



Community Chat With Alan Price, Partner, Wiley

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SMU developed its newsletter for active buyers and sellers of flat-rolled steel.

Prices | Momentum | Sentiment | Trends | Analysis

For more information visit www.steelmarketupdate.com

Upcoming Events

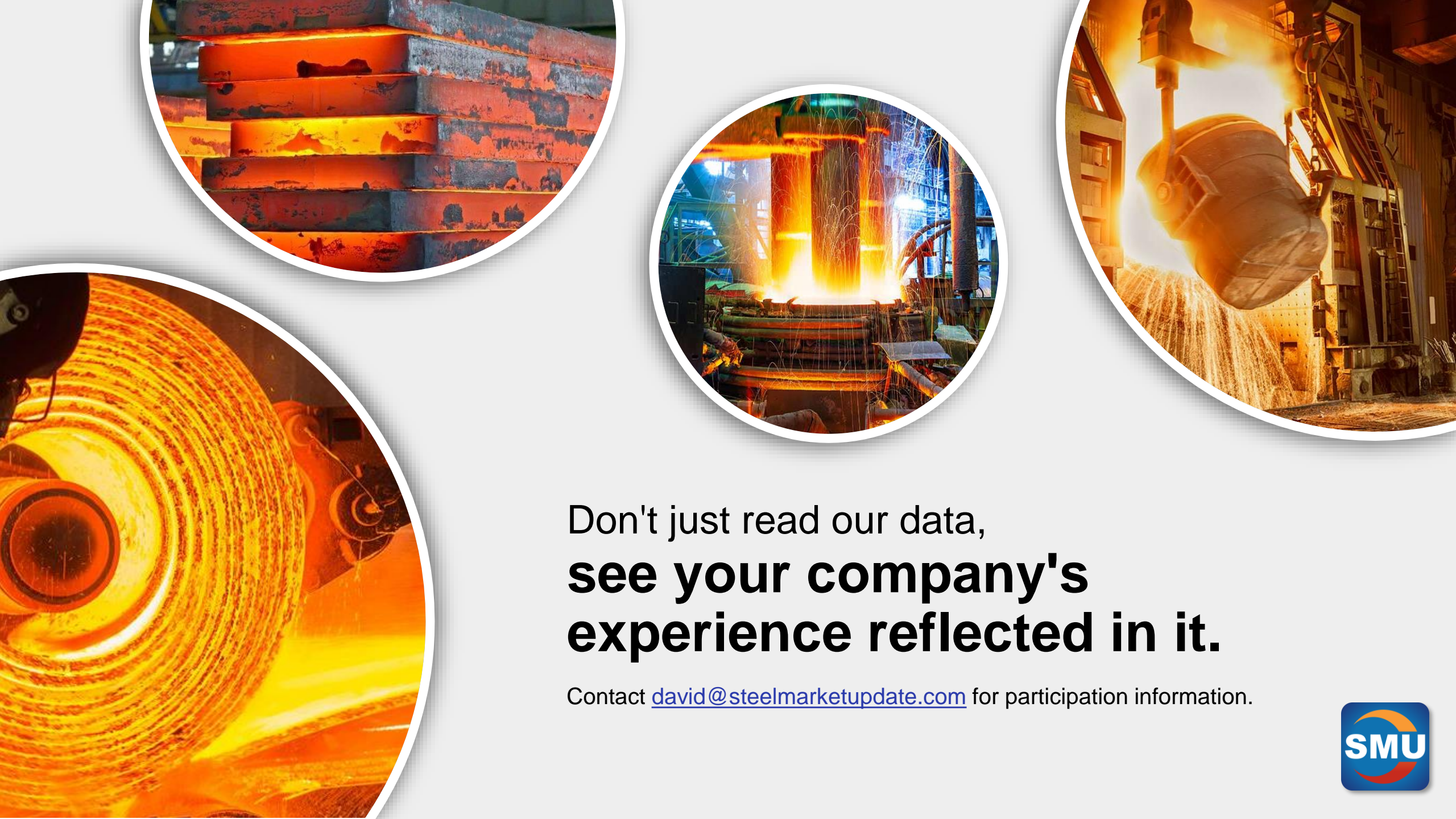


35th Tampa Steel Conference 2024
January 28-30, 2024 | Tampa, Fla.
JW Marriott Tampa Water Street



SMU Steel Summit 2024
August 26-28, 2024 | Atlanta, Ga.
Georgia International Convention Center

For more information about our workshops and conferences visit:
steelmarketupdate.com/events or e-mail our team at events@steelmarketupdate.com



