

New Developments in Steel and Metals Trade

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Trade in steel and metals has traditionally been of particular importance. In Europe, it was even at the beginning of a peace project from which today's European Union (EU) emerged. The steel and metals industry is currently facing various far-reaching challenges that have a direct impact on global trade: one key issue is overcapacity, which is mainly due to Chinese steel production and is putting American and European steel manufacturers in particular under considerable pressure. In addition, the steel and metals sector is heavily affected by the necessary switch to more climate-friendly production, which is also accompanied by a sharp rise in energy prices, at least in Europe. Finally, steel and metals also play a central role in the current 'securitization' of national economic and trade policies, which raises the question of a secure (supra) national supply.

These three challenges – overcapacity, green transition and economic security – are leading to new trade policy approaches and reforms of existing measures. For example, the United States (US) have attempted to better protect the domestic steel sector through new tariffs and the takeover of US Steel Corp. by Nippon Steel Corp. has shown what role national security policy can play in this area. The EU has also introduced new measures, such as a Carbon Border Adjustment Mechanism (CBAM), and has published a 'Steel and Metals Action Plan' (SMAP). As one crucial element of the SMAP, the Commission has recently proposed a system of new tariffs and tariff quotas in view of the forthcoming expiry of the existing safeguard measures. Outside America and Europe, emerging nations such as India and Indonesia are increasingly shaping global trade in steel and metals. China is now a superpower, but its state capitalist system poses major challenges for global trade.

This Special Issue on '*New Developments in Steel and Metals Trade*' marks the beginning of a comprehensive

attempt to bring together and shed light on the multiple challenges and developments affecting these sectors. The following contributions by leading practitioners, academics and policy experts are intended to highlight new trends in this area and drive forward the discussion on political and legal approaches. First, *Ben Caryl* highlights the international discussions and causes of overcapacity in the steel sector, and – starting from U.S. practice – develops a proposal for a better way to deal with the underlying problems. *Marc Bungenberg* and *Philipp Reinhold* then focus on the EU's international steel relations with the US, analysing both historical and current opportunities for closer cooperation. *Ilaria Colombo* and *Pierfrancesco Mattiolo* examine the increasingly important issue of scrap metal trade and shed light on its current legal framework. A second part of the Special Issue then deals with (supra)national developments. *Sanjay Notani* and *Naghm Ghei* give an overview of the shape and development of the steel and metals industry in India. *Sara Franzone* then discusses the economic rationale behind the Commission's new proposal to adjust tariff quotas for steel imports into the EU. Against this background, *Moritz Pottek* analyses the proposed 'melted and poured' rule and the challenges associated with this reform approach of EU trade defence law. *Pieter Van Vaerenbergh* and *Uğur Can Hekim* shed light on the role of steel and metals in the EU's trade defence practice and highlight recent developments. Finally, *Patrick Abel* assesses the EU's CBAM within its broader legal and economic context, including by reference to WTO obligations.

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Notes

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