



ITEM 8:  
POLICY INTERVENTIONS, STEELMAKING  
CAPACITY, AND TRADE  
SCOPING PAPER

86<sup>th</sup> session of the Steel Committee

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# Outline

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1. Objectives of the PWB 2019-20 Output Result 2
2. Plan of work
3. Capacity, demand and trade: preliminary evidence
4. Timeline for the report



# 1. Objectives of the PWB 2019-20 item 2

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- **PWB 2019-20**

Output Result 2. Exploring the linkages between policy interventions, steel capacity and trade

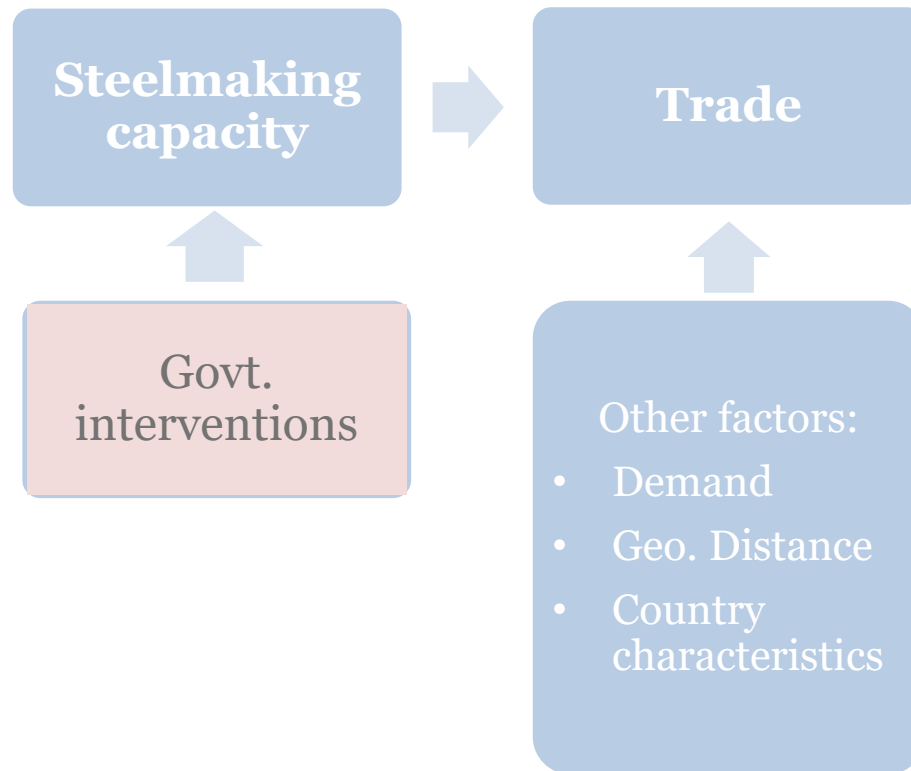
***“Assessing the relationship between government interventions, capacity and trade is an activity that could contribute to a better understanding of policy approaches that would alleviate and prevent trade frictions.”***

Activities proposed: Analytical report on the linkages between steel capacity, government interventions and trade flows.



## 2. Plan of work (I)

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## 2. Plan of work (II)

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### **Step 1**

Assessing the links between steelmaking capacity and trade

### **Step 2**

Unpacking the relationship between government interventions, capacity and trade



## 2. Plan of work: first step (III)

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### Objective

- In-depth analysis of the linkages between steelmaking capacity changes and trade.
- Understanding the interplay between capacity and trade taking into account demand changes as well as other factors

