

MMTA TRADE AND LOBBY COMMITTEE'S NEWSLETTER

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1. EU'S MODERNISED CUSTOMS CODE: NEW RULES BEING DRAFTED

The EU is drawing up new customs rules; the Modernised Customs Code (the MCC) and its Implementing Provisions (IPs). The MCC, setting out the overarching rules, has already been approved. The more detailed IPs are currently being drafted. The two sets of rules will start to apply simultaneously once the IPs have been adopted, which is expected by mid-2011 ([more information](#)).

It is said the "devil is in the detail", which in this case is the drafting of the IPs. Companies should be aware that changes that will affect their business are currently being made. For example:

- Customs valuation rules will likely change leading to higher import duty amounts for many companies ([more information](#)).
- Having had limited success so far, the AEO (Authorized Economic Operator) criteria are currently being re-crafted. Now is the time to give input to decision-makers. Also, mutual recognition of the EU's AEO and US's C-TPAT programs is in under discussion. Such recognition would give operators an actual benefit of becoming AEO certified.

2. REBATES ON IMPORT DUTIES: GSP AND SUSPENSION

The European Commission has started working on its next Generalised System of Preferences (GSP) for the period 2012-2015, granting import duty rebates for developing countries (the current GSP scheme applies from 2009 to 2011). A report with an evaluation for the new GSP is expected Spring 2010. That means that this is the time for companies to get involved and make their interests known.

Traders, users, importers and other interested companies dealing with GSP goods can influence the Commission's work:

- by asking for GSP rebates on metals currently excluded from GSP, e.g. tungsten, molybdenum, magnesium and titanium, and;
- by asking to maintain the current GSP rebates e.g. rebates for goods from El Salvador and Sri Lanka are currently being investigated, rebates on certain goods from these or other countries can be removed.

More information on GSP is available [here](#).

Alternatively, companies can ask for the complete suspension of duties upon import. This requires that the current EU production is insufficient ([more information](#)). The latest suspensions were introduced on 1 July 2009, and included certain titanium powder ([more information](#)).

Both GSP rebates and suspensions on raw materials fall in line with the EU's raw materials initiative that is discussed below.

3. NEW TRADE RESTRICTIONS ON METALS:

The European Commission monitors the EU trading partners' actions to identify new trade restrictions. In the current economic downturn, the steel industry in particular has proven a target for protectionist measures.

The most recent Commission report identifies a number of measures, of which the following will have an impact the trade in minor metals:

- Argentina - introduced import licences for metals;
- China - stimulus plan on non-ferrous metals and stimulus plan on steel;
- Brazil - increased tariffs on eight steel products from 0% to 12-14%;
- Russia - increased import duties on certain steel products;
- India - safeguard investigation on hot rolled coils; and;
- Israel - safeguard investigation initiated on steel rebars.

For more details, please follow the link to the Commission's most recent report ([more information](#)).

4. EU'S RAW MATERIALS STRATEGY - POLITICS OR REAL RESULTS?

The EU launched its three-pillar raw materials initiative at the end of 2008.

The first of the three pillars is to ensure access to raw materials from international market by, for instance, challenging export restrictions or export duties at the WTO. Indeed, the EU and US recently challenged China's export restrictions on a number of raw materials, including export duties of 10-20 % on manganese and magnesium, which the EU will try to have removed ([more information](#)).

Politically, this case looks good because the EU and US joined forces against China. Whereas pure export quotas may be illegal under the WTO, an increase in export duty is generally not. But, when it joined the WTO, China committed to not increase export duty rates on specific products.

To conclude, China has launched its first WTO case against the EU on 31 July. The complaint targets the EU's anti-dumping measures on carbon steel fasteners from China. (China has only taken four similar actions at the WTO all of which targeting the US, more information [here](#) and [here](#)).

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