

**NOTIFICATION UNDER ARTICLE 12.1(C) UPON TAKING A DECISION
TO APPLY OR EXTEND A SAFEGUARD MEASURE**

**NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2
OF THE AGREEMENT ON SAFEGUARDS**

EGYPT

Hot Rolled Flat Steel (HRC and/or HRFS)

The following communication, dated and received on 4 April 2026, is being circulated at the request of the delegation of Egypt.

Pursuant to Article 12.1(c) and Footnote 2 to Article 9.1 of the Agreement on Safeguards, the Government of the Arab Republic of Egypt hereby submits this notification regarding taking a decision to apply a definitive safeguard measure on "Hot Rolled Flat Steel (HRC and/or HRFS)" hereinafter referred to as "HRC".

This notification also contains all pertinent information in accordance with Article 12.2 of the Agreement on Safeguards.

Initiation of Investigation

On 22 April 2025, the Investigating Authority (IA) initiated a safeguard investigation concerning increased imports of HRC. The initiation of the investigation was announced in the Official Gazette of Egypt on 27 April 2025.¹

The initiation was also notified in the WTO document [G/SG/N/6/EGY/16](#) circulated on 28 April 2025.

On 10 September 2025, the proposed provisional safeguard measure was notified in the WTO document [G/SG/N/7/EGY/12](#) circulated on 10 September 2025. The decree of imposing the provisional safeguard measure was published in the Official Gazette of Egypt on 11 September 2025.

On 16 February 2026, Egypt notified the WTO Committee on Safeguards, pursuant to Article 12.1(b) of the Agreement on Safeguards, regarding its finding of serious injury or threat thereof caused by increased imports of the products concerned. This notification was officially circulated to Members on 18 February 2026 under document symbols [G/SG/N/8/EGY/11](#) and [G/SG/N/10/EGY/11](#).

Period of Investigation

The period of investigation covered the period from January 2021 to December 2024. The IA examined developments in imports and the condition of the domestic industry over this period in

¹ A copy has been submitted electronically, and is available from the WTO Secretariat. To consult it, please contact Ms Anne Richards of the Rules Division (anne.richards@wto.org).

order to assess the existence of serious injury and the causal link between increased imports and the injury suffered.

Major Proportion

The production share of the Applicants (the domestic industry) accounted for 100% of the total domestic production of the subject goods in 2024. Therefore, it represents a major proportion as required by Article 4.1(c) of the WTO Agreement on Safeguards.

Views and Comments of the Interested Parties

In accordance with Article 3.1 of the WTO Agreement on Safeguards, during the process of investigation, the IA has provided opportunities to all interested parties, to submit their views, evidence, comments, and responses concerning the investigation.

The IA held a public hearing on 30 September 2025. (The invitation to the public hearing was sent to all known parties on 18 September 2025).

1. Provide evidence, citing relevant data and the applicable period of investigation of serious injury or threat thereof caused by increased imports

To determine the existence of serious injury or threat of serious injury caused by increased imports within the meaning of Article 4.1(a) of the Agreement on Safeguards, the IA conducted an objective and quantifiable evaluation of all relevant factors having a bearing on the situation of the domestic industry, including developments in imports, market share, production, capacity utilization, sales, profits, employment, and productivity. The following analyses are based on data provided by the Applicants (the domestic industry), which has been verified by the IA.

A. Evidence of serious injury or threat of serious injury

The economic indicators related to the subject goods in the safeguard investigation are presented in the tables below:

Table 1. National consumption, volume of imports, and market shares

Year	2021	2022	2023	2024
Import Volume(ton)	716,453	1,077,969	1,182,281	1,545,467
Change in import volume	-	50%	10%	31%
Change in domestic market size	-	36%	(10%)	14%
Change in domestic industry share	-	(8%)	(21%)	(21%)
Change in import share	-	11%	22%	15%

Table 2. The applicant's (the domestic industry) indicators of serious injury

Year	2021	2022	2023	2024
Change in sales volume of the domestic industry	-	24%	(28%)	(10%)
Change in Production	-	(13%)	30%	(6%)
Change in Capacity Utilization	-	(13%)	25%	(6%)
change in profits	-	4%	40%	(70%)
Change in employment	-	2%	(5%)	(9%)
Change in productivity	-	(15%)	38%	3%

As shown in Tables 1 and 2, the performance of the domestic industry can be seen as follows

- a. Domestic sales declined significantly in 2023 and 2024 by 28% and 10%, respectively.
- b. The market share of the domestic industry declined significantly during the years 2023 and 2024 by 21% and 21% respectively.
- c. Production decreased by 6% in 2024 compared to 2023, despite the nature of the steel industry, which typically operates on a continuous production basis.