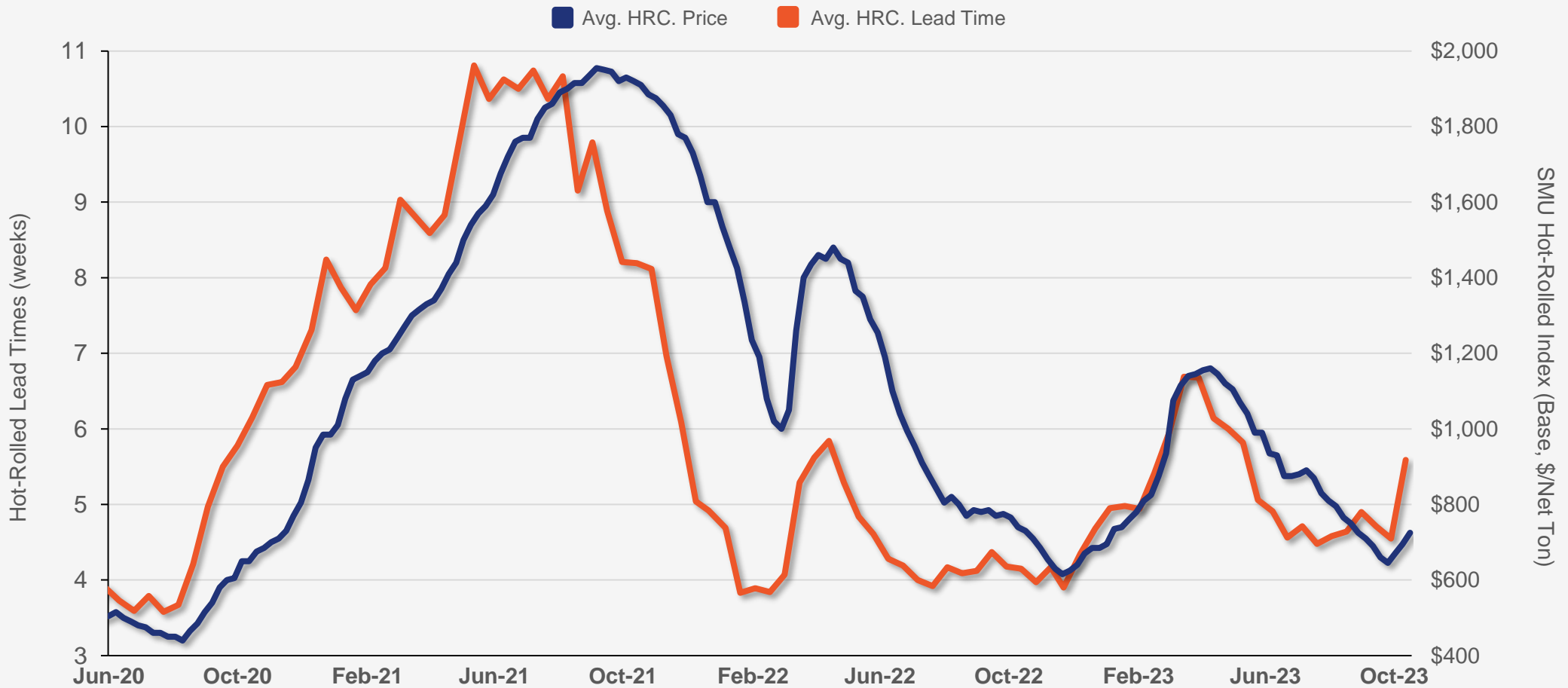
Don't just read our data,
**see your company's
experience reflected in it.**

Contact david@steelmarketupdate.com for participation information.



