

ISTA

INTERNATIONAL STEEL TRADE ASSOCIATION

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Mr Phil Hogan,
Trade Commissioner,
European Commission,
Rue de la loi/Wetstraat 200,
1049 Brussels,
Belgium

8th April 2020

Dear Trade Commissioner,

STEEL DUTY FREE QUOTAS

We are aware that the Commission has been requested to consider reducing all duty free quotas set under Safe 009 by 75% and are writing to advise of our concerns should this action be taken into consideration.

The European steel industry involves a wide number of participants, from raw material producers, manufacturing mills, steel importers and traders, steel fabricators, steel distribution centres, logistics providers, shipping companies, warehouses and docks, surveyors, credit insurers, marine insurers, banks and haulage companies, and, of course, EU construction businesses and manufacturers. Certainly not just steel producers in the EU ...!

The measures put in place by the European Commission under Safe 009 followed a lengthy investigation and subsequent lengthy reviews. To consider reducing those measures back across the board by 75% seems to us to be a reckless suggestion which we feel the Commission should reject out of hand. The steel industry needs fair competition and will

always have needs for imports of steel from outside the EU as has already been concluded by the existing measures.

Moreover, such action taken now would affect all users of steel at a time when they will be seeking to rebuild their businesses after the coronavirus pandemic is over. Reports of a reduction in EU steel production as a result of COVID-19 certainly do not support the contention that a reduction in TRQs is necessary or desirable. The near future is surely not the time to introduce more restrictions on supply.

It is also important to note that the industry has adjusted itself to work within the current Safe 009 measures and our members strongly believe that this new request for an unprecedented level of additional protectionism would be severely detrimental for all of the participants and stakeholders in the EU steel industry mentioned above.

We are also extremely concerned that any hasty reviews of the current measures would seriously adversely affect any existing contracts, already in place with suppliers, customers, contractors and further downstream in the business cycle. As well as these there are currently hundreds of millions of euros of business that have been contracted and are currently in production, at various ports awaiting shipment to the EU, or on the water destined for various EU ports. There is also material already at EU ports awaiting Customs clearance.

If a further review of the current quotas were to proceed, we would request/urge the Commission to postpone any proposed amendments to the existing measures by a period of a minimum of six months.

Yours sincerely,

Brian Paterson

Brian Paterson
Chairman