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Steel & Anti-dumping – the real story

Following a meeting of the anti-dumping committee (6 Dec 07), the European Commission has decided to initiate an investigation into *hot dipped metallic-coated iron & steel flat-rolled*. This is a significant step in a legal process which is signalling “danger” to European engineering industries. In reality, this will have a significant impact on the availability of these steels at competitive prices, putting the sector at a disadvantage in terms of global competitiveness.

“The steel issue should not be used as a warning signal to China – European engineering is not specifically reliant on Chinese steel, however, if European steel production capacities are insufficient in the EU, our companies need to be able to source raw materials from elsewhere” said Adrian Harris, Secretary General of Orgalime. *“If the investigation turns out to be successful in terms of tariffs, then obviously the overall increased cost has to borne by someone, industry will have to pass this on to the consumers. Chinese exports have actually shown a downturn since the dossier was raised in October this year due to internal market measures introduced to appease the EU. The result: an oversupplied Chinese internal market which offers cheaper prices and higher volumes to Chinese steel transformers, thereby creating a highly competitive and fertile environment for more complex finished metalworking products. We encourage the Commission to think again: Europe needs a long-term global strategy for free and fair trade along the supply chain from raw materials to finished products, rather than its current ‘piece-meal’ approach which takes a very narrow view of the Community’s interest, completely forgetting the interests of customers of the industry.”*

Furthermore, Orgalime believes that some of the initial criteria for raising the dossier have not been entirely met. For example the price paid for Chinese steel delivered to Europe is actually similar to those of the European producers. *“All four of the criteria required to initiate an investigation appear to fall on dodgy ground. In addition to paying prices at levels similar to those found in Europe, it is well known that profits are running high in the European steel producers. We urge the European Commission to see sense on this issue and support the industries which rely on accessible raw materials in order to maintain their competitive edge”* added Harris.

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Orgalime, the European Engineering Industries Association, speaks for 35 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 10.6 million people in the EU and in 2006 accounted for some €1,779 billion of annual output. The industry not only represents more than one quarter of the output of manufactured products but also a third of the manufactured exports of the European Union.

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