



# Preserving sustainable jobs and growth in steel sector in Europe

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COMPETITIVE RECYCLING MARKETS IN EUROPE  
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- The Commission presented on 16 March 2016 the Communication **Steel: Preserving sustainable jobs and growth in Europe** (COM(2016) 155)

**Rationale:**

**a**

A robust industrial base is essential for Europe's economic growth, preservation of sustainable jobs and our competitiveness on global markets

**BUT**

**b**

Despite its strong potential, Europe's competitive position on the global steel market has deteriorated in the last few years

**THEREFORE**

**c**

Short-term and long-term measures are needed in response to these developments: best use needs to be made of all available instruments at European and national level to bring relief to the sector and accompany its modernisation.



- 3 areas of actions:

**1**

AN EFFECTIVE AND RESPONSIBLE  
TRADE POLICY

**2**

INVESTING TODAY IN A MODERNISED  
AND SUSTAINABLE STEEL INDUSTRY

**3**

TURNING THE RESOURCE AND CLIMATE  
CHALLENGES INTO OPPORTUNITIES

# 1) AN EFFECTIVE AND RESPONSIBLE TRADE POLICY

**1.a**

Current efforts to strengthen trade defence  
(threat of injury, registration of imports + retroactive application of duties)

**1.b**

Additional efforts to accelerate the process

**1.c**

Modernisation of TDIs (LDR, ex-officio)

**1.d**

Tackling the causes of global overcapacity  
(bilateral - Steel Contact Groups, EU China Steel Platform;  
OECD Steel Committee ; G20 Global Forum)



# AN EFFECTIVE AND RESPONSIBLE TRADE POLICY – FOCUS on TDIs

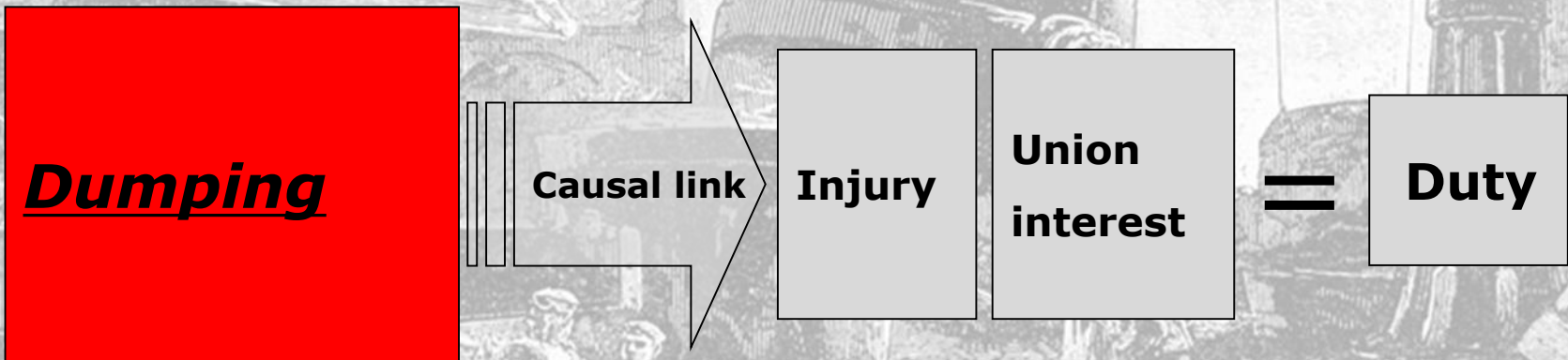
## Current efforts to strengthen trade defence:

- anti-subsidy proceeding concerning imports of certain hot-rolled flat products originating in China (May 2016)
- threat of injury: investigation on hot-rolled flat steel (launched Feb 2016);
- registration of imports with a view to retroactively applying duties (recent AD investigations on cold-rolled);
- accelerate the adoption of provisional measures (i.e. increased use of written consultations, optimization of internal procedures → **-1 month**);
- Modernisation of Trade Defence Instruments: commission proposal in 2013 (but MS have so far prevented this file from moving forward in the Council); in perspective: removal of LDR in case of market distortion and better definition of target profit + change in the regulation to speed up the procedure by up to 2 months; **PRIOR SURVEILLANCE SYSTEM re-introduced in April 2016**);
- Transparency commitments: 1) publication of executive summaries of requests for new investigations or reviews; 2) online platform for stakeholders involved in the ongoing proceedings

1. d

## CURRENT AND NEW METHODOLOGY – general I

- Four conditions to impose a trade defence measure:



- New methodology only affects first condition, namely establishing dumping



## CURRENT AND NEW METHODOLOGY – general II

### • What is dumping?

Normal  
value

Dumping

Export price

### • Current methodology:

- To establish normal value (and hence dumping), prices and costs in a non-market economy country automatically discarded and analogue country methodology applied

### • New methodology:

- Distortions in a third country (e.g. China) to be identified and if significant, normal value to be determined on the basis of undistorted costs

# CURRENT AND NEW METHODOLOGY– general III

## • Criteria to establish distortions:

- Absence of market forces due to government interventions such as
  - ownership, control and policy supervision of state authorities
  - state presence in firms allowing the state to interfere with respect to prices and costs
  - access to finance being granted by institutions implementing public policy objectives
  - public policies or measures discriminating in favour of domestic suppliers



## REPORTS – IDENTIFYING DISTORTIONS

- Report will be prepared by the Commission and will be updated as appropriate
- Report will be made public
- Burden of proof for EU industry comparable to present system: industry can rely on report for complaint
- In subsequent AD investigation, exporters or exporting country gvt. can contest the distortions identified in the report – adversarial procedure
- In the absence of a report, other sources can be used to demonstrate the existence of distortions

# AN EFFECTIVE AND RESPONSIBLE TRADE POLICY – FOCUS on "Tackling the causes of global overcapacity"

EC is tackling the causes of global overcapacity through bilateral and multilateral outreach, including through intensified dialogue with:

- the EU's main partners, such as China, Japan, India, Russia, Turkey and the United States
- in relevant international fora such as the **OECD G7** (conclusions of G7 Summit of 26-27 May in Ise-Shima, Japan) and the **G20 (Global Forum)**

