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Committee on Safeguards

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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

Cold Rolled Coil (CRC), Galvanized Steel (HDG/GI), Pre-painted Steel (PPGI)

Supplement

The following communication, dated and received on 3 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[1] to apply a definitive safeguard measure on certain flat steel products, namely Cold Rolled Coil (CRC), Galvanized Steel (HDG/GI), and Pre-painted Steel (PPGI) (hereinafter referred to as the "product concerned").

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

Initiation of Investigation

On 10 September 2025, the Investigating Authority (IA) initiated a safeguard investigation concerning imports of the product concerned. The initiation was published in the Official Gazette of Egypt on 11 September 2025.

The initiation of the investigation and the imposition of the provisional safeguard measure were duly notified to the WTO in document G/SG/N/6/EGY/17 – G/SG/N/7/EGY/13 – G/SG/N/11/EGY/13, circulated on 10 September 2025.

On 2 March 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 3 March 2026 under document symbols G/SG/N/8/EGY/12 - G/SG/N/10/EGY/12.

Period of Investigation

The period of investigation (POI) covered the years 2022, 2023, and 2024. The IA examined developments in imports and the condition of the domestic industry over this period in order to

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[1] A copy of the Final Report relating to investigation 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).

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 69%, 100%, and 83% of the total domestic production of Cold Rolled Coil (CRC), Galvanized Steel (HDG/GI), and Pre-painted Steel (PPGI), respectively, in 2024. Therefore, the Applicants represent a major proportion of the total domestic production within the meaning of 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 Agreement on Safeguards, the IA provided all interested parties with full opportunity to present evidence, views, and comments. A public hearing was held on 4 January 2026. Invitations were sent to all known interested parties on 23 December 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 table below:

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

Year	2022	2023	2024
Import volume (ton)	334214	505071	621471
Index of import volume	100%	151%	186%
Index of national market size	100%	106%	126%
Index of domestic industry share	100%	58%	56%
Index of other domestic producers share	100%	85%	64%
Index of import share	100%	143%	147%

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

Year	2022	2023	2024
Index of sales volume of the domestic industry	100%	61%	70%
Index of production	100%	90%	102%
Index of Capacity utilization	100%	90%	98%
Index of profits	100%	130%	(179)%
Index of employment	100%	104%	112%
Index of productivity	100%	86%	91%

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

a. Domestic sales volume declined steadily and significantly during the years 2023 and 2024 by 39% and 30%, respectively compared to 2022.

b. The market share of the domestic industry declined steadily and significantly during the years 2023 and 2024 by 42% and 44%, respectively compared to 2022.
c. Production decreased by 10% in 2023 compared to 2022, and increased by 2% in 2024 compared to 2022.
d. Capacity utilization declined in 2023 by 10% compared to 2022 and 2% in 2024 compared to 2022.
e. Profits increased by 30% in 2023 compared to 2022, while in 2024, profits turned into losses, reflecting the adverse impact of increased imports volumes during the same period, which indicates the serious injury suffered by the domestic industry.
f. Employment increased by 4% and 12% during 2023 and 2024, respectively, compared to 2022.
g. Productivity declined in 2023 by 14% compared to 2022 and 9% in 2024 compared to 2022.

B. Unforeseen developments

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

The substantial increase in global steel production capacity and output, particularly in flat steel products such as cold-rolled, galvanized, and pre-painted steel, has resulted in the existence of a significant global surplus that threatens international markets. According to the OECD Steel Outlook 2026, global steel demand reached approximately 1,870 million tons, while global production capacity reached 2,472 million tons, resulting in a surplus of approximately 602 million tons. This surplus is increasingly directed toward markets with low tariff protection and those that do not apply trade remedies, including Egypt, thereby causing serious injury to the domestic industry.

Escalation of International Protectionism: Protectionist policies by major importers (EU, USA, Türkiye, Mexico, Viet Nam, and Indonesia) have caused significant trade diversion. For instance, the EU extended its safeguards until June 2026, and the UK until June 2026. Additionally, anti-dumping duties, such as Viet Nam's measures against Chinese cold-rolled steel (extended to 2026), have forced global trade flows toward less protected markets like Egypt.

Latin American Safeguards: In August 2023, Mexico imposed 25% safeguard duties (valid until July 2025). Similarly, Brazil introduced import quotas for one year, where tariffs surge to 25% (up from 9-11%) upon exceeding the specified limits.