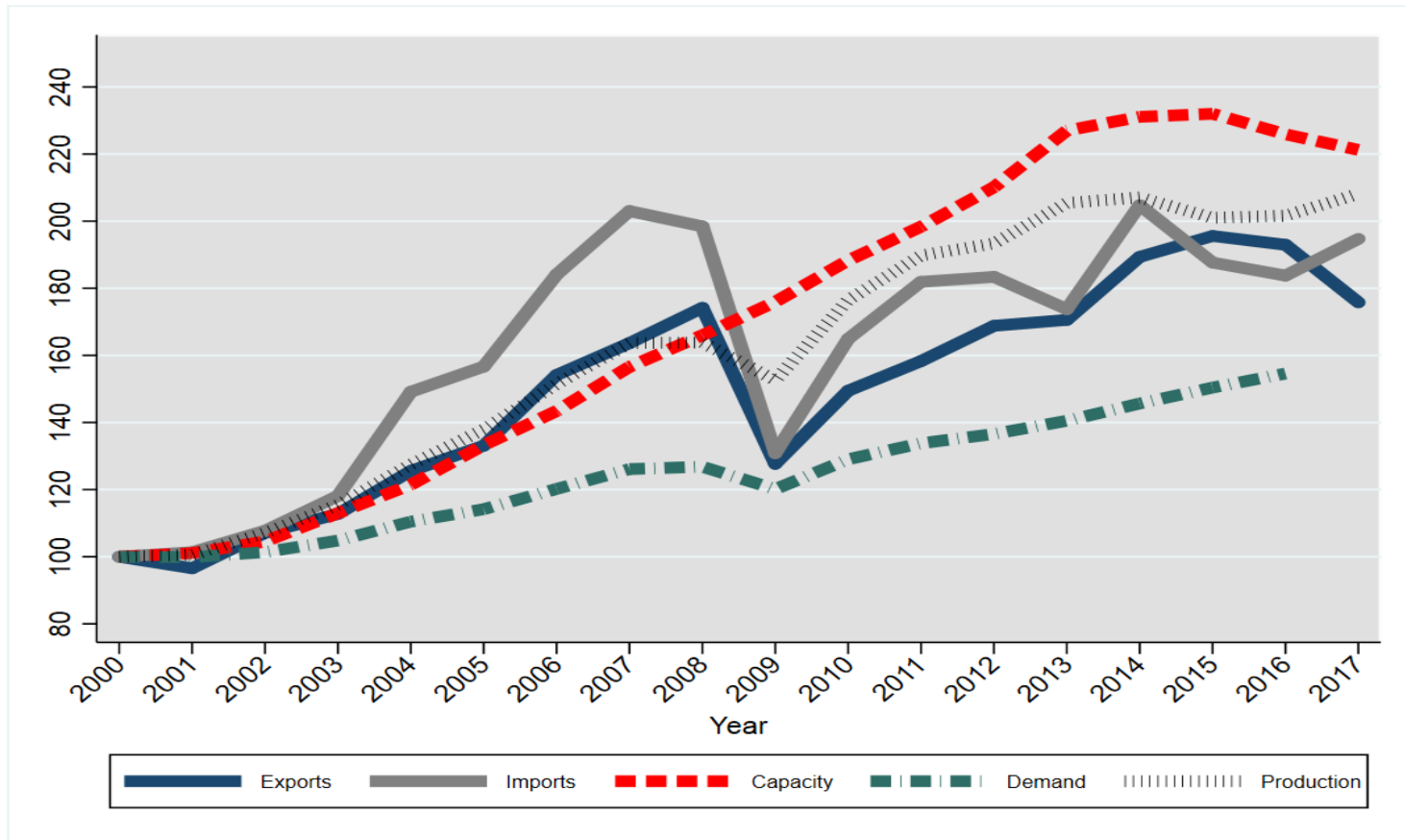
### Help addressing questions such as:

- How much “steel” is exported on average for 1 mmt of steelmaking capacity added?
- How much time one additional mmt capacity addition would require (all else equal) to influence trade?