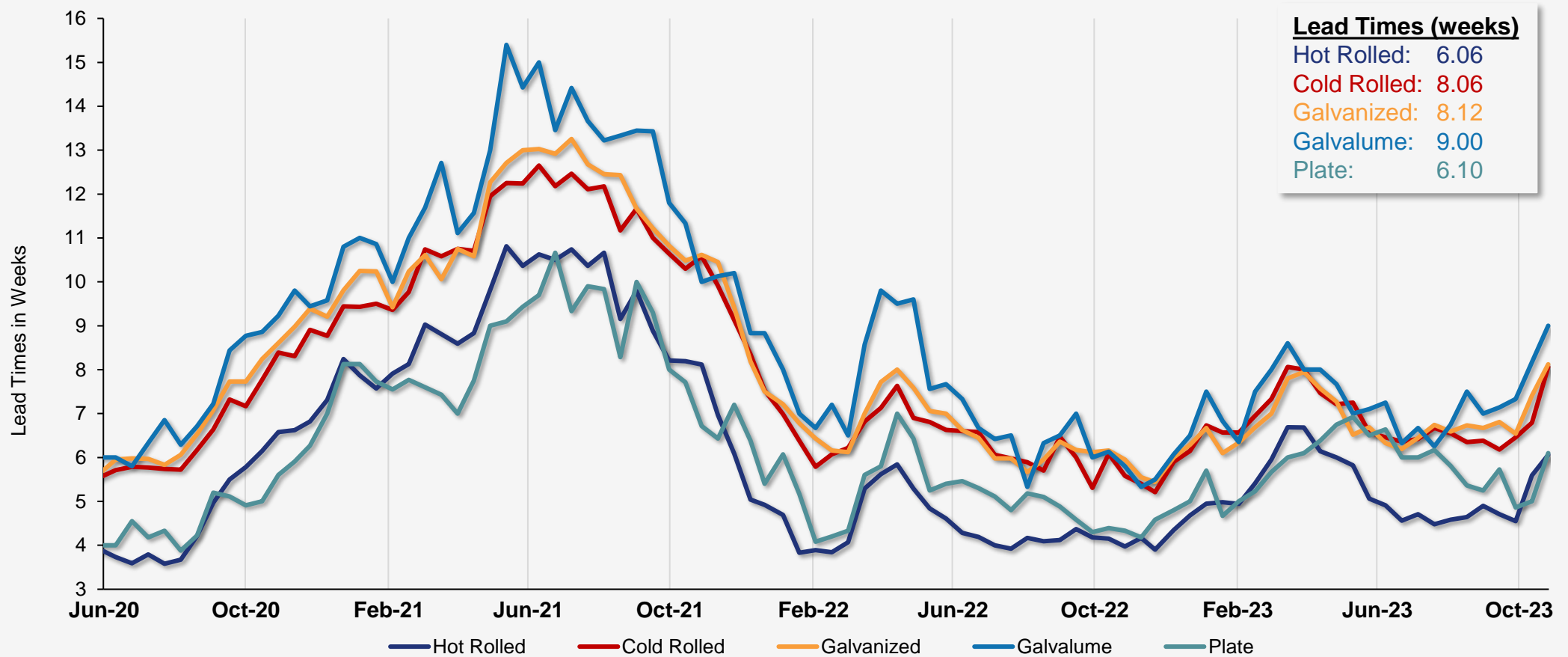
Hot-Rolled Steel Prices vs Lead Times

SMU's hot-rolled steel prices and lead times, with data through Oct. 17, 2023.



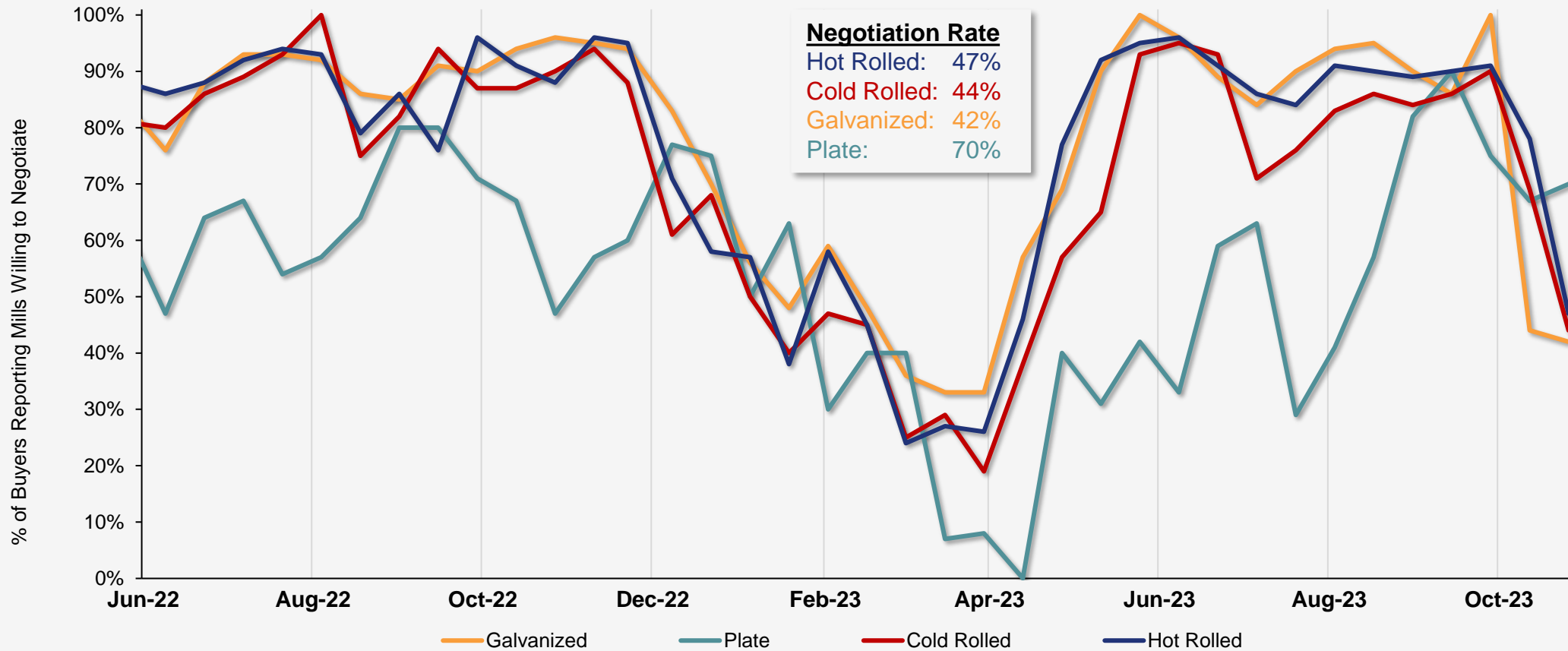
Steel Mill Lead Times by Product

SMU lead times on new steel orders by product through Oct. 25, 2023.



