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

Steel Committee, September 2018

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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]
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

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

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