### 3. Preliminary evidence (I)

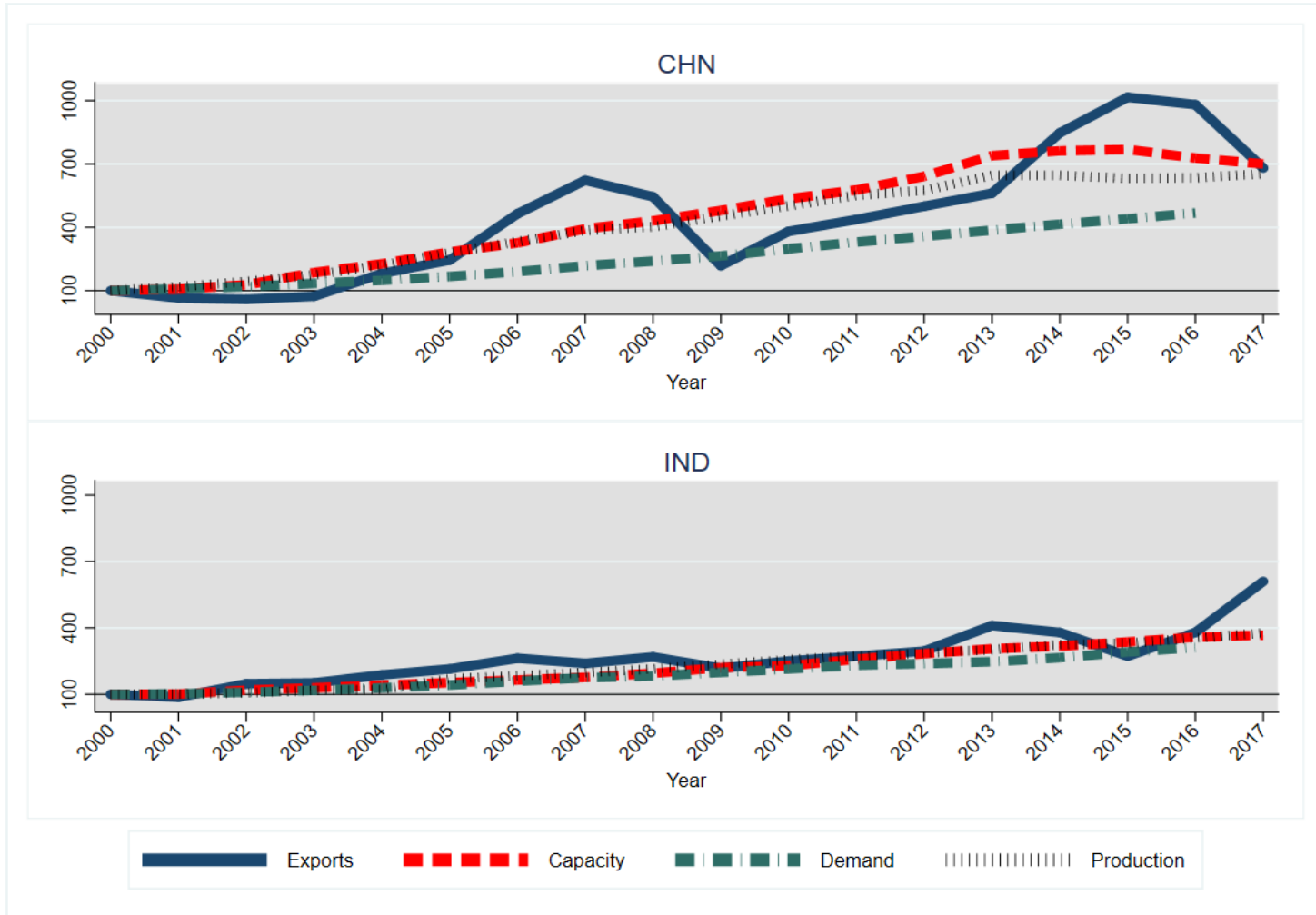
- Trade, capacity and demand in top 10 steel prod. economies
- Steel capacity has grown faster than trade and demand.