- d. Capacity Utilization declined in 2024 by 6% compared to 2023.
- e. Profits declined sharply in 2024 by 70% compared to 2023.
- f. Employment declined significantly during the years 2023 and 2024 by 5% and 9% respectively.
- g. Productivity declined by 15% in 2022 compared to the previous year, this was followed by a partial recovery, with growth rates of 38% and 3% in 2023 and 2024, respectively.

B. Unforeseen developments

The IA has determined that the surge in imports is attributed to several unforeseen developments, including:

The global steel industry is currently experiencing a significant accumulation of excess production capacities and surpluses, accompanied by a rapid escalation of protectionist measures worldwide. These developments have led to a diversion of trade flows toward less protected markets, including Egypt, which remains among the least protected markets globally for the Product Under Investigation, such as:

1. The United States maintains trade restrictions on steel imports, including tariffs imposed under Section 232 (national security), as well as anti-dumping and countervailing duties on various steel products; for instance, anti-dumping duties on Chinese hot-rolled steel plate products reach 90%.
 2. The United Kingdom, since its exit from the European Union, has mirrored the protection system imposed by the EU by levying protective duties on steel products, including flat steel products, at a rate of 25%.
 3. Turkey, since the beginning of 2023, has raised customs tariffs on hot-rolled steel plates to 13%–15%. Additionally, in October 2024, the Turkish Ministry of Trade imposed massive anti-dumping duties on imports of hot-rolled flat steel from four countries (China, Russian Federation, India, and Japan) at rates ranging from 6.1% to 43.31%.
 4. The European Union has extended safeguard measures on steel products at a rate of 25% and continues to apply tariff-rate quotas restricting imports. In addition, the EU has imposed anti-dumping duties on imports of hot-rolled flat steel from several countries, including Egypt, which has significantly restricted access to the European market. As a result, exporters have increasingly redirected their exports toward alternative markets, particularly less protected markets such as Egypt. Furthermore, anti-dumping measures are also applied to imports originating from other countries, including Turkey and additional exporting countries, which further reinforces the diversion of trade flows toward open markets.
 5. South Africa imposed safeguard measures on several steel products, including hot-rolled steel plates, thereby restricting access to its domestic market and contributing to the redirection of exports toward alternative markets, including less protected markets such as Egypt.
 6. Several Latin American countries have imposed safeguard measures on steel imports, including hot-rolled steel products. For instance, Mexico imposed safeguard duties on steel imports, while Brazil applied quota-based restrictions on imports of hot-rolled steel products.
- These measures have restricted access to these markets and contributed to the redirection of exports toward alternative markets, particularly less protected markets such as Egypt.
7. Thailand has imposed anti-dumping duties on imports of hot-rolled steel plates from several countries, including Egypt and Viet Nam, thereby restricting access to its domestic market. These measures have contributed to the diversion of exports toward alternative markets, particularly less protected markets such as Egypt.
 8. Domestic demand in the Chinese steel market has declined significantly due to the slowdown in the real estate sector. This has resulted in excess production capacity, prompting Chinese steel

producers to increase exports to international markets and contributing to the diversion of trade flows toward less protected markets, including Egypt.

There is no doubt that these developments have significantly reshaped global steel trade. The accumulation of substantial excess capacity worldwide has placed continuous pressure on producers, driving them to increase exports at competitive prices in order to offload surplus production.

In this context, exports have increasingly been directed toward open and less protected markets. Egypt, in particular, has become a natural destination for such exports, given its relatively low tariff levels of (approximately 5%), compared to significantly higher duties in many other countries, growing domestic demand driven by infrastructure expansion, and its geographical proximity to major exporting regions.

Furthermore, the flexibility of global trade flows has enabled exporters to redirect shipments from more restrictive markets to more accessible ones, including Egypt. This is evidenced by the continued inflow of imports into the Egyptian market even during the investigation period.

Accordingly, and pursuant to Article XIX of GATT 1994, the Investigating Authority concluded that the aforementioned unforeseen developments have resulted in a sudden, sharp, and significant increase in imports of the Product Under Investigation.

