WORLD TRADE ORGANIZATION

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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

Semi-finished products of iron or non-alloy steel (billets)

Supplement

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[1] to apply a definitive safeguard measure on "semi-finished products of iron or non-alloy steel (billets)" hereinafter referred to as "billets".

This notification also contains all pertinent 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/18 - G/SG/N/7/EGY/14 - G/SG/N/11/EGY/14 circulated on 10 September 2025.

On 10 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 12 March 2026 under document symbols G/SG/N/8/EGY/13 - G/SG/N/10/EGY/13.

Period of Investigation

The period of investigation (POI) covered the years 2021, 2022, 2023 and 2024. The IA examined developments in imports and the condition of the domestic industry over this period in order to

[1] A copy of the Final Report relating to this 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 80.7% 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 Agreement on Safeguards, the IA provided interested parties with a full opportunity to present evidence, views, and comments. A public hearing was held on 9 December 2025. Invitations were sent to all known interested parties on 23 November 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	2021	2022	2023	2024
Import volume (ton)	127,759	949,805	812,254	1,677,696
Change in import volume	-	643%	(14)%	107%
Change in national market size	-	17%	(18)%	91%
Change in domestic industry share	-	(99)%	191%	(59)%
Change in other domestic producers share	-	(73)%	(30)%	(66)%
Change in import share	-	537%	4%	8%

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

Year	2021	2022	2023	2024
Change in sales volume of the domestic industry	-	(99)%	139%	(22)%
Change in Production	-	4%	0%	(1)%
Change in Capacity utilization	-	1%	(14)%	(3)%
change in profits	-	447%	156%	(56)%
Change in employment	-	3%	1%	4%
Change in productivity per labour	-	0%	(2)%	(3)%

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

a. Domestic sales volume declined steadily and significantly during the years 2022 and 2024 by 99% and 22%, respectively.
b. The market share of the domestic industry declined steadily and significantly during the years 2022 and 2024 by 99% and 59%, respectively.
c. Production decreased by 1% in 2024 compared to 2023, considering the continuous nature of steel production.
d. Capacity utilization declined steadily and significantly during the years 2023 and 2024 by 14% and 3% respectively.
e. Profits declined sharply in 2024 by 56% compared to 2023.
f. Employment increased by 3%, 1% and 4% during 2022, 2023 and 2024, respectively.

g. Productivity per labour declined steadily in the years 2023 and 2024 by 2% and 3% respectively.

B. Unforeseen developments

The global steel industry is currently witnessing a significant accumulation of excess production capacities and surpluses. This has led to a diversion of trade flows toward Egypt, which is considered one of the least protected markets globally. This situation is compounded by the rapid escalation of protectionist policies and measures concerning various steel products, including Product Under Investigation, as detailed below:

1. The United States of America:

- Imposes tariffs on all steel imports under Section 232 (National Security) at varying rates, with limited exceptions for a few countries.

- Imposes Anti-Dumping (AD) and Countervailing Duties (CVD) on numerous steel products.

- Ranked as one of the largest steel importers in 2025, with total steel imports reaching 25.33 million metric tons, including 6.62 million tons of billets, according to the American Iron and Steel Institute (AISI).

2. The European Union:

- Extended the safeguard measures, originally imposed in 2018 at a rate of 25% on various steel products, while incorporating imports from Egypt into the quota system.

3. Viet Nam:

- Imposed safeguard measures on steel products for a period of 3 years, with progressive rates starting at 15.4% and liberalizing down to 6.1%.

4. Pakistan:

- Imposed Anti-Dumping duties of 24% on China (a sunset review was initiated on 20 June 2025), in addition to standard customs duties of 11%.

5. China (The World's Largest Steel Producer):

- The real estate crisis has forced Chinese steel producers to offload surplus production globally. The growth rate declined to 4.5% in 2025 compared to 8.4% in 2021, resulting in a massive accumulation of idle production capacities.

- Several countries have adopted protective measures against Chinese steel exports. The escalating trade war between China and the U.S. has further impacted global growth rates, increased global capacity, and intensified the industry's surplus.

6. The United Kingdom:

- In June 2025, the UK tightened its protection on steel imports through a quota system to shield domestic producers from import surges resulting from global overcapacity.

