

Wiley Rein Publishes Report on Global Steel Industry Overcapacity in Conjunction with Alan Price's Testimony before USTR and DOC

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Washington, DC—Wiley Rein LLP's prominent International Trade Practice published a report today—the second edition of its kind—on the unprecedented level of overcapacity in the global steel market, describing actions needed to stem the significant adverse effects on steel producers worldwide. Practice chair Alan H. Price, and leading author of the report, will present the results of recent research in a joint hearing on the global steel industry situation and its impact on the U.S. steel market before the Office of the United States Trade Representative (USTR) and the U.S. Department of Commerce (DOC). The hearing is being held today at the U.S. International Trade Commission's offices, with the participation of other U.S. government agencies and interested stakeholders.

Wiley Rein's report—titled *Unsustainable: Government Intervention and Overcapacity in the Global Steel Industry*—is authored by Mr. Price, partner Christopher B. Weld, and associates Laura El-Sabaawi and Adam M. Teslik. Since the report's first edition was released in July 2013, excess capacity in the global steel industry has continued to grow, and the 2016 update notes that the "overcapacity crisis has reached alarming new heights." The authors call for immediate action to reduce excess steel capacity, which they assert is caused largely by foreign government ownership and intervention in the steel industry, most notably in China.

The report describes a number of actions that should be taken, including the immediate removal of 300-400 million tons of steelmaking capacity in China, as well as the elimination of subsidies and other forms of government interference in the steel industry. The

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authors conclude that "unless immediate action is taken to reduce global overcapacity, the very viability of many steel industries around the world will be threatened."

The report comes just prior to a High-Level Symposium on global steel overcapacity to be held by the Organization for Economic Cooperation and Development (OECD) in Brussels, Belgium on April 18. The OECD Steel Committee has recently noted mounting challenges for steel producers in the United States and other major steel producing countries, citing such factors as "demand weakness," an "environment of already low steel prices," "unsustainably weak profitability," and steel producers' "mounting debt" as the impetus for immediate action.

To read the second edition of Wiley Rein's full report, please click [here](#).