1.d



## **2) INVESTING TODAY IN A MODERNISED AND SUSTAINABLE STEEL INDUSTRY (a)**

### **Global steel demand**

**2015 - 1 499 million tonnes, -3.0% growth**

**2016 - 1 501 million tonnes, 0.2% growth**

**2017 - 1 509 million tonnes, 0.5% growth**

### **Global steel capacity**

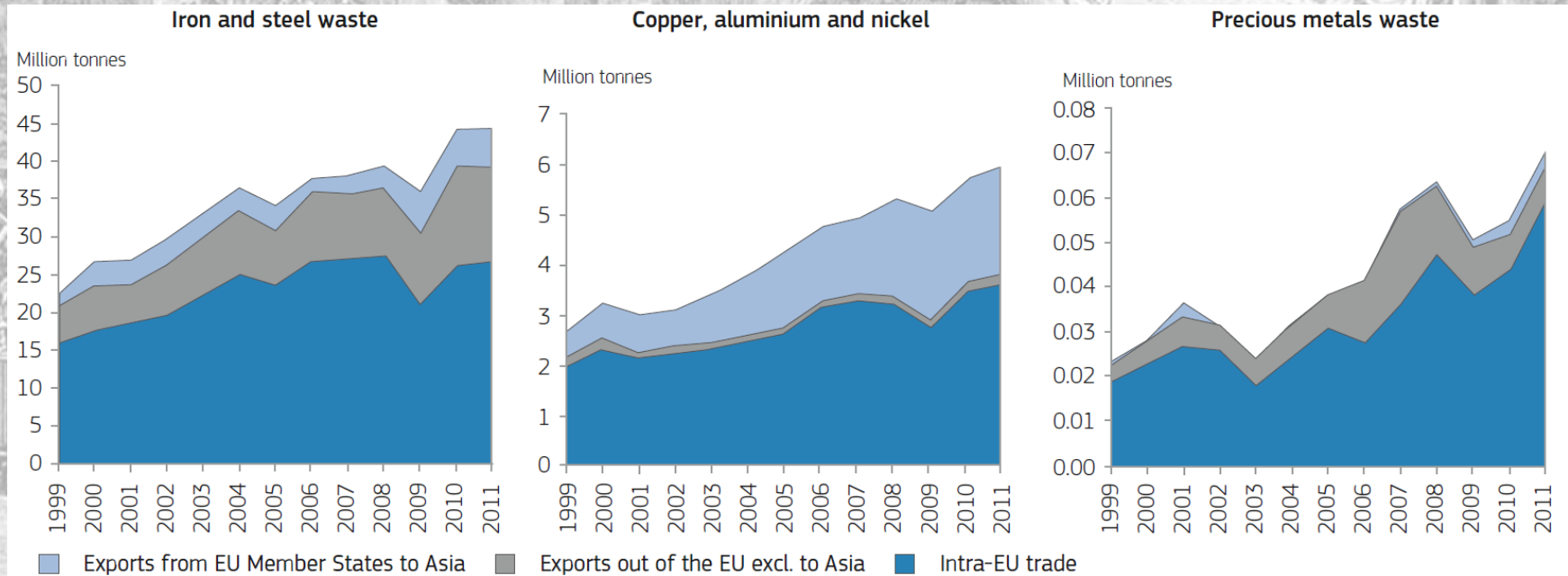
**2015 – 2 368 million tonnes,**

**2016 – 2 403 million tonnes,**

**2017 – 2 419 million tonnes.**

# TRADE IN SECONDARY RAW MATERIALS

*A considerable amount of secondary raw materials leaves Europe and does not contribute directly to the circularity of the European economy*

