



SECTORAL SOCIAL DIALOGUE FOR STEEL

TRADE ISSUES

23 MAY 2019

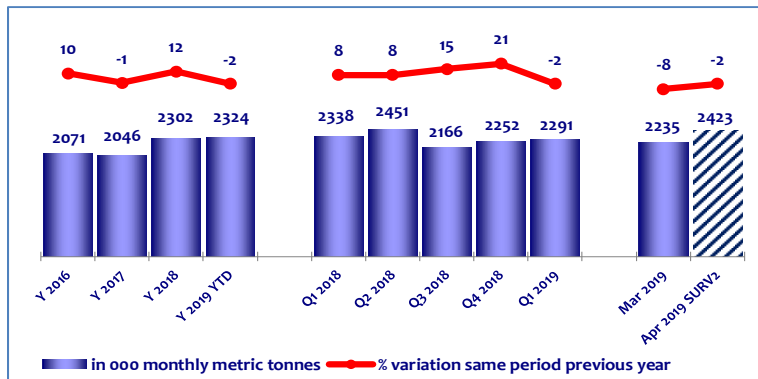
Trade Situation

Steel safeguard

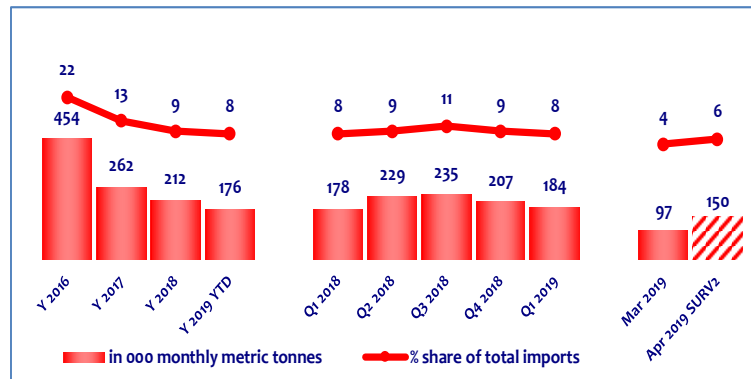
WTO reform

EU FINISHED STEEL IMPORTS (non-alloy, other alloy)

