



sustaining **STEEL** users



STEEL NEWS

July / August 2017

Upcoming Events

1. 10th August 2017
ASA Sydney Golf Day.
2. 3rd November 2017
ASA Melbourne Cup
Calcutta

Contact :
lihini@steelaus.com.au

Free Trade

On the 5 March 2002, George Bush invoked the S201 steel tariff.

S201, the so- called 'Safe Guard' clause, 'allows countries to take action to prevent serious injury to domestic injury from increased imports'.

The move was widely criticised with 'The Economist' stating 'The President's decision to place high tariffs on imports of steel is disgraceful'. The World Trade Organization subsequently held that steel the tariffs imposed by the U.S. were illegal and violated international treaties.

Importantly subsequent commentary deemed that:

The protection of the steel industry in the United States had unintended consequences and perverse effects: it reduced production of steel in the United States, increased costs to users, and increased unemployment in associated industries.

In 2017, President Donald Trump has invoked Section 232 of the US Trade Expansion Act of 1962.

Section 232 allows presidents to impose trade restrictions to protect national security.

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Cont'd.....Free Trade

President Trump has argued that the US cannot be too dependent on foreign steel to build defence equipment such as fighter jets, tanks and military vehicles.

Australian steel exporters to the U.S have understandably raised their concerns.

Australia also has challenges in effecting what free trade means.

- The Steel Industry Protection Bill that excludes any steel not made in Australia unless the Australian steel is 20 per cent higher than the global steel prices one example.
- The high proportion of steel centric dumping cases
- Consideration of pre-emptive duties on low volume importers is another.

In other news, the GFG Alliance purchase of Arrium is refreshing in that the commentary has shifted to investing in order for Australian steel to be globally competitive.

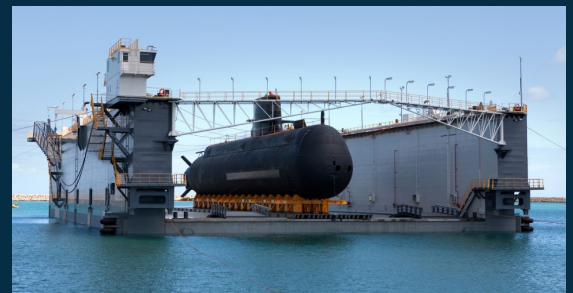
Mr Gupta has positively commented on Australia having “abundant supplies of iron ore as well as an end market with some of the highest steel prices in the world”.

The commentary on high steel prices should not be lost and hopefully signals a pendulum swing to a steel sector less reliant on protectionism.

Noting the United States 2002 scenario, the opportunity from such a pendulum shift is improved employment, lower cost inputs for Australia’s steel intensive manufacturing industry and subsequently for Australian steel consumers.



Australian steel used in.....



the new submarine contract.

ASA Activities

Areas that the Australian Steel Association is engaged in include:

Policy

Material Injury causation.

Access to Consolidated Import Data and the associated confidentiality / competition issues.

Definition of Subsidies to reflect WTO requirements.

SME access to the anti-dumping system and the impact of anti-dumping measures on Australian SMEs.

Anti-Dumping Compliance & Circumvention workgroups.

The need for Australia to have 'Related Party' import provisions to regulate nominal Australian producers of a product gaining an undue competitive advantage as importers.

The ASA article 'Poles Apart' flagged the anti-competitive issues of Related Party import schemes continuing unchecked.

Standards

Bridge Design standard as an opportunity for Australia to embrace long standing New Zealand protocols that permits steels manufactured to international standards to be considered equivalent to AS/NZS products.

Welding Standard Updates.

For further information on these items, please contact the ASA.

Upcoming Events

Australian Steel Association 2017 Sydney Golf Day Thursday 10th August 2017



The ASA's Sydney Golf Day & Dinner will be held on Thursday 10th August 2017
at Concord Golf Course.

Concord is one of Sydney's premier golf courses.

Please Contact:

Lihini at (Australian Steel Association)
Telephone: (03) 9882 1652 (Tuesday and Wednesday only)
Email: lihini@steelaus.com.au

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