Impact of CBAM: The EU's upcoming Carbon Border Adjustment Mechanism (CBAM) in 2026 will redirect the concerned products toward unprotected markets. Egypt is a primary target due to its sustained growth in steel demand for infrastructure projects and its geographical proximity to major Eastern European producers, with shipping times of only 3 to 5 days.

Pursuant to Article XIX of GATT 1994, the IA concluded that these unforeseen developments resulted in a sudden, sharp, and significant increase in imports of the product under investigation. These increased import volumes would not have entered the Egyptian market at such levels absent Egypt's tariff commitments under GATT 1994, which maintained relatively low and stable tariff rates, while other major markets imposed restrictive trade measures. Consequently, the Egyptian market became a natural outlet for global surplus production, adversely affecting all key indicators of the domestic industry.

C. Other factors that may contribute to serious injury

In accordance with Article 4.2(b) of the Agreement on Safeguards, the IA examined all other known factors that may have contributed to injury to the domestic industry. Each factor was examined separately and in combination, including:

a. Demand contraction: During the period of investigation, the apparent market size increased by 6% and 26% during 2023 and 2024, respectively, compared to 2022, demonstrating a continuous expansion in domestic demand. This sustained upward trend confirms that no contraction in demand occurred during the relevant period. Accordingly, the IA determined that demand contraction did not constitute a cause of the serious injury suffered by the domestic industry.

b. Export performance of the domestic industry: The export sales index increased from 100 in 2022 to 144 in 2023 and 153 in 2024, reflecting significant improvements of 44% and 53% in 2023 and 2024, respectively, compared with the base year. These positive developments in export performance indicate that the domestic industry maintained and expanded its presence in external markets. Therefore, the IA concluded that export performance did not contribute to the serious injury experienced by the domestic industry.
c. Competition: Evidence on the record shows that the complaining domestic industry accounts for the predominant share of total domestic production, and no indication was found that internal competition among domestic producers adversely affected its condition. In light of the absence of injurious competitive pressure within the domestic market, the IA concluded that competition among domestic producers was not a cause of serious injury.
d. Restrictive Trade practices: The investigation did not reveal the existence of any restrictive trade practices affecting the domestic industry during the period of investigation. Given the absence of such practices and their potential effects, the IA determined that restrictive trade practices did not cause serious injury to the domestic industry.
e. Technological developments: Information verified through on site visits and questionnaire responses confirmed that the technology utilized by the domestic industry is capable of producing most product types required in the domestic market. A limited number of specialized products requiring different technical specifications and technologies represent less than 5% of total domestic demand and were initially excluded from the scope of analysis. On this basis, the IA concluded that technological developments were not responsible for the serious injury suffered by the domestic industry.
f. The impact of exchange-rate fluctuations and impact of increased energy costs: Exchange rate movements affected production costs; nevertheless, the domestic industry mitigated a substantial portion of this impact through the availability of foreign currency earnings generated from export activities, enabling it to absorb part of the exchange rate related cost increases and preserve competitiveness. Consequently, the IA found that exchange rate fluctuations may have contributed to a limited extent but did not constitute a principal cause of serious injury.

   Energy constitutes an essential input across all stages of production and increases in energy prices may raise operating expenses and per ton production costs. However, verified data demonstrated that energy costs account for approximately 3% of total production costs, whereas hot rolled steel inputs represent about 90% of total costs. In view of the relatively limited share of energy within the overall cost structure, the IA determined that rising energy costs were not a cause of serious injury.

g. Financial Structure of the Domestic Industry: The domestic industry relies on credit facilities to finance working capital, which resulted in increased financing costs and, consequently, higher production costs. Such financing arrangements are common within the steel industry, and the industry applies opportunity cost principles in evaluating the use of financial resources. Based on the evidence available, the IA concluded that the financial structure may have contributed marginally to the injury situation but does not represent a primary or determining cause of serious injury.

The IA determined, on the basis of objective evidence and reasoned analysis, that none of the above factors, whether considered individually or collectively, constitute the principal cause of serious injury. Furthermore, any limited contribution from certain factors, such as exchange rate fluctuations or financial structure, does not break the causal link between increased imports and 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 objective evidence.

