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European Union

Trade Policy Monitoring

EU Retaliatory Tariffs for Steel

2003

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Report Highlights:

The EU's implementation of retaliatory tariffs resulting from the WTO ruling against US Steel Safeguard Measures is set for December. Additional duties will be applied to a wide range of commodities, including agricultural products. Additional duties are of 8, 13, 15, or 30 percent.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E2]

The EU will apply retaliatory tariffs next month, resulting from the WTO ruling against the United States and its Steel Safeguard Measures. The products to which the new tariffs are applied are wide-ranging and represent \$2,242 million worth of US exports to the EU, the equivalent of EU steel exports affected by the US steel safeguards. The retaliatory tariffs will not be implemented, however, if the US removes its safeguard measures beforehand.

The Appellate Body (AB) of the WTO confirmed on November 10th its opinion that the US had failed to properly implement and fulfill the basic pre-requisites for implementing safeguard action. Rules state that AB reports should be adopted by the Dispute Settlement Body (DSB) within 30 days of their circulation. Therefore, the AB report may be adopted at the regular meeting of the DSB on December 1st, or at the latest by December 10th, 2003.

EU retaliatory tariffs go into effect on the fifth day after the adoption of the AB report by the DSB, meaning in this case by December 15th at the latest. If the AB report is adopted at the regular meeting of the DSB on December 1st, the EU could put the tariffs into effect on December 6th. However, it is also possible that the report may be adopted earlier if one of the co-complainants requests an earlier DSB meeting.

All US imports of the commodities listed below would face additional duties of 8, 13, 15, or 30%, including those imported under preferential tariffs or within TRQs.

Commodity	CN Code(s)	Additional Duty
Frozen sweet corn	0710 40 00	13%
Dried onions, mushrooms, wood ears, jelly fungi, truffles	0712 20 00	15%
Other dried vegetables*	0712 90 90	13%
Kidney beans, including white pea beans, not used for sowing	0713 33 90	13%
Lentils	0713 40 00	13%
Shelled walnuts	0802 32 00	15%
Guavas, mangoes, mangosteens	0804 50 00	15%
Grapefruit	0805 40 00	15%
Table grapes	0806 10 10	15%
Fresh apples, pears and quinces**	0808 10 90 0808 20 50	15%
Fresh cherries (not sour)	0809 20 95	15%
Rice	1006 20 98 1006 30 98 1006 40 00	8%
Canned sweet corn	2005 80 00	15%
Frozen and unfrozen orange juice and grapefruit juice	2009 11 99 2009 12 00 2009 19 98 2009 21 00 2009 29 99	15%

*Excluding potatoes, sweet corn, tomatoes and carrots

**Excluding cider apples in bulk from September 16th to December 15th, Golden Delicious, and Granny Smith varieties

Source: Annex II to Council Regulation #1031/2002, June 13, 2002.

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