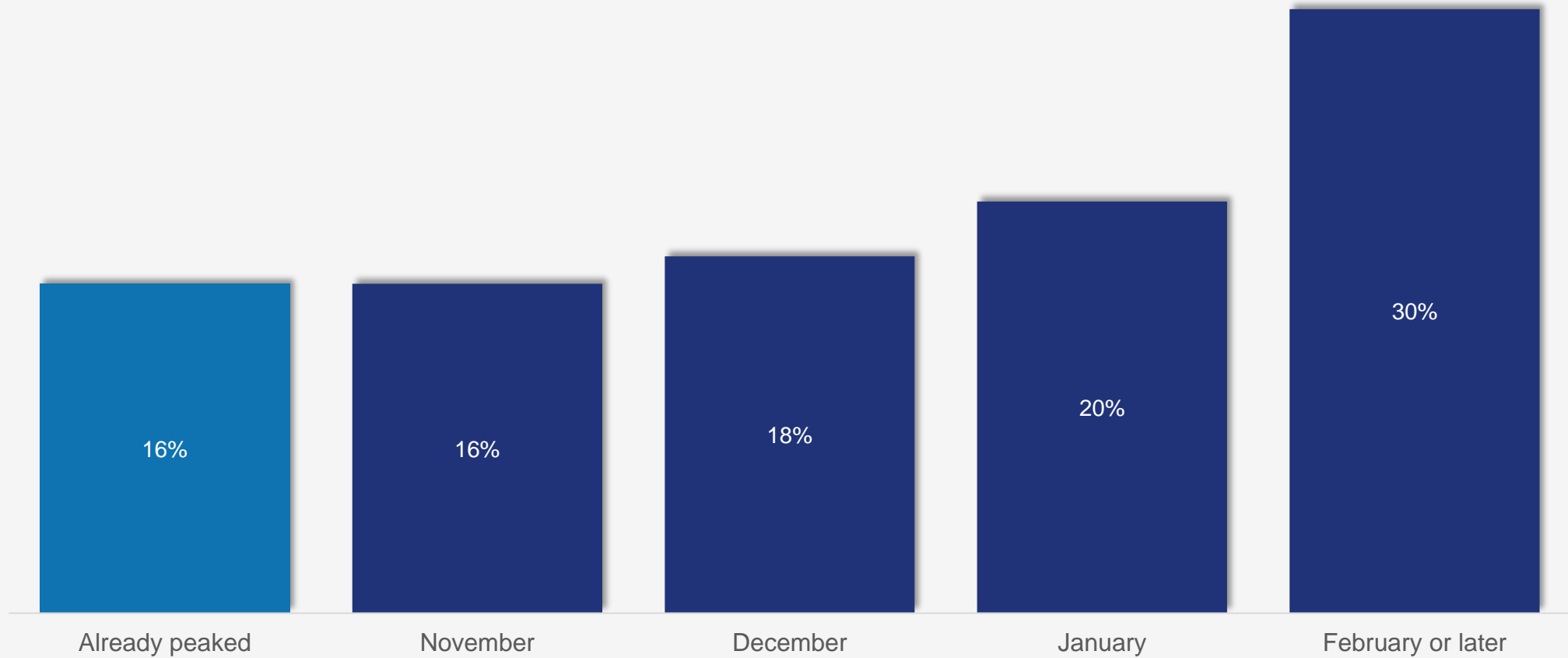
Steel Mill Negotiations

SMU's price negotiations on new steel orders by product through Oct. 25, 2023.

