

As US mulls action on steel, foreign producers urge caution

Foreign steel producers on Wednesday, 24 May, called for prudence from the Trump administration as it considers possible actions to shield domestic companies from unfair imports on national security grounds.



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The remarks came at a public hearing that is part of a Commerce Department investigation into the effects of steel imports on US national security. The administration is also scrutinising aluminum imports.

The Trump administration's new stance has cheered US producers, who hope it will bring more relief to struggling industries than scores of scattershot anti-dumping cases.

Domestic producers on Wednesday said unfair competition is undermining the US industrial base in ways that could jeopardise energy production and the manufacture of weapons, armor and vehicles.

Still, some analysts say technological advances and increased productivity, more than trade, have accounted for much of the industry's job losses.

John Ferriola, president of Nucor Corp, said his company's steel helped produce US Humvee light military trucks, Abrams battle tanks, Bradley fighting vehicles, the Patriot surface-to-air missile system and the plating used for armored vehicles,

Navy aircraft carriers and destroyers.

That required "continual investment" in expertise, research, development and testing to meet exacting US Navy standards, he told the hearing.

"Unfortunately, global overcapacity and unfairly traded imports threaten our ability to invest," he said. "Production overcapacity in the steel industry has reached crisis levels."

However, foreign producers told the hearing that new trade barriers could be both unnecessary and counter-productive. Karl Tachelet, head of international affairs at Eurofer - an association of European Union steel producers - said his organization had also been fighting unfair practices and global oversupply.

"We do not believe that restrictive, unilateral action based on national security will allow for lasting solutions we all need," he said, calling for the investigation to focus on "specific uses" directly tied to national security.

"What do tin mill products used to make cans for food and beverages have to do with national security?" he said.

"How real is the risk that one day the US will not be able to produce enough rebar or sections for construction and infrastructure given its massive scrap availability?"

Yu Gu, a representative of the Chinese Commerce Ministry, said the US Defense Department had found that US defense needs for steel were low, citing research that concluded that just three percent of domestic shipments served national defense purposes.

"Clearly, current and projected US national defense demand for steel can be readily satisfied by domestic production," he said.

The deputy head of Russia's US trade mission, Alexander Zhmykhov, said his country's steel exports were already subject to heavy anti-dumping restrictions and duties in the United States, where certain imports have tumbled.

"Russian imports have already been so drastically limited by the measures enforced that further limitations would be excessive," he said.

Ukraine's representative said his country's steel industry is under attack - suffering seizure and expropriation by foreign-backed separatists in industrial eastern Ukraine - but that security cooperation with the United States is also crucial to his country's stability.

A 2001 investigation showed that the America was not vulnerable to imports of iron ore and semi-finished steel, said Vitalii Tarasiuk, minister-counsellor at the Ukrainian embassy.

"We are confident that evidence in this case will likewise show that steel imports do not threaten US national security," he said.

Speaking to reporters on Wednesday during a visit to Washington - where she met with US Trade Representative Robert Lighthizer - German Economy Minister Brigitte Zypries said she is worried the US steel investigation could result in higher tariffs on German exports of the metal and hopes to address the issue with US Commerce Secretary Wilbur Ross.

Source: AFP

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