



Uk Government Justify Over Subsidies

The European Commission has dealt a severe blow to campaigners demanding more intervention by the UK government to prop up ailing steel producers.

In the latest in a string of rulings targeting illegal state aid, commissioners have demanded the Belgian government claw back around €211m previously handed out to plants owned by the Swiss steel conglomerate Dufenco. The money was provided between 2006 and 2011 by the regional government in Wallonia, but it failed to prevent the group mostly pulling out of the country.

The watchdog has also opened an investigation into around €2bn said to have been given by the Italian government to Ilva, Europe's third-largest steelworks. The Wall



EU Destroying Britain's Steel Industry - Communists



The steel industry in Britain is being destroyed by privatisation, this Tory government and our membership of the European Union', Robert Griffiths told the Communist Party's political committee. He was speaking in the wake of the 1,050 redundancies announced by the Tata steel corporation earlier, which came on top of around 4,600 job losses in the industry since last summer.

Mr. Griffiths pointed out that, after privatisation, most of Britain's steel industry is owned by overseas companies with no commitment to maintaining what remains of the country's industrial base. He also pointed out that the privatized energy monopolies are getting away with charging the steel industry here twice as much for electricity as public sector companies charge its counterparts in France and Germany. 'But it is the EU free market which has done

most to destroy jobs in Britain's steel communities', the Communist Party general secretary accused, pointing out that employment in the industry had halved to just 18,000 since the onset of the 'single European market' in 1992.

'While cheaply produced Chinese exports are being widely blamed for our steel decline, the reality is that Britain imports seven times more steel from the EU than from China as our trade deficit worsens', Mr. Griffiths revealed.

At the same time, he added, EU trade and competition rules forbid the British government imposing emergency duties or quotas on steel imports from inside and outside the EU, or providing emergency grants and loans to the industry. 'The Tory government should defy the EU to save the steel industry in Britain before it disappears altogether and leaves us entirely at the mercy of overseas producers for vital supplies', the Communist Party leader demanded.

The CP political committee also reiterated the party's support for energy price controls and public ownership of the steel and energy industries, noting that even the right-wing Italian government has nationalised the giant Ilva steelworks in Puglia a bid to save jobs and local communities there.

Street Journal says the investigation is focused on support for the renovation of the company's plant in Taranto, which came via loan guarantees and money recovered through criminal cases against former management.

Critics of the UK government have accused it of not doing enough to help embattled producers, which have shed around 6,000 jobs in the past year in the face of a huge influx of cheap steel from China and high costs at home. Brussels granted UK the right to provide rebates of energy levies but some, including the opposition Labour Party, have said that is not enough.

"It is not too late now, again, to call on the Prime Minister even at this very late stage, this 12th hour, to step in," said Labour leader Jeremy Corbyn back in September, after the closure of the Redcar plant on Teesside. "Other governments like the Italian government have done the same. Why can't the British government? What is wrong with them?"

EU competition commissioner Margrethe Vestager said the measures were designed to prevent a harmful subsidy race between member states and that the proper way of dealing with Chinese imports was through anti-dumping laws. But so far, the hefty levies campaigners are demanding to stop imports undercutting local producers have not materialised. Many steel imports from China and Russia are being registered, which is often a precursor to levies being imposed. Vestager said the EU has 30 anti-dumping measures in place, with ongoing investigations into six other steel products.

This section is a compilation from various company press releases, business dailies & trade publications.