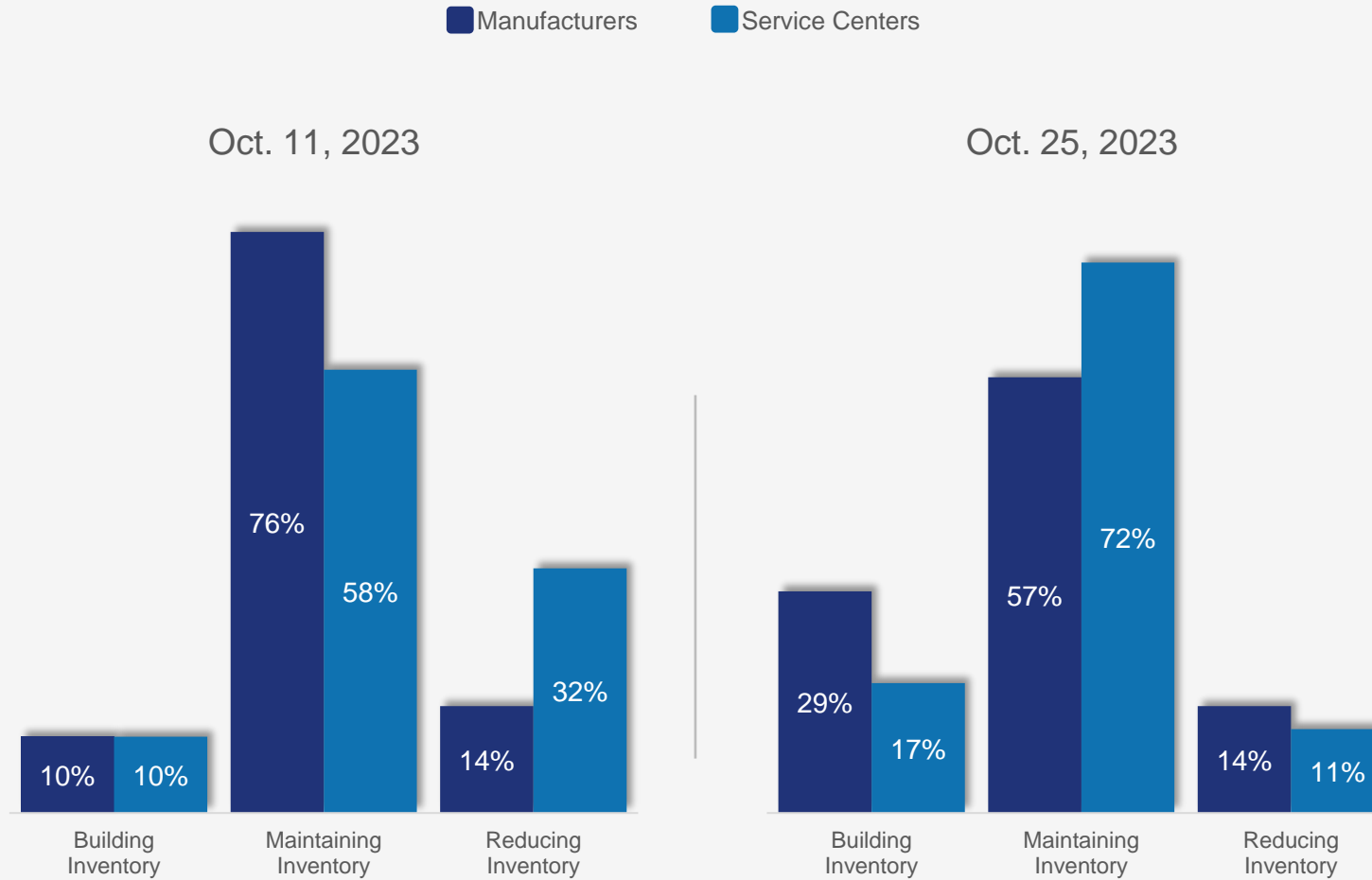


Hot Rolled Inflection Point

When do you think steel prices will peak?



Manufacturer and Service Center Inventory Buying Patterns



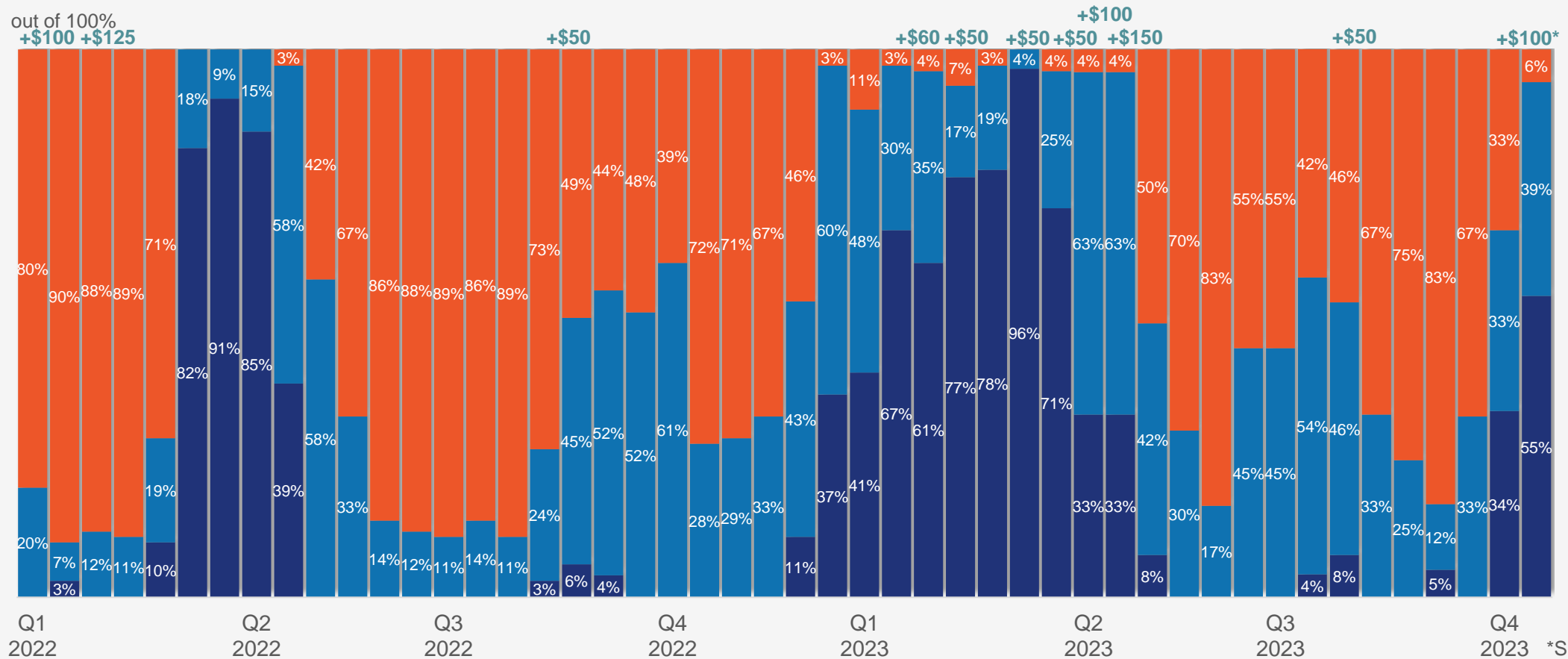
Service Center View of Selling Prices

Service Centers

Compared to two weeks ago, how is your company handling spot pricing to your customers?

