



US and EU steel and metal workers call for a Global Arrangement which encourages decarbonization, ensures a fair and level playing field and good working conditions

Washington and Brussels, 18 October 2023

For the attention of:

USTR Ambassador Katherine Tai, Office of the US Trade Representative

Executive Vice-President Valdis Dombrovskis, European Commissioner for Trade,

European Commission

Dear Madam Ambassador

Dear Vice-President Dombrovskis

On behalf of workers in the US and European steel and aluminum industries, we jointly write to you to urge you to conclude a successful Global Arrangement on Sustainable Steel and Aluminum (GASSA) ahead of the 31 October deadline. For trade unions in our respective regions, this negotiation must address both carbon intensity and non-market excess capacity (NMEC) with the aim to encourage the decarbonization of the sectors, establish a more level global playing field and ensure workers' rights are respected in line with international standards.

Trade unions insist that interested partners should only be able to join the GASSA if they respect international workers' rights; lowering working standards and conditions to try and remain "competitive" is inexcusable. Furthermore, unfair state aid must end, and trade unions insist that aid linked to decarbonization efforts must have social conditionalities and cannot exacerbate global excess capacity. The time of cheap steel and non-ferrous metals, produced in unfair market conditions, flooding open markets, must end.

The European and US steel and non-ferrous metal industries tend to be leaders in democratic trade union rights, rights that are essential to ensuring safe workplaces and providing all workers with a voice. Furthermore, our regions also have the potential to be global leaders in decarbonization efforts, including for the steel and non-ferrous metals sectors. However, a successful pathway for the GASSA will require strong and reactive trade defense measures. It should encourage global producers to meet or exceed our shared values for a cleaner environment to help fight climate change, as well as respect internationally recognized and democratic labor rights.

With steel excess capacity on the rise, workers cannot wait, and the opportunity to better address global crude steelmaking capacity must be seized. Only last month, the OECD reported that **global steel production is projected to reach 2,500 million metric tonnes (mmt) in 2023**, with a 56 mmt increase this

year alone. This is the largest annual expansion in a decade.¹ The OECD also highlighted that steel capacity growth is primarily the result of Chinese investments in ASEAN and other regions.

These investments are already having an impact on US and European steel producers. The US and EU steel industries have long faced significant import pressures. For example, **US finished steel imports in the first seven months of 2023 are at 22 percent of the market**, and **EU steel imports have seen a 66 percent increase in 2023 from South-east Asia**.² Unfortunately, it appears that many of these investments are being built with little attention paid to decarbonization and in markets which historically have had lower environmental, labor, and occupational health and safety standards.

That is why our respective organizations call on the EU and United States to work towards an agreement that effectively limits carbon intensive and NMEC steel and non-ferrous metals from our respective markets. We wish to emphasize that factors in NMEC should include labor and environmental conditions in the countries of production and that the race to the bottom in pay and workers' rights to create unfair competition must be stopped.

Yours sincerely,

Dave McCall
President
United Steel Workers

Judith Kirton-Darling
Joint Acting General Secretary
IndustriAll European Trade Union

¹ <https://www.oecd.org/industry/ind/94-oecd-steel-chair-statement.htm>

² <https://www.steel.org/wp-content/uploads/2023/08/IMP2307.pdf> and
https://www.oecd.org/industry/ind/94th_Steel_Committee_8_EUROFER.pdf