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Lawyers Feed the Hungry

The Canadian government has announced the imposition of a provisional global safeguard on certain steel products imported into Canada, effective October 25, 2018. The safeguard imposes quotas on seven categories of steel from most countries (notably excluding the U.S. and Mexico). A surtax of 25 per cent will be imposed once imports exceed the quota limit for each steel category.

What you need to know

The steel products subject to the provisional safeguards are:

- Heavy plate;
- Concrete reinforcing bar;
- Energy tubular products;
- Hot-rolled sheet;
- Pre-painted steel;
- Stainless steel wire; and
- Wire rod.

Full descriptions of each product category and exclusions are provided in the [Order-in-Council](#).

Quotas will be administered by way of [shipment-specific import permits](#). Global Affairs will begin accepting import permit applications on October 25, 2018.

While the government has excluded certain products from the safeguard, it has directed the Canadian International Trade Tribunal (CITT) not to hear further product exclusion requests during its upcoming inquiry.

The government has not specified whether or how the quotas and surtaxes will be applied to goods that are in transit as of October 25.

While the government has indicated that existing duties relief programs (duty drawback and duty deferral) remain available, these programs are designed only for manufacturers that consume imported inputs in production of goods that are subsequently exported from Canada.

What happens next?

The government has directed the CITT to conduct a full safeguard inquiry over the next 175 days. The CITT will make recommendations whether the safeguard should be continued for the longer term (safeguards can be imposed for up to four years including the duration of the provisional safeguard). The inquiry will begin imminently and [follows guidelines setting out the process](#) for participation and steps in the inquiry.

Participation in the upcoming CITT inquiry gives companies their only opportunity to provide important information to the CITT about whether a longer-term safeguard is warranted and, if it is, to have their products excluded.

[BLG's trade lawyers](#) have represented the interests of steel importers, exporters and foreign governments for over 20 years, including in the last Canadian steel safeguard inquiry in 2002.

By: Milos Barutciski, Jesse Goldman, Matthew Kronby

Services: [International Trade & Investment](#)
