

Brussels, 9th January 2012

Press Statement

Massively subsidized Chinese steel products target the EU market

EUROFER files Anti-Subsidy complaint against China at the European Commission

On Friday, 6th January, EUROFER filed an anti-subsidy complaint providing overwhelming evidence that the surges in EU steel imports of Chinese organic coated sheet (OCS) are the result of massive subsidisation. The anti-subsidy complaint complements the anti-dumping investigation on the same product initiated by the Commission end-December 2011 following EUROFER's complaint (see EUROFER press statement of 25th November 2011).

The anti-subsidy complaint exposes the extent to which China has a wide range of specific government support programmes covering all aspects of the steel and OCS industry including capacity investment, production, sales and exports of the product concerned (preferential loans and interest rates, equity programmes, income and other tax arrangements, grants, provision of goods for less than adequate remuneration,...).

"Clearly the miracle of the Chinese steel industry which now counts for almost 50% of global steel production is not the result of free market forces. The Chinese government at central, provincial and local level owns, directs and subsidises virtually every aspect of its steel industry and has financed huge excess capacities. By promoting a sector intrinsically lacking a genuine cost advantage, China continues to be the major cause of unfair competition in the global steel market injuring in particular the European steel industry on the domestic and third markets", explains Gordon Moffat, EUROFER's director general.

The product covered by the complaint is organic coated steel, consisting of pre-painted sheet and plastic coated sheet, which are composite materials made up of a metallic substrate and an organic coating which adhere together firmly and complement each other in their properties.

Represented by EUROFER, the European steel industry is a world leader in its sector with a turnover of EUR 190 billion and direct employment of 360 thousand highly skilled people, producing on average 200 million tonnes of steel per year. More than 500 steel production and processing sites in 23 EU member states provide direct and indirect employment and a living for millions of European citizens.

The European steel industry is the backbone of Europe's prosperity and an indispensable part of the European supply chain, developing and manufacturing in Europe thousands of different, innovative steel solutions. The European steel industry provides the foundation for innovation, durability, CO2 reductions and energy savings in applications as varied and vital as automotive, construction, machinery, household goods, medical devices, and wind mills.

Steel is 100% recyclable, it can be recycled over and over again without loss of properties. All the steel in collected end-of-life products is recycled, irrespective of the percentage of steel in the products. Steel therefore contributes significantly to the long-term conservation of the fundamental resources for future generations. About 45% of the total EU steel production is recycled steel scrap.

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