

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

RESTRICTED

L/5524/Add.15  
19 January 1984

Limited Distribution

---

Original: English/  
French

ARTICLE XIX - ACTION BY THE UNITED STATES

SPECIALTY STEEL

NOTIFICATION OF COMPENSATORY MEASURES  
BY THE EUROPEAN ECONOMIC COMMUNITY

Addendum

The following communication, dated 14 January 1984, has been received from the delegation of the European Communities.

---

Since the entry into force on 20 July 1983 of the safeguard measures imposed by the United States on imports of certain articles of specialty steel (document L/5524 of 20 July 1983), the EEC has had a series of consultations with the United States under Article XIX:2, without any agreement being reached regarding the measures.

In these circumstances, the EEC finds itself obliged to take compensatory measures in pursuance of Article XIX:3(a).

Consequently, in accordance with the procedures laid down by those provisions, the EEC is hereby giving thirty days' notice in writing of its intention to suspend the application of substantially equivalent concessions on trade in certain products originating in the United States. The suspension will take the form of tariff increases, on the one hand, and of import quotas, on the other.

Annexed to the present notification is the list of products affected by this action as well as the relevant implementing modalities. As regards the import quotas, in the years following the first year of their application they will be adjusted to take account, on the one hand, of the annual increase by 3 per cent in the level of United States quotas and, on the other hand, of developments in exchange rates between the ECU and the United States dollar, as well as developments in prices of the products concerned.

The EEC compensatory measures will take effect on 1 March 1984.

It is understood that the EEC will modify or eliminate its compensatory measures in relation with any decision that the United States may take regarding its own action.



Signalling apparatus for the protection against burglary, fire and similar alarms

CCT heading : ex 85.17 B

Trade value 1980/82 average \$ 20.8 mio.

CCT duty rate	1984	5%
(under Tokyo Round staging)	85	4.8
	86	4.6
	87	4.4

Duty increase

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
6.7	5.3	4.0	2.7

Additional duties to be collected (\$ mio)

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4 Total</u>
1.394	1.102	0.832	0.562 3.890

TOTAL A. B. C.

3.703	2.942	2.239	1.536 10.420
-------	-------	-------	--------------

ANNEX 2

COMPENSATORY MEASURES (QUOTAS)

CCT REFERENCE	NIMEXE CODE (84)	DESCRIPTION	IMPORTS	QUOTA LEVEL
			CEE/USA 1982	1/3/84 - 28/2/85
29.01 D II	29.01.71	Styrene	MIO \$ 36.6	MIO ECU 25.6
ex 39.02 C I b	39.02.09 39.02.11 39.02.12	Polyethylene in one of the forms mentioned in note 3 d) to chapter 39, of a thickness : - of 0.10 mm or less, of a density : - of less than 0.94 g/cm <sup>3</sup> - of 0.94 g/cm <sup>3</sup> or more - of more than 0.10 mm	13.0 2.9 3.6	9.1 2.0 2.5
93.04 A	93.04.20 30 41 49 60	Sporting and target shooting guns, rifles and carbines excluding double barrelled smooth bore guns, rifles and carbines	10.5	7.4
ex 97.06 C	97.06.10	Gymnasium and athletic equipment	5.1	3.6
ex 97.06 C	97.06.33- 34	Snow skis	5.5	3.9
			77.2	54.1

Tariff measures

US measures

	Sheet and strip	Plate	Total
Average annual imports from EC 1980/82 (tons)	30.629	5.610	36.239
Average annual imports from EC 1980/82 (\$ mio)	50.097	12.187	62.284
Additional duty (\$ mio)* collection in 1st year	5.097 (10%)	0.975 (8%)	<u>6.072</u>

EC measures

	Methanol	Vinyl acetate	Signalling apparatus	Total
Average annual imports from US 1980/82 (\$ mio)	16.31	19.77	20.8	56.88
Additional duty (\$ mio) collection in 1st year	1.044	1.265	1.394	3.703

Note : the additional duty collected on imports from the EC into the US (of \$ 6.072 mio) was adjusted downwards to \$ 3,703 mio to take account inter alia of exemptions to the regime made by the US authorities for certain products, and to take account of US anti-dumping and countervail duties imposed on certain specialty steel imports from the EC (anti-dumping actions against imports of sheet and strip from France and Germany; a countervail action against imports of plate from the UK).

Quota measures

US measures

	Rod	Bar	Tool Steel	Total
Estimated Annual imports for 1st year of quota regime based on imports from EC 1980/82 \$ (mio).	18.702	13.789	24.091	56.582
Theoretical share of the EEC in the quotas on the basis of the reference period of the US ITC in \$ (mio)	14.350	6.452	10.451	31.25
Difference = EC Trade Loss \$ (mio)	4.352	7.337	13.64	25.29*

\* Note : The amount of the EC trade loss was adjusted downward to take into account exemptions made to the quota regime

EC measures

	<u>\$ (mio)</u>	<u>ECU (mio)</u>
Imports from US in 1982	77.2	78.8
Trade loss deducted	24.2	24.7
Size of EC quotas in first year	53.0	54.1

Note : the amount of trade loss suffered by the EC under the US measures as set out above (\$ 25.3 mio) was further adjusted downwards to \$ 24.2 (or 24.7 M.ECU) to take account of US anti-dumping duties against imports of tool steel from Germany.