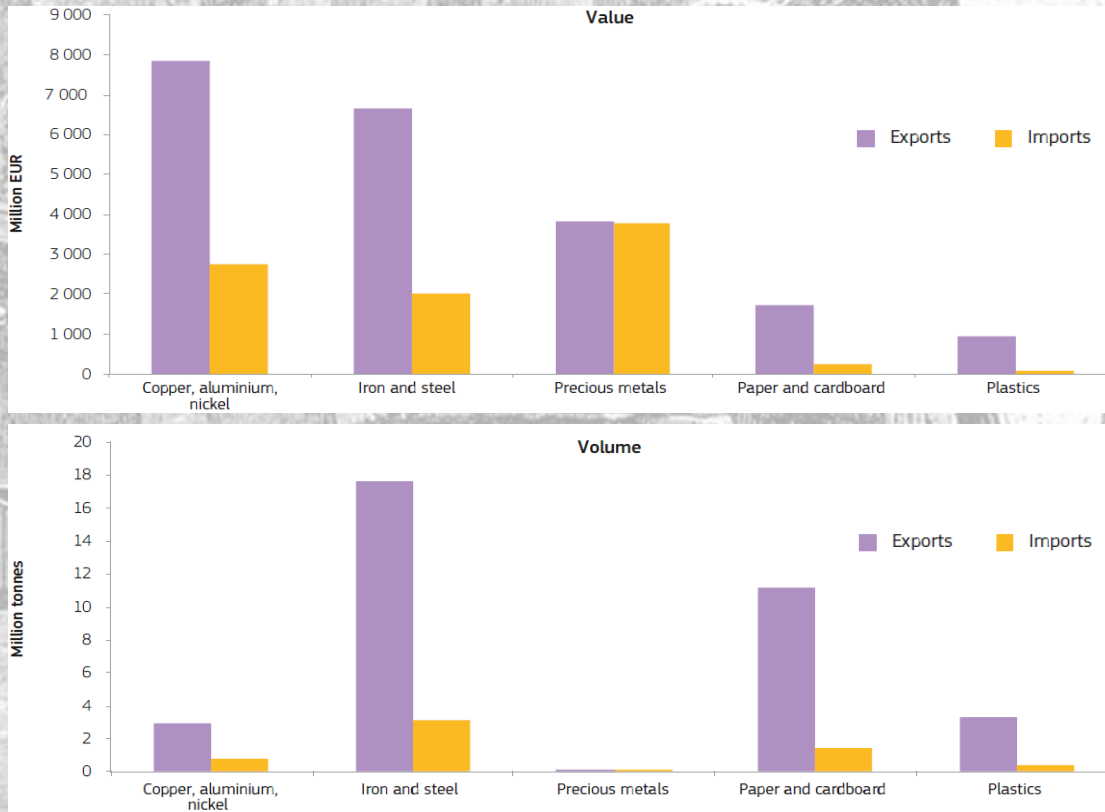


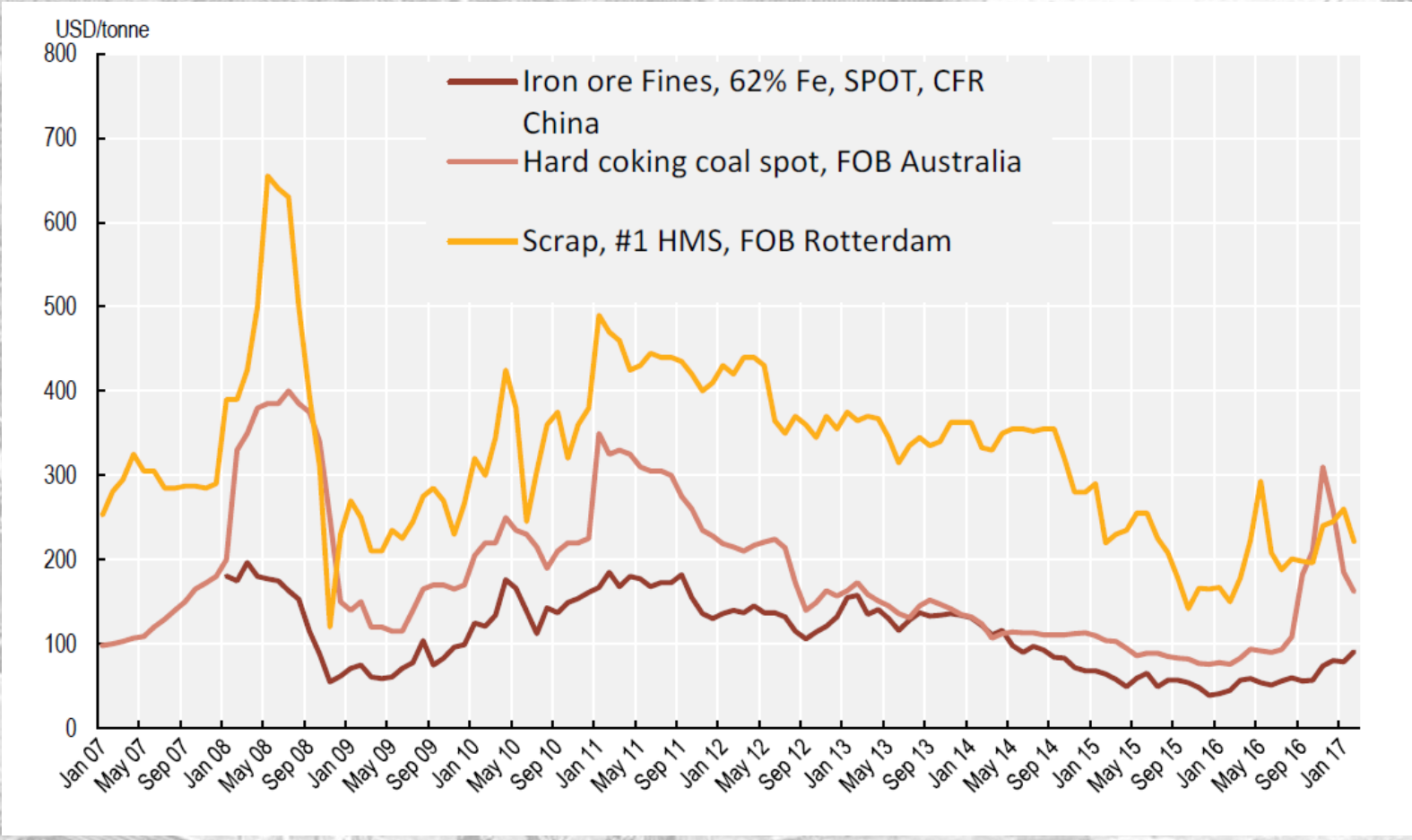
## Raw Materials Scoreboard



## TRADE IN SECONDARY RAW MATERIALS

*Exports of secondary raw materials are much higher than imports*







## 2) INVESTING TODAY IN A MODERNISED AND SUSTAINABLE STEEL INDUSTRY (b)

**2.a**

Investments in future solutions and technologies for a more competitive industry instead of steelmaking capacity (EFSI+H2020 & ESIF; RFCS)

**2.b**

Investing in people (New Skills Agenda; EGF; EU; European social dialogue committees; ESF)

**2.c**

A modern competition policy for a strong European steel sector: EC encourages Member States to make best use of the modernised EU State aid framework! (state aid rules for R&D&I; ETS compensation guidelines)

## 3) TURNING THE RESOURCE AND CLIMATE CHALLENGES INTO OPPORTUNITIES

**3.a**

More competitive energy prices in EU MS (initiatives under Energy Union winter package adopted 30 Nov 2016 – EED, RED, EPBD, EMD, energy prices/costs report)

**3.b**

Revision of ETS (EC proposal; support to investments in innovation, i.e. CCU technology projects)

**3.c**

Circular Economy (increase waste recycling rates and sorting systems for construction and demolition waste; improve the functioning of the Extended Producer Responsibility schemes; incentivize industrial symbiosis; valorisation of by-products)



**Thank you for your attention!**

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