
EU may spare provisional AD on Chinese HDG - Report

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Bloomberg, citing people familiar with the matter, reported that the European Union will refrain from imposing tariffs on galvanized flat steel from China next month.

The plan by the European Commission delays a possible trade clash over allegations that the Chinese sold hot dipped metallic coated steel to the construction industry below cost. EC must decide by September 14th 2008 whether to impose provisional six month tariffs and by mid March whether the longer levies are justified.

Under EU practices, the commission has nine months from the start of a dumping investigation to decide on provisional measures for half a year and EU governments have 15 months to choose whether to apply definitive levies for five years.

Mr Hermann Reith a steel analyst at BHF-Bank AG in Frankfurt said that "Temporary measures aren't necessary because EU imports from China have decreased significantly this year. The fall in imports was caused by the anti dumping inquiry and further growing demand in regions outside Europe including China."

According to European steel industry group Eurofer, Since the EU began an inquiry in December, the shipments from Chinese mill have slowed down and imports, which averaged 146,000 tonnes a month last year, fell to 50,000 tonnes in May 2008. EU imports of hot dipped metallic coated steel from China totaled 1.752 million tonne in 2007.

The report cited Mr Axel Eggert spokesman of EUROFER as saying that "The threat of injury to European manufacturers from Chinese dumping remains. The basic problem is the economically irrational increase of steel production capacity in China."

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