

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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Committee on Subsidies
and Countervailing Measures

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UNITED STATES - IMPOSITION OF PROVISIONAL COUNTERVAILING
MEASURES ON IMPORTS OF CUT-TO-LENGTH STEEL PLATE AND
CORROSION RESISTANT STEEL PLATE FROM SWEDEN

Request for Consultations with the United States
under Article 3:2 of the Agreement

Communication from Sweden

The following communication, dated 2 April 1993, has been received by the Chairman from the Permanent Mission of Sweden, with the request that it be circulated to the Signatories.

In accordance with Article 3:2 of the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade, the Government of Sweden requests consultations with the United States concerning provisional countervailing measures against imports of cut-to-length steel plate and corrosion-resistant steel plate from Sweden.

The Government of Sweden requests that the consultations be held in Geneva in connection with the upcoming meeting of the Subsidies Committee in late April.

Through the consultations, the Government of Sweden is seeking clarification regarding the compatibility of the US measure with respect to relevant provisions of the Subsidies Code. In particular, the Government of Sweden would, at this stage, wish to take up the following issues:

1. The margin of the Countervailing Duties

The Government of Sweden would like to have an explanation why certain generally available subsidies have been countervailed.

The Government of Sweden questions the US methodology to treat as injurious, subsidies which, as in this case, were granted almost fifteen years ago, and how this complies with the Subsidies Code.

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The Government of Sweden would like to have clarifications regarding the treatment of equity infusions prior to privatization and how this complies with the Subsidies Code.

2. Injury

As provided for in Article 2 of the Subsidies Code, there must be sufficient evidence of injury in order to impose provisional measures.

In this case, the volume of imports from Sweden has not increased, either in absolute or in relative terms during the period of investigation. The price-level of Swedish imports has also been at, or above, the price-level of the US market. In addition, the market share of Swedish imports is minimal and thus, the injurious effect is negligible.

In this context, the Government of Sweden questions how imports of cut-to-length steel plate can be regarded as injurious today, when the same products were found not to be injurious in a countervailing investigation in 1985 when, according to the US determination, the margin of subsidization was higher at the time.

The Government of Sweden reserves its rights to raise any other aspect of this case at a later stage.