



2 August 2016

(16-4110)

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Committee on Safeguards

Original: English

**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT
ON SAFEGUARDS ON FINDING A SERIOUS INJURY OR
THREAT THEREOF CAUSED BY INCREASED IMPORTS**

**NOTIFICATION UNDER ARTICLE 12.1(C) OF THE
AGREEMENT ON SAFEGUARDS**

**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)

The following communication, dated 28 July 2016, is being circulated at the request of the Delegation of Viet Nam.

In accordance with Ordinance No. 42/2002/PL-UBTVQH10 dated 25 May 2002 of the Standing Committee of the National Assembly on Safeguards on Imports of Foreign Goods into Vietnam and Decree No. 150/2003/ND-CP dated 8 December 2003 of the Government providing detailed regulations for implementation of Ordinance on safeguards on imports of foreign goods into Vietnam, the Ministry of Industry and Trade notifies the application of definitive safeguard measures on Certain semi-finished and finished products of alloy and non-alloy steel under HS code of 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.00; 7213.91.20; 7214.20.31; 7214.20.41; 7229.90.00; 7228.30.10; 9811.00.00

1. Background

On 25 December 2015, the Ministry of Industry and Trade issued the Decision No. 14296/QD-BCT on the initiation of safeguard investigation on certain semi-finished and finished products of alloy and non-alloy steel (hereinafter referred to as "subject products") imported from various countries.

2. Subject products

The steel products covered by the investigation include:

- a. Semi-finished products of iron or non-alloy steel products;
- b. Bars & rods of iron or non-alloy steel.

Certain steel products under HS Code: 7207.11.00; 7207.19.00; 7207.20.29; 7207.20.99; 7224.90.00; 7213.10.00; 7213.91.20; 7214.20.31; 7214.20.41; 7227.90.00; 7228.30.10; 9811.00.00.

3. Safeguard measures applied

3.1. Semi-finished products of iron or non-alloy steel products

Ministry of Industry and Trade shall apply safeguard measure in the form of import duty on semi-finished products of iron or non-alloy steel products imported into Vietnam as follows:

Effective period	Safeguard duties
22/3/2016 (the date which provisional safeguard measure take into effect) – 21/3/2017	23.3%
22/3/2017 – 21/3/2018	21.3%
22/3/2018 – 21/3/2019	19.3%
22/3/2019 – 21/3/2020	17.3%
From 22/3/2020 onwards	0% (if not extended)

The safeguard measure applied to semi-finished products of iron or non-alloy steel products in the form of import duty under HS code as follows:

No.	HS Code	Description
7207		Semi-finished products of iron or non-alloy steel.
1	7207.11.00	-- Of rectangular (including square) cross-section, the width measuring less than twice the thickness
2	7207.19.00	-- Other
7207.20		- Containing by weight 0.25% or more of carbon:
3	7207.20.29	---- Other
4	7207.20.99	---- Other
7224		Other alloy steel in ingots or other primary forms; semi-finished products of other alloy steel.
5	7224.90.00	- Other

3.2. Bars & rods of iron or non-alloy steel

Ministry of Industry and Trade shall apply safeguard measure in the form of import duty on Bars & rods of iron or non-alloy steel imported into Vietnam as follows:

Effective period	Safeguard duties
22/3/2016 (the date which provisional safeguard measure take into effect) – 01/8/2016 (one day before the definitive safeguard measure take into effect)	14.2% (provisional safeguard measure)
02/8/2016 (the date which definitive safeguard measure take into effect) – 21/3/2017	15.4% (definitive safeguard measure first year)
22/3/2017 – 21/3/2018	13.9%
22/3/2018 – 21/3/2019	12.4%
22/3/2019 – 21/3/2020	10.9%
From 22/3/2020 onwards	0% (if not extended)

The definitive safeguard measure which applied to Bars & rods of iron or non-alloy steel in the form of import duty under HS as is follows:

No.	HS code	Description
7213		Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel.
1	7213.10.00	- Containing indentations, ribs, grooves or other deformations produced during the rolling process
2	7213.91.20	- - - Of a kind used for concrete reinforcement (rebars)
7214		Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extracted, but including those twisted after rolling.
7214.20		- Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling: - - Containing by weight less than 0.6% of carbon: - - - Of circular cross-section:
3	7214.20.31	- - - Of a kind used for concrete reinforcement (rebars)
4	7214.20.41	- - - Of a kind used for concrete reinforcement (rebars)
7227		Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel.
5	7227.90.00	- Other
7228		Other bars and rods of other alloy steel; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel.
7228.30		- Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded:
6	7228.30.10	- - Of circular cross-section
9811		
7	9811.00.00	Alloy steel contain Boron and/or Chrome except hot-rolled steel.

4. Countries or origin of products under investigation subject to definitive safeguard measure

Definitive safeguard measure is applied to imported products from all countries under investigation, except for countries excluded from the investigation in accordance with the regulation on negligible volume of imports (Article 13 of Decree 150/2003/ND-CP of 8 December 2003 detailing regulations for implementation of Ordinance on safeguards on imports of foreign goods into Vietnam). Please see the list of countries excluded from the investigation in the Appendix below.

5. Effective date of the definitive safeguard measures

Definitive safeguard measures will take effect after 15 days from the date of signing of the Decision of the Minister of Industry and Trade, i.e. **02 August 2016**.

6. Duration of the definitive safeguard measures:

Definitive safeguard measures will be applied for a period of 4 years since the effective date.

7. Basis for application of the definitive safeguard measures

Based on the information provided by interested parties, the Investigating Authority determines as follows:

- The domestic industry is a group of steel companies whose manufacturing certain semi-finished and finished products of alloy and non-alloy steel in Vietnam, that represent more than 50% of total Vietnam production.
- Domestically produced like product consists of certain semi-finished and finished products of alloy and non-alloy steel. These products have the same components of

raw materials, specification, production methods, purposes of use with the imported subject products above.

- The volume of subject products imported to Vietnam increased in both relative and absolute terms.
- The domestic industry has suffered serious injury. Specifically, the domestic industry has got losing market share, reduction of productivity, turnover, employment, increase of inventories in the period of 2012-2015, especially 2015.
- The increase of import of subject products has caused serious injury to the domestic industry
- The economic crisis in China in recent years and the excess of capacity with the large amount of inventories of steel products in China; and the application of trade remedy measures to certain semi-finished and steel finished products of some countries are considered as "unforeseen development" and are the reasons for the surge of imports to Vietnam.

8. Further information

Information on the decision to apply definitive safeguard measures on subject products is accessible at the website of the Ministry of Industry and Trade (<http://www.moit.gov.vn>) and Vietnam Competition Authority (<http://www.vca.gov.vn> or <http://www qlct.gov.vn>).

Further information and comments should be sent to:

Trade Remedies Investigation Division
Vietnam Competition Authority - Ministry of Industry and Trade
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APPENDIX
LIST OF COUNTRIES EXCLUDED FROM THE INVESTIGATION

1. Sub-Sahara Africa

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

2. Asia Pacific

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

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

4. Latin America and Caribbean

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

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	

6. South Asia

Afghanistan	Maldives
Bangladesh	Nepal
Bhutan	Pakistan
India	Sri Lanka