



20 March 2020

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Committee on Safeguards

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

VIET NAM

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

*Supplement*

The following communication, dated 19 March 2020, is being circulated at the request of the delegation of Viet Nam.

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Pursuant to Article 12.1(b) of the WTO Agreement on Safeguards, the Ministry of Industry and Trade of the Socialist Republic of Viet Nam hereinafter referred as "MOIT", hereby notifies that there has been a finding of serious injury or threat thereof caused by increased 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.

**1 PROVIDE EVIDENCE OF SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS**

- 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.

## 2 ADJUSTMENT OF THE DOMESTIC INDUSTRY

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

## 3 PROVIDE 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
<b>Semi-finished products of alloy and non-alloy steel</b>						
<b>Imports (Ton)</b>	1,606,819	672,469	33,915	30,028	25,050	101,486
<b>Trend (%)</b>		- 58.1	-95	-11.5	-	305.1
<b>Ratio of imports to domestic production(%)</b>	28.5	8.6	0.3	0.3	0.5	2.2
<b>Finished products of alloy and non-alloy steel</b>						
<b>Imports (Ton)</b>	1,153,461	693,820	201,479	162,824	76,041	82,588
<b>Trend (%)</b>		- 39.8	-71	-19.2	-	8.6
<b>The ratio of imports to domestic production(%)</b>	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.

## 4 PROVIDE A 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.

## 5 IF THE FINAL MEASURE REPLACES A PROVISIONAL MEASURE, OR IF A FINAL MEASURE IS EXTENDED, PROVIDE A WRITTEN DESCRIPTION OF ANY PART OF THE IMPORTED PRODUCT THAT WILL NO LONGER BE SUBJECT TO THE MEASURE AND THE HARMONIZED SYSTEM NUMBERS UNDER WHICH IT ENTERS AT LEAST AT THE 6-DIGIT LEVEL, AND AT A SUB-NATIONAL LEVEL (E.G., 8-DIGIT, 9-DIGIT, OR 10-DIGIT LEVEL) IF PRACTICABLE

Not applicable

## 6 PROVIDE A PRECISE DESCRIPTION OF PROPOSED MEASURE

The MOIT has not yet proposed measure in response to the MOIT's determination of serious injury or threat thereof. The MOIT is now considering recommendations as to appropriate measures.

## 7 PROVIDE PROPOSED DATE OF INTRODUCTION OF THE MEASURE

See response to item 6 above.

## 8 PROVIDE EXPECTED DURATION OF THE MEASURE

See response to item 6 above.

**9 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**

See response to item 6 above.

**10 IF THE EXPECTED DURATION IS OVER ONE YEAR, PROVIDE EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE MEASURE**

See response to item 6 above.

**11 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**

- i. provide the deadline for interested parties to comment or any other procedures relevant to the decision to apply the measures, and**
- ii. provide information regarding procedures for prior consultation with those Members having a substantial interest as exporters of the product concerned.**

Information regarding the procedures and relevant deadlines with regard to the investigation is contained in the notice of initiation of the extension review.

On 20 January 2020, the investigating authority has conducted a public hearing with interested parties.

The MOIT is open for consultations to Member having a substantial interest as exporters of the product concerned.

Further information and comments should be sent to:

**LEGAL AFFAIRS DIVISION**

**TRADE REMEDIES AUTHORITY OF VIET NAM – MINISTRY OF INDUSTRY AND TRADE**

Address: 25 Ngo Quyen Street, Hoan Kiem District, Hanoi, Viet Nam

Phone: (+84 24) 7303.7898 (ext: 130)

Fax: (+84 24) 7303.7897

Email: pvtn@moit.gov.vn

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