C. Other factors that may contribute to serious injury

To ensure compliance with Article 4.2(b) of the Agreement on Safeguards, the Investigating Authority (IA) examined all other known factors that may have contributed to the serious injury suffered by the domestic industry. Each factor was examined both individually and collectively as follows:

a. Demand contraction: The IA concluded that there was an increase in market size during the period of investigation. Therefore, demand contraction was not a cause of the serious injury suffered by the domestic industry.

b. Export performance of the domestic industry: The IA found that the export performance of the domestic industry increased during the period of investigation. However, this increase was not the result of improved competitiveness, but rather a consequence of the surge in imports and the resulting decline in domestic sales and market share.

The domestic industry was therefore forced to redirect a portion of its production toward exports as a distress mechanism to compensate for the decline in domestic demand and to maintain production levels.

Accordingly, export performance cannot be considered a cause of the serious injury suffered by the domestic industry.

c. Competition: The IA found that the domestic industry accounts for the entirety of domestic production of the Product Under Investigation. Therefore, there is no competition among domestic producers that could have adversely affected its condition. Accordingly, competition within the domestic market was not a cause of the serious injury suffered by the domestic industry.

d. Restrictive business practices: The IA found no evidence of restrictive trade practices related to the Product Under Investigation. Therefore, restrictive trade practices were not a cause of the serious injury suffered by the domestic industry.

e. Changes in consumption patterns: The IA found no changes in consumption patterns related to the Product Under Investigation. Therefore, this factor was not a cause of the serious injury suffered by the domestic industry.

f. Technological developments: Information verified through verification visits and questionnaire responses confirmed that the domestic industry utilizes state-of-the-art technology, including environmentally sustainable production initiatives such as "Green Steel".

Accordingly, technological developments were not a cause of the serious injury suffered by the domestic industry.

g. The impact of exchange rate fluctuations and energy costs on production costs:

The IA found that exchange rate fluctuations led to increases in manufacturing costs during the investigation period. However, the increase in exchange rates generally exceeded the increase in unit production costs, indicating that the domestic industry was able to absorb a significant portion of these cost pressures.

Furthermore, the domestic industry managed these effects through operational adjustments, including partial reliance on export revenues to secure foreign currency required for the import of production inputs.

In addition, although energy prices increased during the investigation period, the share of energy costs in total manufacturing costs did not rise proportionally, indicating that energy costs did not exert a significant burden on overall production costs.

Accordingly, the IA concluded that exchange rate fluctuations and energy costs were not a cause of the serious injury suffered by the domestic industry.

h. A temporary technical malfunction in a power transformer at a domestic producer: In late November 2024, a power transformer associated with the second melting furnace at Ezz Flat Steel (Ain Sokhna) experienced a temporary technical failure. This furnace is designated for long products and is separate from the furnace used for flat steel production, which remained fully operational and unaffected.

The malfunction was promptly addressed through the replacement of the transformer with a spare unit sourced from Ezz Dekheila Steel Company. This is evidenced by the continued production of the Product Under Investigation at the Ain Sokhna plant during November and December 2024.

In addition, the domestic industry maintained a sufficient level of inventory at the end of 2024, amounting to approximately 8% of total annual production, which further mitigated any potential impact.

Accordingly, the IA concluded that this incident was temporary, limited in scope, and did not constitute a cause of the serious injury suffered by the domestic industry.

D. Causal link

The IA examined all relevant factors affecting the situation of the domestic industry, as required under Articles 4.2(a) and (b) of the Agreement on Safeguards.

Based on the objective and quantifiable evidence on record, the Authority determined that the significant increase in imports, in both absolute and relative terms, coincided with a deterioration in key injury indicators of the domestic industry, including production, sales, capacity utilization, employment, and profitability.

This temporal correlation, together with the absence of injury attributable to other known factors, demonstrates the existence of a causal link between the increased imports and the serious injury suffered by the domestic industry.

Consequently, the Authority concluded that the serious injury suffered by the domestic industry was caused by the increased imports of the subject goods.

In particular:

a. Imports increased significantly in absolute terms, with a year-to-year growth rate of 31% in 2024.

