



China refuses to put its name to a Joint Communiqué

China has stoked fury by accusing the West of lazy and lame excuses over the steel crisis as it is being blamed for causing a global plunge in steel prices by dumping excess supply around the world and refused to put its name to a joint communiqué that was supposed to agree levels of over capacity and set out targets to reduce the glut. Sources say that talks have reached an impasse. To address the challenges of excess capacity facing the global steel industry, high-level government officials from nearly 30 countries and international organizations in charge of steel-related industrial and trade policies met in Brussels. The meeting was co-organized by the Organization for Economic Co-operation and Development and Belgian authorities with an aim to improve the economic viability of the global steel industry and help reduce trade frictions amongst trading partners.

The Chinese delegation blamed notable economic slowdown, sluggish recovery, and decline in infrastructure construction, industrial development and household consumption since the onset of international financial crisis in 2008 for excess capacity in the steel and some other industries. According to a position paper released by the Chinese delegation during the meeting the excess capacity problem currently facing the steel sector is a universal one for all steel-producing countries in the world. It is a common challenge that needs to be confronted by all countries together. The shared problem needs to be tackled with shared efforts. It is incorrect to blame international trade for the difficulties facing the steel industry. It said that China champions are free and open international trade for the steel industry. Frequent use of trade remedy measures and other import-restrictive measures is not addressing the root cause of global steel overcapacity, and is detrimental to the division of labor, co-operation, and sensible layout of the global steel industry. The Chinese delegation attending the symposium believes that it is all the more important for countries to avoid taking any trade restrictive measures.

The position paper also outlines China's achievements and plans in cutting its overcapacity. China shut down outdated facilities with total production capacity of over 90 million tons from 2011 to 2015. In the coming five years, China will further reduce crude steel capacity by 100 million to 150 million tons.

Chinese steel threat resurfaces



China's refusal to cut back on steel output to save the industry globally heightens the need for protective action in Australia, South Coast Labour Council secretary Arthur Rorris said.

An OECD meeting of the steel committee, attended by Australia's assistant science minister Karen Andrews, was aimed at developing a global plan to cut production to save the industry.

China, which outputs more steel than any other country, did not sign up to the plan and is now reopening plants that had been earmarked for closure to further ramp up production.

Rorris said Australia could not do much to slow China's steel output, but measures could be taken to protect the domestic industry.

This included joining other countries in placing emergency tariffs on Chinese steel being dumped in Australia.

"You do it until such time as the steel industry is out of that danger zone," Rorris said.

"That is now happening around the world. It should have happened here too. The rest of the world is looking at the nuclear options, really, which are the safeguards, to freeze out Chinese steel because they're just not playing the same game as we are and other countries are."

He also said quarantining a section of the domestic market government expenditure was another way to ward off Chinese steel dumping.

This would see the control of a third of the local market.

China urges India to follow WTO rules on anti-dumping probes

China hopes that India can strictly follow the World Trade Organization rules on its anti-dumping investigation into Chinese steel exports.

An official with the Ministry of Commerce said in an online notice that China always advocates prudent, restrained and lawful measures in employing trade remedy instruments.

He said steel overcapacity is a worldwide problem which requires joint effort from all countries. Trade protection measures could not solve the problem and will hinder normal international trade orders.

He said China always encourages its steel companies to tackle trade problems through co-operation with overseas competitors.