Historical Nucor flat rolled price increase announcements

■ We are raising prices
 ■ We are keeping prices the same
 ■ We are lowering prices

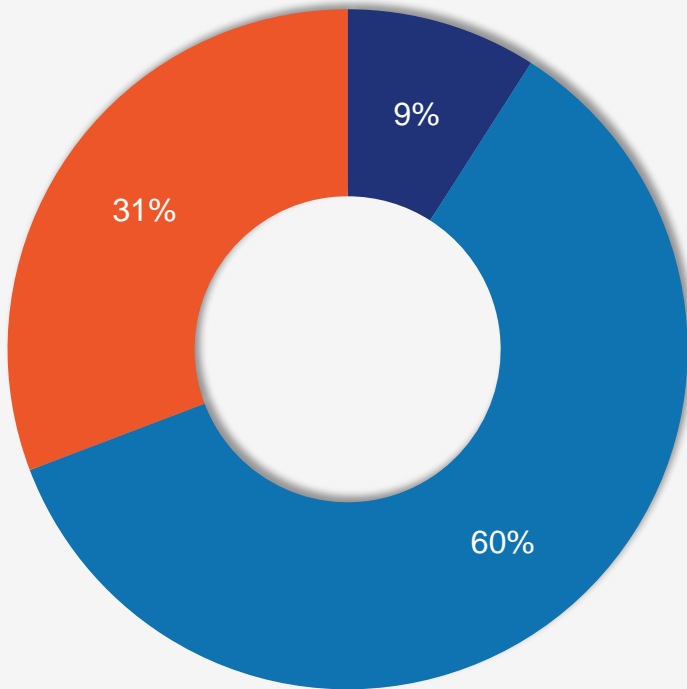


Business Forecasts

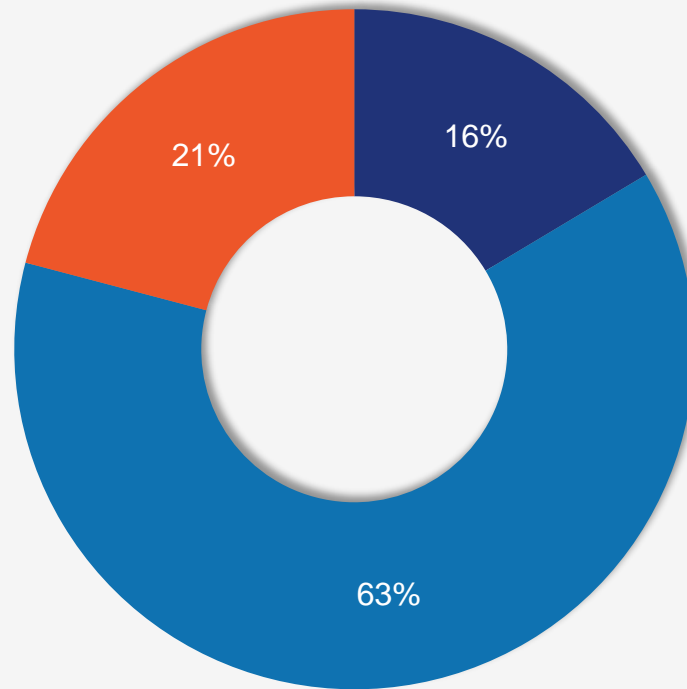
How will your company perform this month compared to your forecast?

