



China cautions US on steel protection

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China on Tuesday expressed concern over serious protectionism in the steel trade following the latest US announcement of an anti-dumping investigation into imports of welded pipe.

US Commerce Secretary Wilbur Ross on Tuesday announced the initiation of an antidumping duty (AD) and countervailing duty (CVD) probe into imports of large-diameter welded pipe from Canada, Greece, China, India, South Korea and Turkey.

The estimated dumping margins, alleged by several US steel pipe factories, ranged from 16.18 to 20.39 percent for South Korea and 132.63 percent for China.

In 2016, the US imported \$139 million worth of large diameter welded pipe from China, according to the US Commerce Department.

It said the US International Trade Commission will make its preliminary determinations on or before March 5.

If the ITC preliminarily determines that there is injury or threat of injury, then the Commerce Department investigations will continue, with preliminary CVD determinations scheduled for April 16, and preliminary AD determinations scheduled for June 29, unless these deadlines are extended.

"China expressed concern over the grave US trade protectionist tendency in steel products," Wang Hejun, head of China's Ministry of Commerce Trade Remedy and Investigation Bureau, said in a statement posted on the ministry's website.

He noted that by January of this year, 222 US trade remedy measures going into effect have targeted steel products, accounting for more than half of the total US trade remedy measures. They also cover almost all steel products imported to the US.

"While World Trade Organization members have the right to initiate trade remedy investigations, such frequent and excessive protection of domestic industries could not achieve the goal of trade remedy but often lead to a vicious cycle (of trade actions)," Wang said.

He called on the US to exercise restraint in applying trade restriction measures.

The Trump administration has reportedly completed its investigation into the national security implications of US imports of steel and aluminum, conducted under the Section 232(b) of the US Trade Expansion Act of 1962.

"Should Trump announce tariffs, the United States might find itself defending that decision at the World Trade Organization by invoking GATT Article XXI (the Security Exception), which allows members to abandon their tariff obligations in times of war or national security emergencies," Daniel Ikenson, a senior fellow at the Cato Institute, wrote on Monday in an article posted on the institute's website.

Yukon Huang, a senior fellow at the Carnegie Endowment for International Peace, described the US probe into Chinese steel as "stupid" because China accounts for only 2 percent of US steel imports.

He said protecting the US steel industry does not generate many jobs, but higher steel prices from tariffs would lead to higher prices and more job losses in sectors that use steel as raw materials. "It just doesn't make sense," Huang said.

He said that China is cutting its steel capacity and "the problem is going to solve itself".

China slashed its crude steel production capacity by more than 50 million tons in 2017. It also phased out production of 140 million tons of low-quality steel made from scrap metal last year, the Ministry of Industry and Information Technology announced last week.