

"Official Gazette of the Republic of Serbia", No. 92/20

According to the Article 34 of the Law on Foreign Trade Transactions ("Official Gazette of the Republic of Serbia" Nos. 36/09, 36/11 - other law, 88/11 and 89/15 - other law), Article 7 of the Regulation on Detailed Conditions for Implementation of Safeguard Measures ("Official Gazette of the Republic of Serbia" No. 112/09) and Article 43, paragraph 1 of the Law on Government ("Official Gazette of the Republic of Serbia", Nos. 55/05, 71/05 - Corrigendum, 101/07, 65/08, 16/11, 68/12 – CC, 72/12, 7/14 - CC, 44/14 and 30/18 – other law),

The Government has adopted as follows

DECISION
ON THE INITIATION OF A SAFEGUARD INVESTIGATION CONCERNING IMPORTS OF
REBARS

1. This decision initiates the Safeguard investigation procedure in relation to increased imports of ribbed concrete steel in bars (hereinafter: rebars), upon the request of the domestic legal entity Metalfer Steel Mill doo, Sremska Mitrovica, and in accordance with the Article 7 of the Regulation on Detailed Conditions for Implementation of Safeguard Measures (hereinafter: Regulation).

2. The product subject to this investigation is ribbed concrete steel in bars - rebars (hereinafter: the product concerned), currently classified within CN code 7214 20 00 00, in accordance with the Regulation on the Harmonization of the Customs Tariff Nomenclature for 2020 ("Official Gazette of the Republic of Serbia" Nos. 85/19, 13/20 and 76/20), which meets the requirements prescribed by the Regulation of the Technical and Other Requirements for Steel for Concrete Reinforcement ("Official Gazette of the Republic of Serbia" Nos. 35/15 and 44/16).

The domestic industry has provided sufficient evidence to the Ministry of Trade, Tourism and Telecommunications (hereinafter: the Ministry), that imports of the product concerned into the Republic of Serbia are rapidly increasing both in absolute terms, and relative to domestic production, which may present a threat of serious injury to the domestic industry. Other relevant evidence in accordance with the Article 6 of the Regulation has been provided as well.

Imports of the product concerned, referred to in paragraph 1 hereof, has increased due to unforeseen circumstances, in particular due to trade measures that have been continuously adopted by a large number of countries lately, which further creates the threat of trade diversion to the Republic of Serbia, as an alternative market.

The product concerned was imported mostly from Bosnia and Herzegovina and the Republic of Greece by a large number of importers, but in 2018 and 2019 there was a sharp increase in imports from the Republic of Belarus, as well as from the Republic of Turkey.

In the period 2015-2019, imports were increasing continuously and imports in absolute terms increased by 46.88% in 2019 compared to 2015. Sharp and sudden increase was recorded in imports in absolute terms particularly from the Republic of Belarus, by 780.35% in 2019 compared to 2016, and from the Republic of Turkey, by 4,482.65% in 2019 compared to 2015. Consumption of rebars in the Republic of Serbia has been increasing continuously. Despite big investment, the market share of the domestic producer has been maintained at approximately same level, instead of growing, making the importers benefitting more from the increased demand. Stocks of the product concerned have been increasing continuously, and a huge increase in absolute terms by 437.4% was recorded in period 2017-2019, indicating the impossible exports to traditional markets, somewhat difficulties in sales in the domestic market and threat of serious injury to the domestic producer. The price of the product concerned from certain countries (Republic of Turkey, Republic of Belarus) is significantly lower than other import prices, as well as from the price of a domestic producer who was under pressure to reduce its selling price in order not to lose market share, which

led to an increase in the costs of goods sold (approximately 15%) and a decline in the profitability of the domestic producer (from 20.08% in 2016 to 12.53% in 2019). Employment grew slower than expected, given the volume of investment and their growth. Employment was increased by 82.6% in period 2015-2019, and investment in absolute terms by 15,167.22%. Increased imports have endangered this important investment and it may lead to the layoff of employed workers.

The circumstances and consequences given in the paragraph 5 hereof, indicate that the domestic industry of the product concerned is still in development and is extremely sensitive to the fluctuation of imports and prices.

3. In order to collect the evidence, it deems necessary for the investigation procedure, the Ministry shall prepare questionnaires for the interested parties, pursuant to Article 8.1. of the Regulation.

The period under consideration is January 1, 2015 - December 31, 2019.

For the period 2015-2018 data should be submitted on an annual basis, and for the year 2019 for the period from January 1 to December 31, on a monthly basis.

On the basis of the evidence provided, the Ministry will determine whether the product concerned is imported in increased quantities due to unforeseen circumstances and under such conditions as to cause or threaten to cause serious injury to producers from the Republic of Serbia that produce like or directly competitive product.

The Ministry will, if it determines existence of the increase in imports referred to in paragraph 4 hereof, propose appropriate measures to remedy serious injury in accordance with the provisions of the Regulation.

4. Interested parties wishing to participate in the proceedings may make their views known and provide relevant data and evidence on the need of imposition of Safeguard measures.

Interested parties may contact the Ministry, by e-mail, at: tradepolicy@mtt.gov.rs, not later than 15 days after the publication of this Decision in the "Official Gazette of the Republic of Serbia" and request an appropriate questionnaire. The completed questionnaires must be submitted to the Ministry within 21 days from the date of on which they were sent.

Data in free form can be submitted to the Ministry within 21 days from the publication of this Decision in the "Official Gazette of the Republic of Serbia".

5. All interested parties may submit a request to present evidence at the hearing, within 21 days from the date of publication of this Decision in the "Official Gazette of the Republic of Serbia", in accordance with Article 9 of the Regulation.

The Ministry shall hear the interested parties that submitted the request referred to in paragraph 1 hereof and allow them to represent their interests during the investigation procedure.

6. The data obtained in accordance with this Decision will be used exclusively for the purpose for which it was requested.

The Ministry shall not disclose any confidential information without the permission of the person who provided that information.

7. The competent ministries and other government authorities (Customs Administration and the Statistical Office of the Republic of Serbia) shall, upon the request of the Ministry, submit data related to the investigation.

8. This Decision shall enter into force on the eighth day of its publication in the "Official Gazette of the Republic of Serbia".

05 No. 335-2392/2019-3
Belgrade, June 26, 2020

Government

First Deputy Prime Minister
Ivica Dačić