



EUROFER calls for fair trade for recovery of European steel industry

EUROFER via a release said that “China practices an industrial policy actively supporting its domestic steel industry. Having introduced VAT export rebates promoting higher value-added products, this measure has triggered unprecedented export surges in a weak domestic steel market. China announced a removal of these rebates on 1st January 2015. However, the recent lifting of Chinese VAT export rebates applies to a selection of the steel products concerned and only when boron is added. Reportedly, Chinese operators are looking for ways to circumvent the rebate removal by replacing boron by other alloys such as chrome.”

Mr. Axel Eggert director general of EUROFER said, “The boron-specific VAT removal is a welcome sign of China's

awareness of concerns voiced by the global steel industry on China's steel policy and practices. But this measure is lacking commitment because it excludes the basic hot-rolled wide strip product while at the same time creating new incentives for Chinese exporters to continue enjoying the export rebate through the back door. We therefore may see a continuation of the peak exports recorded in 2014 for these alloyed products after the boron-specific rebate elimination is absorbed by the market, potentially causing higher technical steel performance risks.”

European imports of Chinese boron-alloyed steel products surged in the first 10 months of 2014 YoY by +83% (plate) and +375% (rebar).

Mr. Eggert, “Trade-distorting

industrial policies by third countries are detrimental to the recovery of the European steel industry and destroy jobs in Europe. The EU must vigorously act to re-establish fair trade for European steelmakers. We strongly welcome the Commission's awareness of the problem.”



Sheffield Forgemasters bags steel rolls contracts in Russia

It is reported that Sheffield Forgemasters is to supply forged steel rolls worth over GBP 9 million to steel-producing customers in Russia. The rolls have been ordered by Severstal and Magnitogorsk Iron and Steel Works and will be used in the production of steel for the automotive industry.

Work rolls form the direct surface contact within a cold rolling mill, reducing previously hot rolled steel band to create a broad range of steel sheet to be used primarily in the automotive industry. The larger back-up rolls will work within the same rolling mills and apply the required pressure to the work rolls.

Deliveries are scheduled for this year. Dr Steve Price, sales director at Sheffield Forgemasters, said, “We will be supplying more than 170 rolls in total and the contracts will provide a healthy amount of work for our heavy forge, machine shops and work rolls departments which are all based at Brightside Lane in Sheffield.”

Dr Price said, “The Russian rolls orders positions us well for the 2014-2015 financial year but it would be too early to say whether this is indicative of any upturn in the global economic slump.”

Steel import up by 65% in 2013-14 from China - Alacero

The Latin American Steel Association, known as Alacero, said that Steel imports from China increased 65% in 2013-2014, posing a threat to the industry in the region.

Mr. Rafael Rubio president of Alacero in a statement said that “Our main concern is that these imports arrive under conditions of unfair competition that can be observed in the average price of Chinese products coming to Latin America, which is 14% lower than prices for the rest of the world.”

Mr. Rubio said that the situation is even worse in Central America, where the average price of Chinese steel imports is 20% below world prices.

He said that “Latin American steelmakers are able to compete with Chinese companies under fair terms, but not when these companies have unlimited financial support from their government, which is the majority owner of those enterprises.”

He added that besides benefiting from subsidies, China's state companies resort to tactics such as dumping - selling below cost - to grab market share from domestic producers in export-destination countries, according to Rubio.