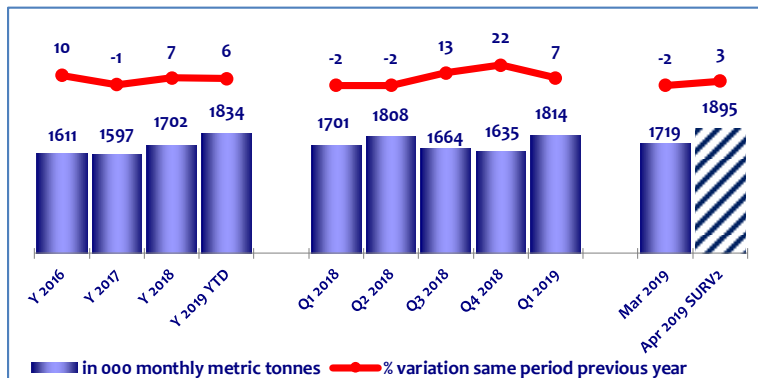
EU-28



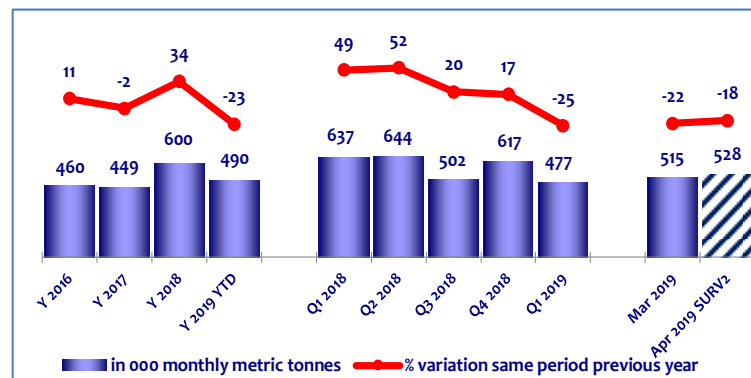
China



EU-28 Flat products

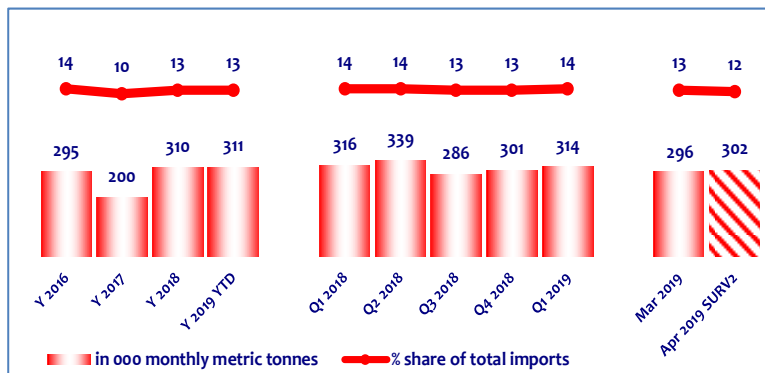


EU-28 long products

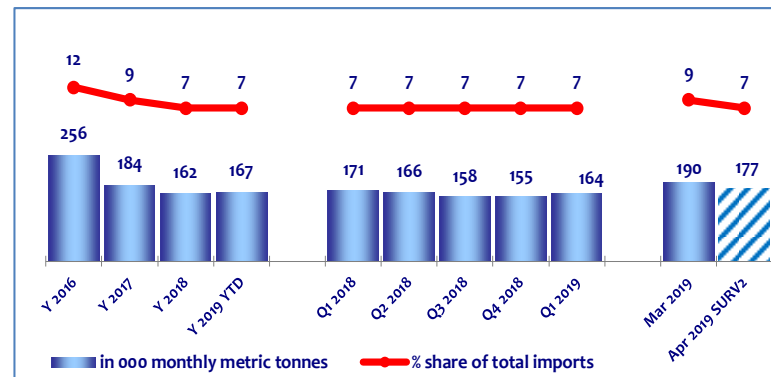


EU FINISHED STEEL IMPORTS (non-alloy, other alloy)

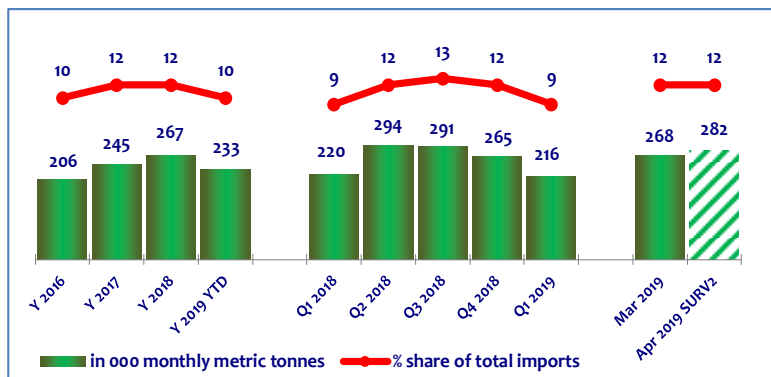
Russia



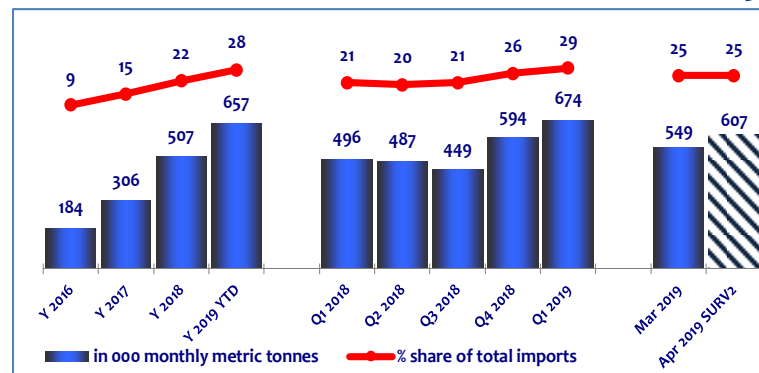
Ukraine



South Korea



Turkey



EUROFER ACTION PLAN

EUROFER Members

- Contact **Member States** and communicate to EUROFER their positioning
- Members to **support EUROFER letter to MEPs** with direct contacts



EUROFER

- ExtRel Committee **conference call**
- **Press release** (20 May)
- Request - and follow-up - to have a **meeting with Malmstroem and Cabinet of President Junker** (6 May + Joint EUROFER –IndustriAll to Junker 17 May)
- **Simplified letter to European Parliament** - circulated to Members for feedback (17 May to Tajani)
- Letter to Ambassadors (17 May)