### 3. Preliminary evidence (II)

Breakdown by economy (China and India)

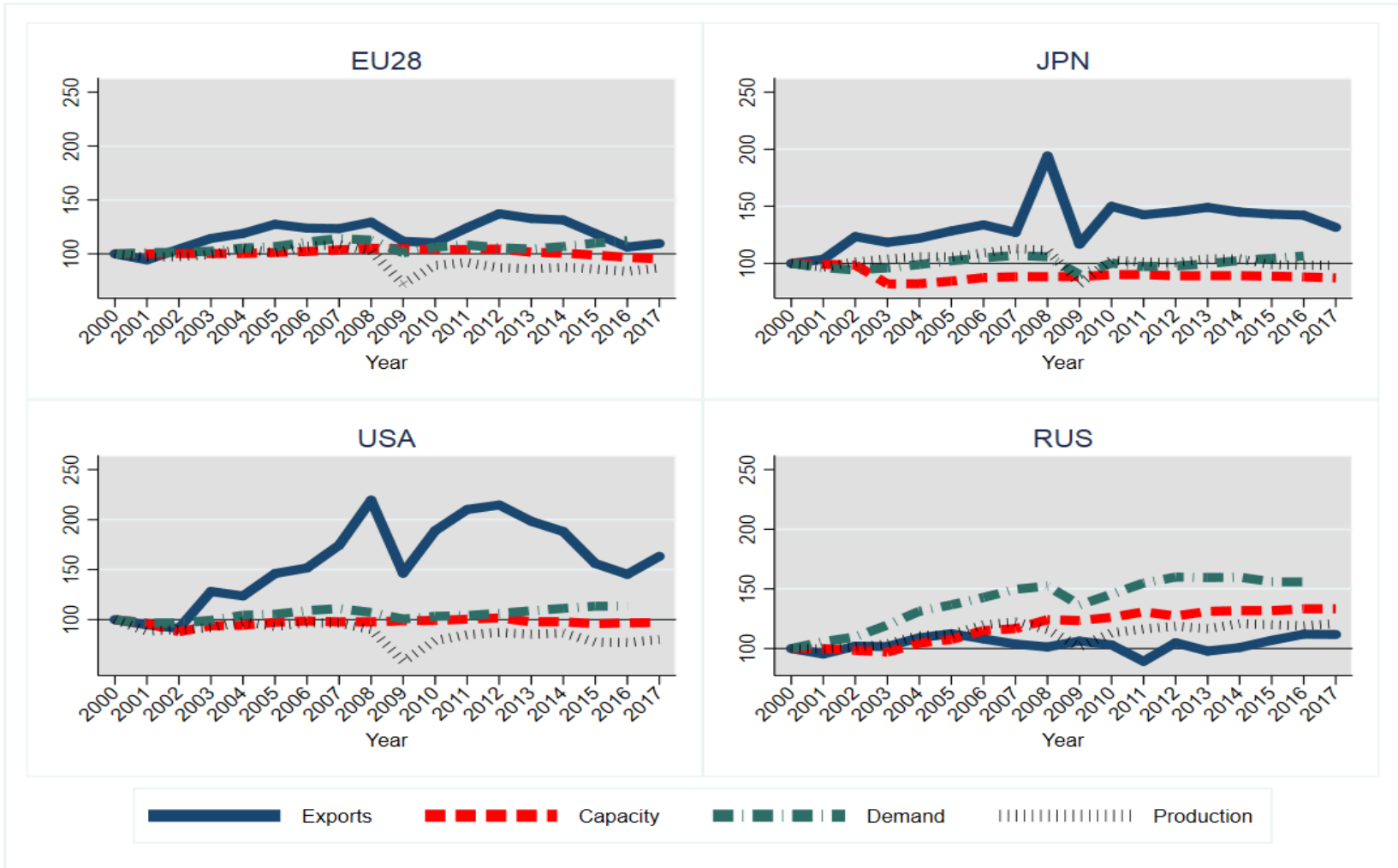






### 3. Preliminary evidence (III)

Breakdown by economy (EU28, Japan, United States, Russia)





## 4. Timeline

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Action	Timing
Discussion at Steel Committee	25-26 March 2019
Deadline for written input	16 April 2019
Revised scoping paper	May 2019
Preliminary report (Step I)	August 2019
Discussion at Steel Committee	September 2019
Draft report *	February 2020
Discussion at Steel Committee	March 2020
Final report	May 2020

\* Dependent on agreement of step 2