a decision to apply or extend a safeguard measure, Members are encouraged to provide the following information:

(i) The major exporting Members of imports of the product involved.

- Semi-finished products of alloy and non-alloy steels: Malaysia is the major exporting country (accounting for 99.97% of total imports of the subject product during the first 6 months of 2019).

- Finished products of alloy and non-alloy steels: China is the major exporting country (accounting for 95.4% of total imports of the subject product during the first 6 months of 2019).

(ii) If there are any exporting Members to which the measure does not apply for any reason other than the application of Article 9.1, the names of such exporting Members and reasons for non-application of the measure.

Not applicable

13. Members are encouraged to attach, in an electronic form, publicly available document(s) containing the relevant decision(s) made by the competent authority. This document may be in the original language of the Member, even when the language is not one of the official languages of the WTO. The document will neither be translated nor circulated to the Committee, but will be made available by the Secretariat to Members requesting it.

The official documents regarding the investigation and the final decision can be reached from the link below

<http://pvtn.gov.vn/default.aspx?page=news&do=detail&id=5d4875cd-9d21-40ba-99e5-4bee4fe90898>

B. NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS

1. The measure

It is proposed to impose safeguard measure in the form of ad valorem duties which will be progressively liberalized as described in item A.5 above.

2. The product subject to the measure

The measure is applied to the products described in item A.3 above.

3. Developing countries to which the measure is not applied under article 9.1 of the Agreement on Safeguards

The developing countries which are excluded from the measure under Article 9.1 of the Agreement on Safeguards are listed below:

3.1 Sub - Saharan Africa

Angola	Madagascar	Nigeria
Benin	Malawi	Rwanda
Botswana	Mali	Sao Tome and Principe
Burkina Faso	Mauritania	Senegal
Burundi	Mauritius	Sierra Leone
Cabo Verde	Mozambique	Somalia
Cameroon	Namibia	South Africa
Central African Republic	Niger	South Sudan
Chad	Gabon	Sudan
Comoros	Gambia, The	Swaziland
Congo, Democratic Republic	Ghana	Tanzania
Congo, Rep.	Guinea	Togo
Cote d'Ivoire	Guinea-Bissau	Uganda
Eritrea	Kenya	Zambia
Ethiopia	Lesotho	Zimbabwe
	Liberia	

3.2. Asia Pacific

American Samoa	Myanmar
Cambodia	Palau
Fiji	Papua New Guinea
Kiribati	Philippines
Korea, Democratic Republic	Samoa
Lao PDR	Solomon Islands
Marshall Islands	Timor-Leste
Micronesia, Fed. Sts.	Tonga
Mongolia	Tuvalu
	Vanuatu

3.3. Europe and Central Asia

Albania	Macedonia, FYR
Armenia	Moldova
Azerbaijan	Montenegro
Belarus	Romania
Bosnia and Herzegovina	Serbia
Bulgaria	Tajikistan
Georgia	Turkey
Kazakhstan*	Turkmenistan
Kosovo	Ukraine
Kyrgyz Republic	Uzbekistan

3.4. Latin America and the Caribbean

Belize	Guyana
Bolivia	Haiti
Brazil	Honduras
Colombia	Jamaica
Costa Rica	Mexico
Cuba	Nicaragua
Dominica	Panama
Dominican Republic	Paraguay
Ecuador	Peru
El Salvador	St. Lucia
Grenada	St. Vincent and the Grenadines
Guatemala	Suriname

* Kazakhstan is only excluded from the measure against finished products of alloy and non-alloy steel

3.5. Middle East and North Africa

Algeria	Libya
Djibouti	Morocco
Egypt, Arab Rep.	Syrian Arab Republic
Iran, Islamic Rep.	Tunisia
Iraq	West Bank and Gaza
Jordan	Yemen, Rep.
Lebanon	

3.6. South Asia

Afghanistan	Maldives
Bangladesh	Nepal
Bhutan	Pakistan
India	Sri Lanka

Information regarding the procedures and relevant deadlines with regards to the investigation is contained in the notice of initiation (G/SG/N/6/VNM/5/Suppl.1).

Further information and comments should be sent to:

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