NOTICE OF INITIATION CONCERNING THE REVIEW OF THE FINAL SAFEGUARD MEASURES



A. Level and allocation of tariff-rate quota for a number of specific product categories



B. Crowding-out of traditional trade flows



C. Potential detrimental effects in achieving the integration objectives pursued with preferential trading partners

15 days



D. Update of the list of developing WTO member countries excluded from the scope of the measures based on their most recent level of imports



E. Other changes of circumstances that may require an adjustment to the level of allocation of the tariff-rate quota

EU STEEL SAFEGUARD

REVIEW EU STEEL SAFEGUARD							
Review scope:	Whether, based on the Union interest, the Commission may have to adjust the level and allocation if tariff-rate quota in case of changes in circumstances during the period of imposition of the measures (since July 2018)						
Issues identified:	The Commission wants to specifically investigate the following issues to examine whether there are changed circumstances justifying an adjustment in the level or allocation of existing TRQ						
	Products of concerned identified by the Commission	EUROFER Products of concern					
		Hot Rolled Flat	4B Metallic coated	OCS	SHRF, SCR	Rebar	Wire rod
Issue 1 : Level an allocation of TRQ for a number of specific product categories (national and residual quota exhaustion at unusually fast pace)	Turkey (OCS, Rebar, Wire Rod, Sections); Russia (Rebar, Wire rod); China (4b Metallic coated)						
Issue 2 : Crowding-out of traditional trade flows (exhaustion of residual quota)	4b Metallic coated; Rebar and Wire Rod						
Issue 3 : Potentially detrimental effect to integration objectives with preferential trade partners	Serbia, Moldova, Macedonia, Ukraine, Turkey, Switzerland						
Issue 4 : Update list of developing country exclusions based on most recent import levels	(Which reference period?)						
Issue 5 : Other changes in circumstances requiring adjustment of level or allocation of quota	(EU steel demand situation and outlook, most recent S232 tariff changes,...?)						

AEGIS EUROPE – EUROFER POLICY PAPER

Executive summary

AEGIS Europe considers that reforms of WTO rules are needed to address economic and policy distortions to fair and transparent competition.

1. Anti-subsidy rules need to be stricter but sufficiently flexible to address the extremely diverse forms of government support and the lack of transparency in implementation. The concept of prohibited subsidies should be expanded to cover the most fundamental trade and competition distortions, including all subsidies to a sector benefiting from systemic State support. The following changes should be made:

- (a) WTO subsidy rules need to address systemic State-led promotion of domestic industries;
- (b) State guarantees of a company's continued operations must be sanctioned;
- (c) All enterprises operating in countries with systemic industrial policies must be presumed to be acting at the direction, and providing benefits on behalf, of the State;
- (d) WTO rules should treat the subsidisation of production in third countries as circumvention of CVD measures against imports directly from the supporting country;
- (e) Effective sanctions, including in CVD actions, are needed for a failure of WTO Members to respect their obligation to notify annually their subsidy programmes.

AEGIS EUROPE POLICY PAPER

2. **Anti-Dumping rules need to be clarified as follows:**
 - (a) **Producers in State-directed sectors are not operating in the ordinary course of trade and normal value can be constructed using undistorted benchmarks;**
 - (b) **AD measures may always be imposed on (dumped) imports regardless of subsidies.**
3. **The Safeguard rules need modifications:**
 - (a) **The ‘unforeseen circumstances’ requirement needs to be removed;**
 - (b) **There needs to be provision for open-ended safeguards (or a separate WTO instrument) to address major structural overcapacities;**
 - (c) **Importing Members must be given the discretion to apply safeguard measures to imports from Developing country Members which have either export competitiveness or significant production capacities in relation to consumption of the product in the importing Member.**
4. **The Dispute Settlement Understanding needs to be adapted**
 - (a) **to specify that decisions of the AB are not binding precedent;**
 - (b) **to clarify that the WTO agreements covering trade remedies (AD, AS and safeguards) are to be interpreted in deference to the investigating authorities whenever their actions reflect a plausible interpretation of the relevant provisions.**
5. **A new WTO instrument is needed to address the injurious pricing of non-imported products, in particular means of transport.**
6. **New rules are needed to address two other instances of unfair trade:**
 - **unfair competition in cross-border services;**
 - **dumping that injures a domestic industry in its export markets.**