- b. Imports also increased significantly relative to domestic production, reaching 40% in 2024 compared to 2023.
- c. The market share of imports increased substantially during the period of investigation.
- d. While domestic consumption increased, the market share of the domestic industry declined by 21% in 2024 compared to 2023; and
- e. The decline in production, domestic sales volume, capacity utilization, employment, and profitability coincided with the significant increase in imports.

The IA clearly distinguished between the effects of increased imports and other factors. In accordance with Article 4.2(b) of the Agreement on Safeguards, the IA concludes that the serious injury suffered by the domestic industry is attributable to the surge in imports of the Product Under Investigation, while the effects of other factors, if any, are limited and do not break the causal link between the increased imports and the serious injury suffered by the domestic industry.

2. Provide information on whether there is an absolute increase in imports or an increase in imports relative to domestic production (please see also Article 2.1 for the context)

- A. Increase in imports in absolute terms

Table 3. Volume of Imports

Year	2021	2022	2023	2024
Volume of Imports (ton)	716,453	1,077,969	1,182,281	1,545,467
change (%)	-	50%	10%	31%

- B. Relative increase in imports to total domestic production

Table 4. Volume of imports, national production, and relative to total domestic production

Year	2021	2022	2023	2024
Imports as % of Domestic Production	-	73%	(16%)	40%

The evidence demonstrates a recent, sudden, sharp, and significant increase in imports, both in absolute terms and relative to domestic production.

3. Provide the precise description of the product involved

Hot Rolled Flat Steel (HRC and/or HRFS)

HS code(s): 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.51, 7208.52, 7208.53, 7208.54, 7208.90, 7211.14, 7211.19, 7225.30, 7225.40, 7226.91, 7226.990010.

This HS code is given for information purposes.

HS code(s): 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.51, 7208.52, 7208.53, 7208.54, 7208.90, 7211.14, 7211.19, 7225.30, 7225.40, 7226.91, 7226.990010

4. If the final measure replaces a provisional measure, or if a final measure is extended, a Member is encouraged to 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 a 6-digit level, and at a sub-national level (e.g., 8-digit, 9-digit or 10-digit level) if practicable

5. Provide precise description of the proposed measure

Tariff Increase – *Ad valorem*

The definitive measure takes the form of an *ad valorem* tariff increase combined with a minimum specific duty.

The measure is considered necessary and proportionate within the meaning of Article 5.1 of the Agreement on Safeguards, as it is limited to the extent required to prevent and remedy serious injury and to facilitate the adjustment of the domestic industry.

The measure will be applied on a non-discriminatory basis to imports of the product concerned from all sources.

The definitive measure will be applied and will be progressively liberalized as follows:

Period	From 2.4.2026 To 13.9.2026	From 14.9.2026 To 13.9.2027	From 14.9.2027 To 13.9.2028
<i>Ad valorem</i> rate (% of CIF)	13.6%	13.5%	13.4%
Minimum specific duty (USD/ton)	76	75	74

In accordance with Article 7.1 of the Agreement on Safeguards, the period of application of the provisional safeguard measure shall be counted towards the total duration of the definitive safeguard measure.

The safeguard measure shall not apply to the following products

Hot Rolled Flat Steel Sheets Products with a thickness exceeding 20 mm and a width exceeding 1600 mm.

Hot Rolled Steel Coils or Sheets It contains carbon content $\leq 0.02\%$ FOR ENAMELING(ED)/IF steel

Pursuant to Article 9.1 of the Agreement on Safeguards, developing country Members whose individual share of imports of the product concerned does not exceed 3% shall be excluded from the application of the measure, provided that the collective share of such developing country Members does not exceed 9% of total imports.

6. Provide proposed date of introduction of the measure

2 April 2026

7. Provide expected duration of the measure

13 September 2028

8. If the expected duration is over one year, provide expected timetable for progressive liberalization of the measure

As set out in section 5, The IA considers that the most appropriate way to liberalise the measure is to decrease the level of the *ad valorem* tariff increase and the minimum specific duty after each year. The first liberalisation will take place on 14 September 2026, with the second liberalisation taking place on 14 September 2027.

9. Members are encouraged to provide the following information

Additional information

Members are encouraged to attach, in an electronic form, publicly available document(s) containing the relevant decision(s) made by the competent authority. This document may be in the original language of the Member, even when the language is not one of the official languages of the WTO. The document will neither be translated nor circulated to the Committee, but will be made available by the Secretariat to Members requesting it.

The contact details for correspondence are as follows:

Ministry of Investment and Foreign Trade.

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