

News

EU, Competition & Trade

February 2009



Eurofer targeting ‘predatory’ pricing of Chinese steel

欧洲钢铁工业联盟紧盯中国钢铁行业的“掠夺”定价

Later this month Eurofer is to publish a study on the Chinese steel sector, accusing the Chinese government of illegal subsidies in an attempt to force the European Commission to take trade defence action.

Due on the 24 February, the report is said to contain information on various subsidy schemes operating in China. Going beyond the publicly available statistics and data and presenting unverifiable information contributed by Chinese sources, Eurofer is attempting to demonstrate Chinese steel pricing policy as “predatory” and alert the European Commission of its disastrous impact on the European industry.

The Chinese government have always claimed that its low prices are based on the competitiveness of its steel production. The report is designed to disprove this claim. It is said to provide convincing data highlighting the competitiveness of European steel making, which is a highly mechanised process, in contrast to costly labour-intensive production in China. It is also expected to present data showing that the cost of resources for steel production such as power and water are similar for China and Europe where the resources are not subsidised in China. To that extent, the report will demonstrate that the only explanation of the cheaper price of Chinese steel than European steel is illegal state support.

The report is likely to imply that as a member of the World Trade Organisation, China is bound by the global trade disciplines. It is possible that China may be challenged over its subsidy schemes under the EU Anti-subsidy rules or before the Dispute Settlement Body of the WTO.

本月末，欧洲钢铁工业联盟将发布一份有关中国钢铁行业的研究报告，该报告指责中国政府提供非法补贴。欧洲钢铁联盟希望藉此要求欧盟委员会采取贸易救济措施。

据称这份将于2月24日发布的研究报告包含有中国目前实施的各种补贴方案的信息。在该报告中，欧洲钢铁工业联盟不仅汇集了公开数据资料，而且提供了来源于中国的未经证实的信息。欧洲钢铁联盟想通过该报告向欧盟委员会表明，中国钢铁行业实施了“掠夺”定价，并且给欧洲钢铁工业造成了严重影响。

中国政府始终认为低价是得益于其钢铁生产的竞争力。该份报告旨在否定这种观点。据称，报告提供了具有说服力的数据，指出欧洲钢铁行业高度机械化的生产工艺相对于中国高成本劳动密集型钢铁生产的竞争优势。该报告也会通过数据表明如果例如水和能源这些钢铁生产的成本要素在中国没有得到补贴，中国和欧洲的钢铁生产成本是近似的。据此，报告将指出中国钢铁产品低价销售的唯一解释就是非法国家补贴。

该报告也意在指出作为世贸组织成员之一的中国也受到国际贸易规范的约束。换言之，中国有可能由于其补贴方案受到欧盟反补贴调查或者被申诉到世贸组织争端解决机构。

For more information on the developments related to Eurofer and for any queries on Trade matters please do not hesitate to contact Hammonds’ trade team.

The China is currently challenging US anti-subsidy measures on several Chinese imports under WTO DSU rules. Brussels is unlikely to take any action before the WTO DSB rules on that case, the decision of which is expected later this year.

Also, given the falling market demand amid the global economic downturn, which is seriously affecting European steel makers, Eurofer will very likely place increased pressure on the European Commission to obtain the initiation of unilateral trade defence investigations against Chinese imports.

For more information on the developments related to Eurofer and for any queries on Trade matters please do not hesitate to contact Hammonds' trade team.

中国目前正在世贸组织贸易争端解决机制下就美国针对多个中国产品的反补贴措施提出争端裁决。位于布鲁塞尔的欧盟不太可能在世贸组织争端解决机构今年晚些时候就此案进行裁决前采取任何行动。

此外，鉴于全球经济衰退导致的市场需求下降对欧洲钢铁行业的严重影响，欧洲钢铁工业联盟将很可能向欧盟委员会施加更多压力，要求对中国进口的钢铁产品发起单边贸易救济调查。

如需要有关欧洲钢铁工业联盟的最新动向以及对贸易事务有任何问题，欢迎随时联系希文律师事务所贸易法团队。

FURTHER INFORMATION

For more information relating to this article, please contact:

Yves Melin

Senior Associate, Brussels
T: +32 2 627 76 20
E: yves.melin@hammonds.com

Yongqing Bao

International Trade Counsel, Brussels
T: +32 2 627 76 28
E: yongqing.bao@hammonds.com

Yan Luo

International Trade Counsel, Brussels
T: + 32 2 627 76 45
E: yan.luo@hammonds.com

WWW.HAMMONDS.COM

If you do not wish to receive further legal updates or information about our products and services, please write to: Richard Green, Hammonds LLP, Freepost, 2 Park Lane, Leeds, LS3 2YY or email richard.green@hammonds.com.

These brief articles and summaries should not be applied to any particular set of facts without seeking legal advice. © Hammonds LLP 2008.

Hammonds LLP is a limited liability partnership registered in England and Wales with registered number OC 335584 and is regulated by the Solicitors Regulation Authority of England and Wales. A list of the members of Hammonds LLP and their professional qualifications is open to inspection at the registered office of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH. Use of the word "Partner" by Hammonds LLP refers to a member of Hammonds LLP or an employee or consultant with equivalent standing and qualification.