The aforementioned factors have collectively led to a trade diversion toward other countries, including Egypt. Exporters have shifted focus toward exporting the product under investigation (billets) rather than finished steel products to circumvent the anti-dumping duties imposed on rebar imports in Egypt. Since billets constitute a semi-finished product representing approximately 85% of the rebar's value and given the absence of customs duties or protective measures in the Egyptian market for this specific product, Egypt has become a "safe haven" for these global capacities and exports.

Pursuant to Article XIX of the GATT 1994, the IA has concluded that the "Unforeseen Developments" described above have led to a significant, sudden, sharp, and recent increase in imports of the product under investigation. These surges would not have occurred on such a massive scale were it not for Egypt's tariff commitments under GATT 1994, which maintained low and stable tariffs on the subject product. While major global markets closed their doors through safeguard and anti-dumping measures, the Egyptian market remained a natural outlet for global surpluses, adversely affecting most domestic industry indicators.

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: there were fluctuations in the market size over the period of investigation. Following an increase of 17% in 2022, the market contracted by 18% in 2023, before expanding significantly by 91% in 2024.

   This substantial growth in 2024 was primarily driven by the surge in imports. However, the domestic industry did not benefit from this expansion, as evidenced by the decline in its sales and market share during the same 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 domestic industry did not export any quantities during the POI. Accordingly, the IA concluded that the export performance was not a cause of serious injury.

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 IA found no evidence of restrictive trade practices related to the Product Under Investigation.

   The IA concluded that the restrictive trade practices were not causes of the serious injury.

e. Technological Developments: Information verified through verification visits and questionnaire responses confirmed that the domestic industry utilizes state-of-the-art technology, including advanced steel grades (e.g., B500DWR) and environmentally sustainable production initiatives such as "Green Steel".

   The IA concluded that technological developments were not a cause of serious injury.

f. Impact of Exchange Rate Fluctuations and Energy Costs:

Table 3. Manufacturing costs

Year	2021	2022	2023	2024
Change in Manufacturing Cost %	-	(4)	88	30

Table 4. Energy costs

Year	2021	2022	2023	2024
Change in exchange rates (USD/EGP) %	-	23	59	48

(Source: CBE)

The IA evaluated manufacturing costs and energy costs and concluded that, over the period (2024 compared to 2021), the increase in exchange rates (USD/EGP) exceeded the increase in the total unit production costs. This indicates that the domestic industry was able to absorb a significant portion of the inflationary pressures.

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

g. Financing Costs and Large Debts: The IA isolated financing burdens by analysing Gross Profit instead of Net Profit to assess operational performance.

A sharp decline in the gross profit was observed in 2024 due to high unit production costs relative to revenue.

The IA concluded that Financing costs did not constitute a cause of serious injury.

Overall, the IA distinguished between the effects of increased imports and other factors. In accordance with Article 4.2(b), the IA concludes that the serious injury suffered by the domestic industry is primarily attributable to the surge in imports, while the effects of other factors, if any, are limited and have not broken the causal link.

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 IA 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 IA 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 643% in 2022 and 107% in 2024 compared to 2022.
b. Imports also increased significantly relative to domestic production, reaching 640% in 2022 and 106% in 2024.
c. Domestic sales volume declined steadily and significantly during the years 2022 and 2024 by 99% and 22%, respectively.
d. The market share of the domestic industry declined steadily and significantly during the years 2022 and 2024 by 99% and 59%, respectively.
e. Production decreased by 1% in 2024 compared to 2023, considering the continuous nature of steel production.
f. Capacity utilization declined steadily and significantly during the years 2023 and 2024 by 14% and 3% respectively.
g. Profits declined sharply in 2024 by 56% compared to 2023.

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 5. Volume of Imports

Year	2021	2022	2023	2024
Volume of Imports (ton)	127,759	949,805	812,254	1,677,696
Change (%)	-	643%	(14)%	107%

B. Relative increase in imports to total domestic production

Table 6. Volume of imports, national production, and relative to total domestic production

Year	2021	2022	2023	2024
Imports as % of Domestic Production	-	640%	(9)%	106%

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

Semi-finished products of iron or non-alloy steel (billets)

The subject goods are semi-finished products of iron or non-alloy steel (Billets), classified under HS code 72 07 of the Harmonized Customs Tariff.

This HS code is given for information purposes.

HS code(s): 72 07

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 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:

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
Ad valorem rate (% of CIF)	13.12%	12%	11%
Minimum specific duty (USD/ton)	70	64	59

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.

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. 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.

9. 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.

10. 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:
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