

PRESS RELEASE

US COLD ROLLED COIL ANTI-DUMPING TARIFFS ‘RE-ESTABLISH LEVEL PLAYING FIELD’ SAYS EUROFER

Brussels, 7 March 2016 – Last week, the United States applied a preliminary anti-dumping duty to Cold Rolled Coil (CRC) steel from the People’s Republic of China of up to 265.79% in response to the uncontrolled rise of dumped products from the country. This is in contrast to the provisional 13-16% anti-dumping tariff applied to Cold Rolled Flat (CRF) products¹ by the EU in February of this year, which are insufficient to remedy or deter dumping from China.

“The high preliminary tariff set by the US demonstrates that the administration takes seriously the need to re-establish a level playing field for its domestic steel industry”, said Axel Eggert, Director General of the European Steel Association (EUROFER).

“In contrast to the US, the EU continues to apply the Lesser Duty Rule (LDR) in its anti-dumping methodology. This cuts down the applicable anti-dumping tariff to a level that does not even address the injury to the industry, let alone actually deter dumping”, added Mr Eggert.

No other major trading partner applies the LDR as judiciously as the EU, and its use is not a WTO obligation.

The LDR requires that the EU calculates a ‘dumping margin’ and an ‘injury margin’ and subsequently applies the lowest of these as the duty. Accordingly, in applying the LDR, the provisional measure for China was based on the calculated injury margin of a 13-16%, rather than the calculated dumping margin of 60%.

“The US vigorously re-establishes a level playing field for its domestic steel industry against massive Chinese dumping with anti-dumping tariffs of 265.79%. Meanwhile, the EU again proves its inability to defend its strategic sectors, with tariffs as low as 13% for identical products”, added Mr Eggert. “Such low anti-dumping tariff levels do not sufficiently capture the injury suffered by the European steel industry, making the continued application of the LDR unnecessarily damaging.

“In the present circumstances, continued member state opposition to the lifting of the LDR demonstrates that many EU governments are neglecting the impact the LDR is having on jobs and industry in their own countries”, concluded Mr Eggert.

¹ Cold Rolled Flat steel products can be delivered in various forms: in coils (oiled or unoiled), in cut lengths (sheets) or narrow strips.

Notes for Editors

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About the European Steel Association (EUROFER)

EUROFER is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in Switzerland and Turkey are associate members.

About the European steel industry

The European steel industry is a world leader in innovation and environmental sustainability. It has a turnover of around €170 billion and directly employs 330,000 highly-skilled people, producing on average 170 million tonnes of steel per year. More than 500 steel production sites across 24 EU Member States provide direct and indirect employment to millions more European citizens. Closely integrated with Europe's manufacturing and construction industries, steel is the backbone for development, growth and employment in Europe.

Steel is the most versatile industrial material in the world. The thousands of different grades and types of steel developed by the industry make the modern world possible. Steel is 100% recyclable and therefore is a fundamental part of the circular economy. As a basic engineering material, steel is also an essential factor in the development and deployment of innovative, CO2-mitigating technologies, improving resource efficiency and fostering sustainable development in Europe.

About Cold Rolled Flat steel

Cold Rolled Flat steel products are produced from hot-rolled coils. The cold-rolling process is defined by passing a sheet or strip — that has previously been hot rolled and pickled — through cold rolls, i.e. below the softening temperature of the metal. Cold-rolled flat steel products are manufactured to meet certain specifications or proprietary end-user specifications. They can be delivered in various forms: in coils (oiled or not oiled), in cut lengths (sheet) or narrow strips. Cold-rolled flat steel products are an industrial input purchased by end-users for a variety of applications, mainly in manufacturing (general industry, packaging, automotive, etc.) but also in construction.