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**CPTI**

THE COMMITTEE  
ON PIPE AND TUBE  
IMPORTS



## STEEL INDUSTRY ORGANIZATIONS FROM THREE CONTINENTS SUBMIT COMMENTS TO CHINESE GOVERNMENT

Washington, D.C. – For the first time ever, eight steel trade associations from three continents have spoken with one voice on a shared trade policy concern. The American Iron and Steel Institute (AISI), Canadian Steel Producers Association (CSPA), Committee on Pipe and Tube Imports (CPTI), European Confederation of Iron and Steel Industries (EUROFER), Latin American Iron and Steel Association (ILAFA), Mexican Steel Producers Association (CANACERO), Specialty Steel Industry of North America (SSINA) and Steel Manufacturers Association (SMA) submitted comments to the Chinese Industry Policy Department of the Ministry of Industry and Information Technology regarding suggested amendments to the current Chinese government Iron and Steel Industry Development Plan.

“The Chinese steel industry should be governed by market principles and not by government intervention,” states the submitted comments. “China’s Iron and Steel Industrial Development Plan and other government actions are disrupting and distorting the global steel market.” The submission further states that, “Invariably, these problems can be traced to China’s pursuit of industrial policies that rely on excessive, trade-distorting government interventions intended to promote or protect China’s domestic industries.”

The current Steel Policy provides for government support in the form of “taxation, interest subsidy and scientific research funds” for major iron and steel projects utilizing newly developed domestic equipment. The joint submission recommends that the Chinese government “discontinue providing subsidies,” which promote the artificial competitiveness to its steel producers.

The submission also recommends that the Chinese government: (1) stop controlling and directing the operations of the steel industry, whether through the use of state-owned enterprises or other means; (2) dismantle raw material export restrictions and not introduce any new distortions in raw materials markets; (3) stop manipulating its value-added tax (“VAT”) system and other border measures; (4) establish more stringent environmental standards and enforce its environmental laws vigorously; and (5) stop manipulating its currency, which provides significant export subsidies and artificial competitive advantages.

The submission concludes that, “The Chinese steel sector should be healthy and market-based – not government-owned, controlled and directed. A proper role for the Chinese government would be to: (1) end state interventions and comply with WTO commitments; (2) stop fostering conditions (subsidies, trade barriers) that encourage unfair trade; and (3) urgently address obsolete capacity and effectively adopt and enforce world-class environmental regulations.”

To view the eight association/three continent submission in its entirety, please [click here](#).

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