■ We will exceed forecast
 ■ We will meet forecast
 ■ We will not meet forecast

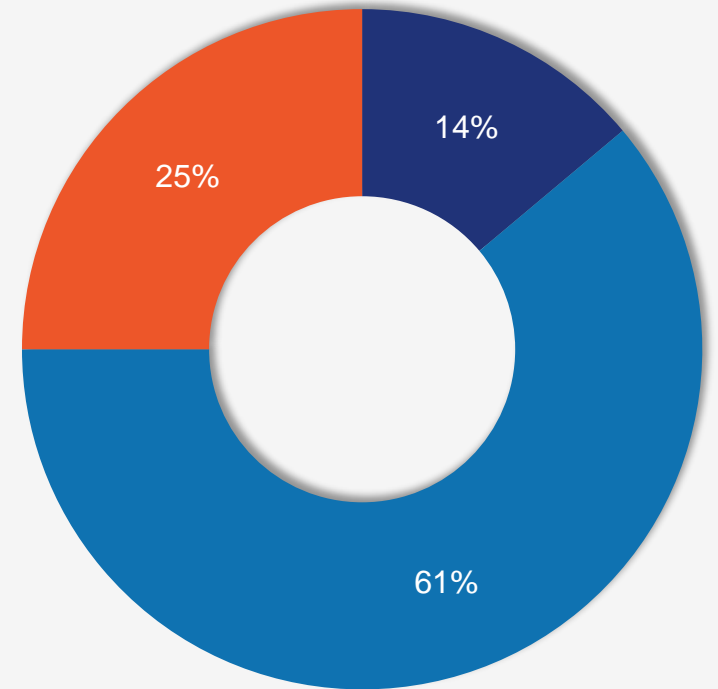
Aug. 30, 2023



Sept. 27, 2023



Oct. 25, 2023

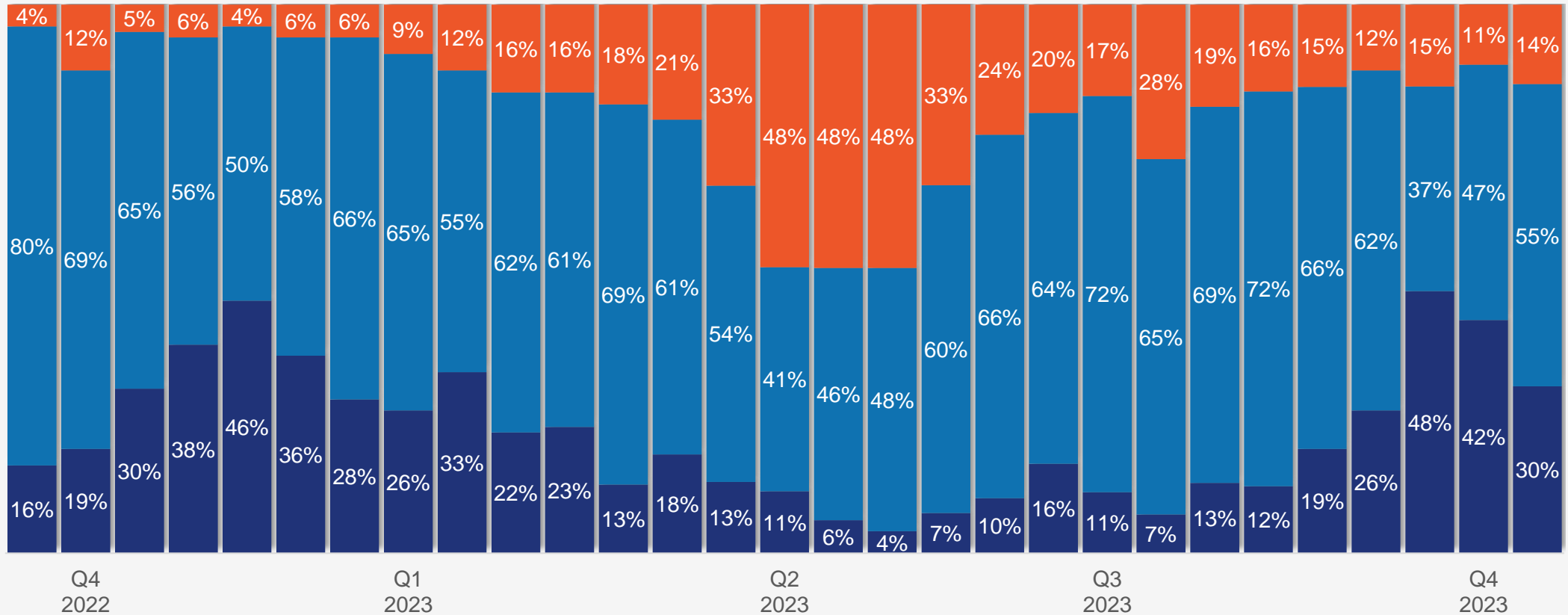


Direction of Steel Mill Lead Times

Two months from now, will lead times be extending, flat, or contracting?

