

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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ARTICLE XIX - ACTION BY AUSTRALIA

Sheets and Plates of Iron or Steel

The following communication dated 8 August 1978 has been received from the Permanent Mission of Australia.

The Australian Government wishes to advise the CONTRACTING PARTIES that it has decided to restrain temporarily by global quota, in accordance with Article XIX of the GATT, the importation of uncoated hot rolled steel sheets and plates not exceeding 3.2 mm in thickness and uncoated cold rolled steel sheets and plates, of a kind falling within item 73.13.100 and galvanized steel sheets, plates, strips and hoops of a kind falling within tariff item 73.12.190 or 73.13.300.

The restrictions are intended to limit imports of these items to 162,500 tonnes in the twelve months from 1 July 1978. Import quotas will be allocated on the basis of clearances for home consumption during the 1977 calendar year, and will be made available on the following basis:

	<u>Quota Allocations (tonnes)</u>	
	<u>1.7.78-31.12.78</u>	<u>1.1.79-30.6.79</u>
(A) Uncoated hot rolled steel	12,500	10,000
(B) Uncoated cold rolled steel	50,000	40,000
(C) Galvanized steel	25,000	25,000

The decision to introduce these restrictions was taken after consideration by the Government of a report by the Temporary Assistance Authority (TAA). The Government accepted the Authority's findings, following a public enquiry, at which interested parties had an opportunity to give evidence, that there was a need for urgent assistance to protect the Australian industry against imports of galvanized steel sheets and plates and hot or cold rolled uncoated steel sheets and plates. The TAA had found that imports had been causing disruption to the local industry, as

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evidenced by the increasing market share held by imports in a declining total market, and the most recent information available did not suggest any immediate respite. The Authority also considered that if no action was taken there would be increased import penetration and consequent closure of local production facilities which would have substantial and adverse regional and employment effects.

The Government also accepted the Authority's recommendation that quotas be not imposed on terne alloy coated steel sheet, the other product reviewed, as it represented such a small part of the overall market that any consequent assistance would be insignificant.

Total imports of the products subject to restriction have been as follows:

	<u>1975</u> ( '000 tonnes )	<u>1976</u> ( '000 tonnes )	<u>1977</u> ( '000 tonnes )
Hot rolled	7.4	22.1	33.8
Cold rolled	58.6	116.0	125.1
Galvanized	46.6	79.6	97.3
Total	112.6	217.7	256.2

As a result of a major decrease in demand by customer industries, market supplies (import plus domestic product) of steel sheets and plates, to the domestic market, have fallen from 1,159,000 tonnes in 1974 to 839,000 tonnes in 1976, with a further reduction to 753,000 tonnes in 1977.

From 1975 to 1977 imports' share of domestic market supplies increased from 6.1 per cent to 24.9 per cent for hot rolled steel, 25.8 per cent to 40.9 per cent for cold rolled steel, and from 14.7 per cent to 27.4 per cent for galvanized steel.

A further reference will be sent to the Temporary Assistance Authority, if the Government has not received and acted on the forthcoming final report of the Industries Assistance Commission on the iron and steel industry by 1 May 1979.

The Australian Government is prepared to enter into Article XIX consultations with any contracting party having a substantial interest in the export to Australia of the items notified above.

