ITEM 7: STATUS REPORT ON THE SECRETARIAT DATA COLLECTION ON STEEL SUBSIDIES AND GOVERNMENT SUPPORT MEASURES

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Introduction

- Steel subsidies are **harmful to the global steel market**:
  - They **decrease the efficiency** of the steel market as a whole, as they maintain some inefficient firms in the market and cause other more productive firms to leave
  - They impede a level-playing field, thus **creating international trade frictions** which can jeopardise free trade and have spill-over effects on other sectors
- A database on steel subsidies and government support measures is part of the PWB 17-18/ The database could:
  - provide a rich overview of the level of support in place across different vectors (instrument type, declared objective, country, period)
  - enable the study of the economic impact of different types of support measures in different economies
  - help refine the draft guidelines on government support measures [DSTI/SC(2018)7/REV1]

Outline

1. Fields of the database

2. Data collected as of end of June 2018

3. Purpose indicated

1. Fields of the database

- The manual explains in detail the meaning of each field

- Each line of the database contains a large number of fields, e.g.:
  - The date on which the subsidy was provided
  - The amounts of a cash grant
  - The interest rate of a subsidised loan
  - The amount of a loan guarantee

- Because data is not always available, fields can be left blank – this does not preclude the creation of a line to report the subsidy, nor subsequent inclusion of missing information.
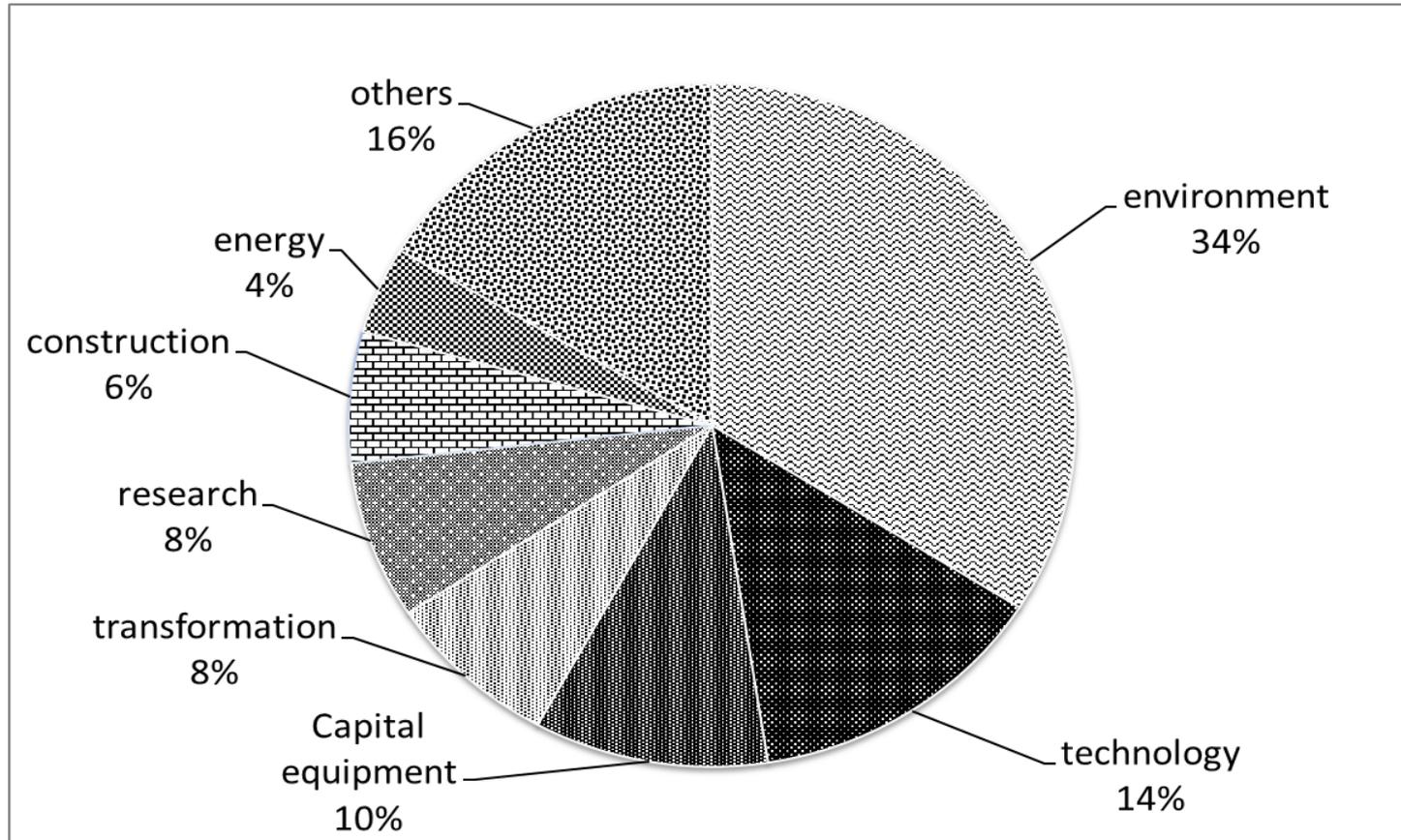
2. Data collected as of end-June 2018

Instrument	Official sources, steel companies' annual and financial reports	Other sources	Total
1. cash grants, awards and cost refunds	17%	10%	26%
2. subsidised lending and equity infusion	3%	2%	5%
3. debt forgiveness and restructuring	0%	0%	0%
4. lower than market input prices	0%	1%	1%
5. tax benefits	1%	7%	8%
6. special economic zone	0%	1%	1%
7. others	4%	3%	7%
unknown	27%	25%	52%
Total	51%	49%	100%

NB : As of end-June 2018, over 3000 measures covering the top eight steel-producing Jurisdictions have been collected by Secretariat desk research

3. Purpose indicated

NB - Purpose is non-applicable or unknown for two thirds of the entries. Note that many individual measures may have multiple "purposes", and a subjective assessment has been made on the basis of the primary purpose. This could be refined in subsequent work.

Thank you for
your attention