Based on the evidence on record, the Authority found that the increase in imports, in both absolute and relative terms, coincided with a deterioration in key injury indicators of the domestic industry, including sales, market share, capacity utilization, and profitability.

This evidence, together with the findings that injury caused by other known factors was not significant, indicates the existence of a causal link between the increased imports and the serious injury suffered by the domestic industry.

Accordingly, the Authority concluded that the serious injury suffered by the domestic industry was caused by increased imports of the product under investigation, within the meaning of Article 4 of the Agreement on Safeguards.

In particular:

a. Imports increased significantly in absolute terms by 51% in 2023 and 86% in 2024 compared to 2022.
b. Imports also increased significantly relative to domestic production, reaching 68% in 2023 and 84% in 2024 compared to 2022.
c. The market share of imports increased substantially during the period of investigation.
d. Despite an increase in domestic consumption, the market share of the domestic industry declined significantly, by 42% in 2023 and 44% in 2024 compared to 2022.
e. The decline in domestic sales, capacity utilization, productivity, and profitability occurred alongside the increase in imports.

The IA concluded, based on the foregoing analysis, that there is a clear and direct causal link between the increase in 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	2022	2023	2024
Volume of Imports (ton)	334214	505071	621471
Index (%)	100%	151%	186%

B. Relative increase in imports to total domestic production

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

Year	2022	2023	2024
Imports as % of Domestic Production (Index%)	100%	168%	184%

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

Cold Rolled Coil (CRC), Galvanized Steel (HDG/GI), Pre-painted Steel (PPGI)

HS code(s): 720915, 720916, 720917, 720918, 720925, 720926, 720927, 720928, 720990, 721123, 721129, 721190, 722692, 721041, 721049, 721230, 721250, 722592, 7226990020, 721070, 721090, 721240, 721260, 722599.

This HS code is given for information purposes.

HS code(s): 720915, 720916, 720917, 720918, 720925, 720926, 720927, 720928, 720990, 721123, 721129, 721190, 722692, 721041, 721049, 721230, 721250, 722592, 722699, 721070, 721090, 721240, 721260, 7226990020.

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

The definitive safeguard measure will replace the provisional safeguard measure. While the structure of the measure remains the same, the level of duty and minimum amounts differ from those applied under the provisional measure.

5. Provide precise description of the proposed measure

Tariff Increase - *Ad valorem*

The definitive measure consists 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:

Product Name	**HS Code**	**From 2.4.2026 To 13.9.2026**	**From 14.9.2026 To 13.9.2027**	**From 14.9.2027 To 13.9.2028**
Cold Rolled Coil (CRC)	720915 720916 720917 720918 720925 720926 720927 720928 720990 721123 721129 721190 722692	13.7% of CIF value (minimum amount 83 USD/ton)	13% of CIF value (minimum amount 79 USD/ton)	12.5% of CIF value (minimum amount 76 USD/ton)
Galvanized Steel (HDG/GI)	721041 721049 721230 721250 7225927226990020	14% of CIF value (minimum amount 93 USD/ton)	13.5% of CIF value (minimum amount 90 USD/ton)	13% of CIF value (minimum amount 86 USD/ton)
Pre-painted Steel (PPGI)	721070 721090 721240 721260 722599	14.5% of CIF value (minimum amount 122 USD/ton)	14% of CIF value (minimum amount 118 USD/ton)	13.5% of CIF value (minimum amount 114 USD/ton)

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 following products are excluded from the scope of the definitive safeguard measures:

Galvanized steel coated with an anti-bacterial protective coating.

Galvanized steel coated with plastics PET, VCM.

Galvanized steel coated with a Plastisol layer, being a type of coating with a thickness of 200 microns or more.

Steel coated with an aluminum–silicon alloy 90% aluminum and 10% silicon.

Steel coated with a zinc–aluminum–magnesium alloy, provided that the total aluminum and magnesium content ranges from 1.5% to 8%, with magnesium not less than 0.2%, and the remainder zinc; and provided that the coating weight on both sides is not less than 180 g/m².

Full hard cold-rolled steel coils (CRC), being cold-rolled steel not subjected to annealing, with a minimum tensile strength of 550 MPa and a minimum hardness of 85 HRB (Rockwell B scale).

Cold-rolled steel sheets with special dimensions of 1750 × 1750 × 0.7 mm.

Galvanized steel with a zinc coating weight of 450 g/m² or 600 g/m².

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

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