■ Extending
 ■ Flat
 ■ Contracting

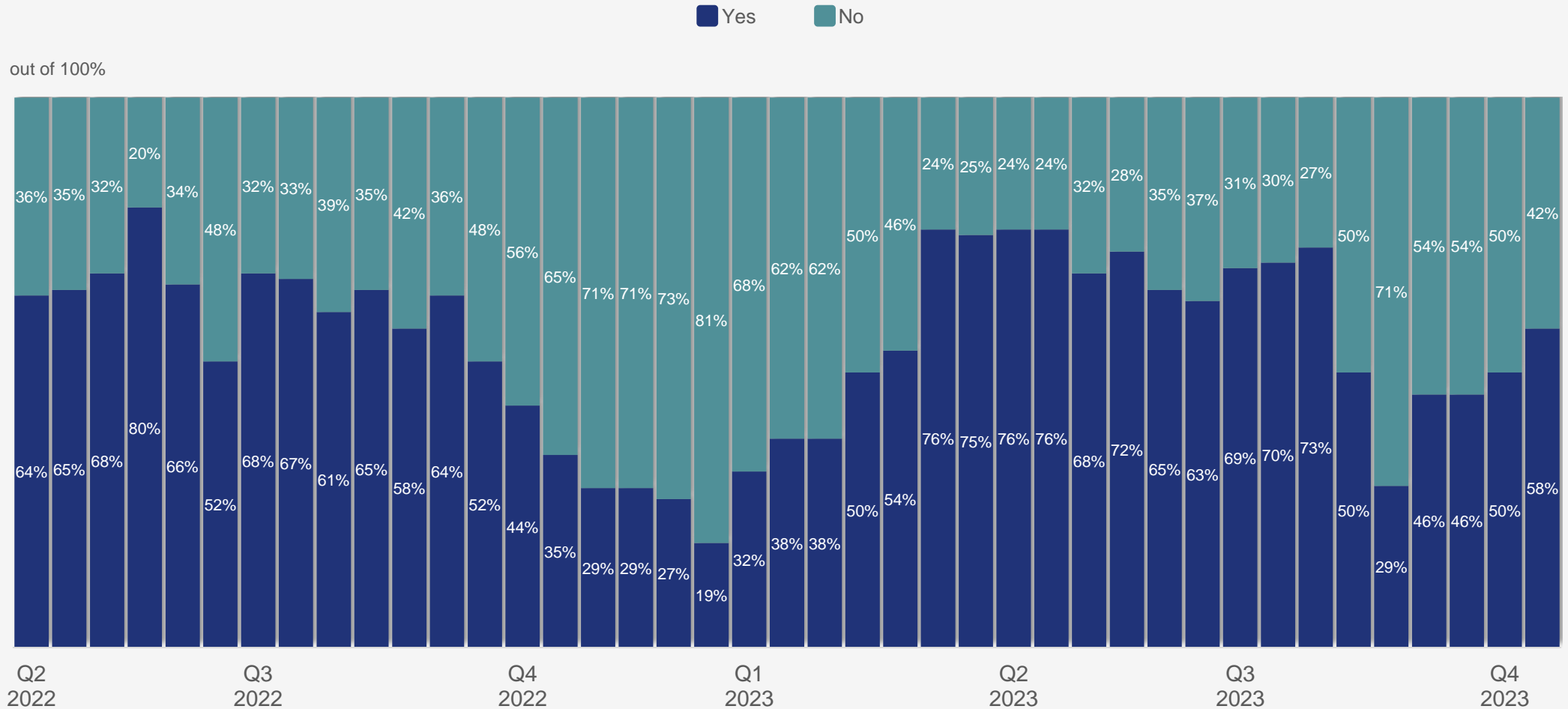
out of 100%



Foreign Steel Competitiveness History

Service Centers

Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?



Alan Price



Alan Price is chair of Wiley’s International Trade Practice, which has been recognized by Law360 as “Practice Group of the Year” for nine consecutive years. He has more than 30 years of experience representing clients in high-profile, complex international trade regulatory matters – including trade litigation involving public and government relations issues. And Price has regularly been rated by Chambers USA as one of the nation’s “Leading Lawyers” in his field.

Also, Price represents numerous domestic steel and aluminum producers on trade matters. He counsels clients on antidumping and countervailing duty investigations, bilateral and multilateral agreements, trade legislation, customs regulation, national security matters, trade-related climate change issues, escape clause investigations, and WTO dispute resolution.

And he often represents clients in matters before the U.S. Court of International Trade, the White House, Congress, the U.S. International Trade Commission, the U.S. Department of Commerce, and the U.S. Court of Appeals for the Federal Circuit.

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Steel Market Update Community Chat

Status of U.S.-EU Global Arrangement

Alan H. Price



Disclaimer

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Global Arrangement Origins

- The Global Arrangement originated with the October 31, 2021 U.S.-EU agreement on the Section 232 steel and aluminum tariffs
- The proposed framework consisted of six elements:
 1. *Market access restrictions on countries with “non-market excess capacity”*
 2. *Market access restrictions on high carbon intensity industries*
 3. *Domestic policies supporting the arrangement’s objectives*
 4. *Removal of non-market practices supporting excess or high-emission capacity*
 5. *Consultations on investments in decarbonization (i.e., “green subsidies”)*
 6. *Screening of investments from non-market-oriented countries*
- Negotiations were to be completed by October 31, 2023



U.S. December 2022 Proposal

- In December 2022, the U.S. presented a “concept paper” that set the starting point for negotiations
- The concept paper proposed a system in which:
 - Members would face baseline tariffs of 0% with incremental increases based on defined carbon intensity standards
 - Non-members would face significantly higher baseline tariffs, with incremental increases based on carbon intensity standards
 - Members would be required to comply with limits on excess capacity and state intervention in the industry (e.g., SOEs, subsidies, etc.)



EU Response

- The EU countered with demands for a far less ambitious framework, including:
 - Flexibility in implementing measures addressing high-emission imports
 - Unconditional removal of U.S. Section 232 measures as applied to EU producers
 - More room to subsidize domestic steel industry decarbonization
- The EU wants the arrangement to target only external “bad actors”
- It does not want to accept disciplines on its own high-emission, excess capacity



Current State of Play

- A two-month extension was announced on October 20
- Negotiations remain largely deadlocked over EU unwillingness to accept binding and mutually applicable emissions standards
- There is greater overlap on the non-market excess capacity issue
 - But, divisions remain on key details like minimum tariffs and treatment of excess capacity
- If no agreement is reached by December 31, 25% Section 232 tariffs will come back into effect, and the EU will likely reimpose retaliatory measures
- This would be incredibly costly for EU steel producers





Thank You

Thanks for attending our Community Chat!

For information on subscribing to SMU, contact Lindsey Fox: lindsey@steelmarketupdate.com

To participate in our survey, contact David Schollaert: david@steelmarketupdate.com

To contact Alan Price: aprice@wiley.law

To contact Michael Cowden: michael@steelmarketupdate.com

Stay safe and stay tuned to Steel Market Update!