



ITEM 7: STEEL TRADE AND TRADE POLICY DEVELOPMENTS

91th session of the Steel Committee

Paris, 30 March, 2022

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1. Overview

- Consistent monitoring
 - Main trends on steel trade exports and imports
 - Trade policy actions, with particular focus on steelmaking raw materials
- New areas of work
 - Recent EU/US initiatives
 - Import licensing schemes



2. Steel trade developments

- In 2021, global steel trade showed significant recovery, with **global steel trade growing by 12%**.
- **China's** net export position **increased** significantly in 2021, but **slowed down in Q4** amid government instructions to maintain production volumes at 2020 levels.
- Steel trade to **slow down** again in **2022** amid:
 - Severe supply shortages.
 - Expected increase in prices.
 - Expected export protection for key steelmaking raw materials.



3. Trade measures July-December 2021

- Consistent trend on trade remedy measures
 - 58 AD/CVD measures collected

Countries taking measures	Defendant countries
US (14)	China (32)
EU (7)	Korea (13)
Mexico (6)	Viet Nam (7)
India (5)	Chinese Taipei (6)

- Export restrictions on raw materials
 - Risk for increased protectionism?



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4. Recent EU/US initiatives: an update

EU	US
<p>Negotiations on Global Arrangement on Sustainable Steel and Aluminium</p> <ul style="list-style-type: none">• Carbon-friendly steel• Refrain from non-market oriented capacity• Open to like-minded countries	
<p>Suspend retaliatory tariffs</p>	<p>Convert 25% tariffs into TRQ > quotas: 25% tariff</p>
<p>Adjourn Section 232 related WTO disputes, and terminate WTO case (US-Certain measures on Steel and Aluminium products)</p>	



Overall impact on global steel trade flows?



5. Import licensing

Data gathering;
import control



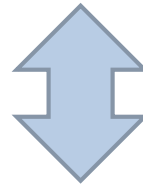
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Legitimate v.
trade barrier?

Public policy objectives
(e.g. safety)



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6. Main takeaways

- Steel supply chains are under pressure, notably key raw materials. Will geopolitical tensions intensify this trend?
- Trade remedies show a consistent trend, although some signs for optimism.
- How to design and administer import licensing schemes so they do not become a trade barrier?



7. Issues for discussion

1. Which sanctions on steel have been introduced in response to the Russian aggression to Ukraine?
2. Global Arrangement for Steel and Aluminium: impact on trade and market access?
3. Import licensing: rationale, practical hurdles, best practices?
4. Export duties on iron ore, nickel, and steel scrap
5. Main priorities for future work on trade?



Follow-up

- Written submissions or questions can be sent through the dedicated Steel Committee [O.N.E. Community](#) website.
- Deadline: 21 April 2022.