



# DELIVERING ON THE COMMITTEE'S WORK ON SUBSIDIES IN THE STEEL SECTOR

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# Key achievements of the SC work on subsidies

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1. **A large dataset of subsidies information was collected**
  - Rich scope
  - Already allows to distinguish some salient facts, trends, etc...
2. **In particular,**
  - OECD and non-OECD economies show different levels in subsidisation of their steel industry, as well as diverging trends: increasing for non-OECD economies, decreasing for OECD economies.
  - “Subsidisation intensities” seem remarkably constant over times (at different levels), and 10 times higher for non-OECD economies
3. **National contexts are impactful on subsidisation and should be kept in mind.**
  - Target setting affects the propensity to subsidise steel
  - Complexity in government related agencies and financial schemes
  - Upstream and downstream sectors



# A large dataset was collected

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## 1. Geographical scope:

- 16 largest steel producing economies
- + 3 additional jurisdictions of rapidly growing capacity: Indonesia, Viet Nam and Saudi Arabia

## 2. Period under study:

- From start of 2008 to September 2021
- Annual graphs cut at end of 2020

## 3. Publicly sourced data collected and aggregated to obtain the results of this Report

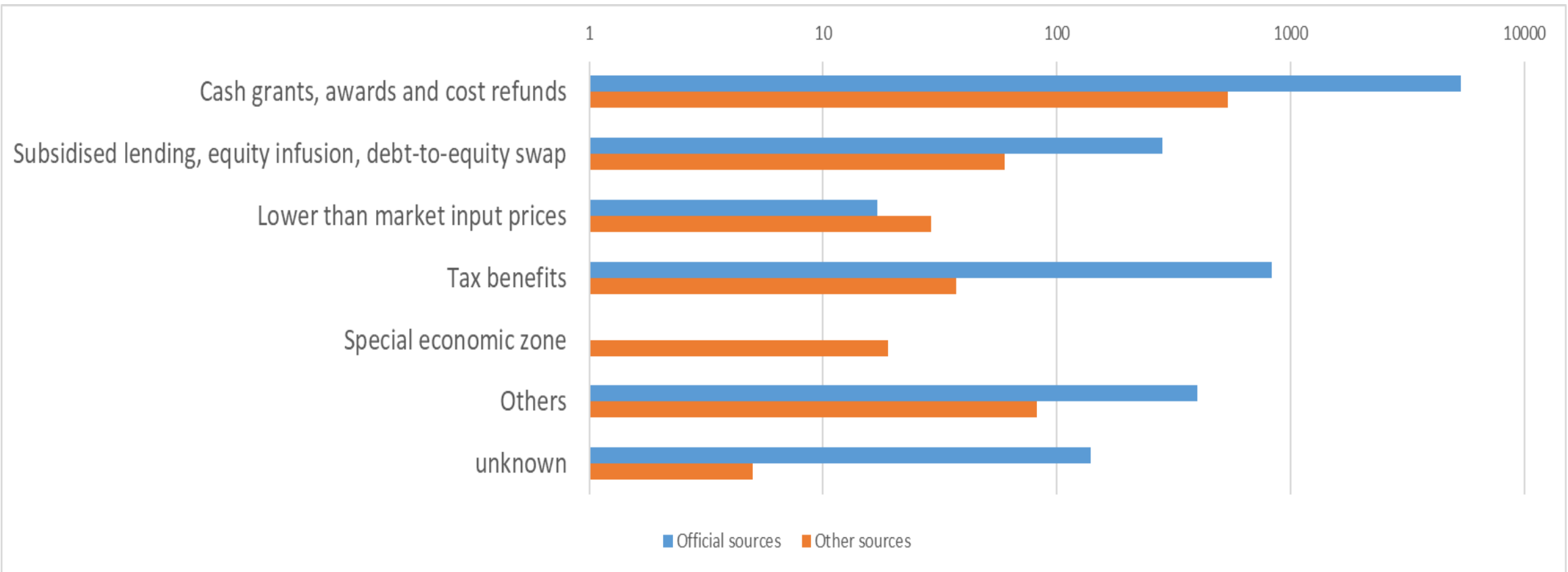
- 1 804 programmes (many under same umbrella-programmes)
- 7 968 individual subsidies, for 845 distinct steel company recipients

## 4. Results of this Report are uniquely drawn from aggregated data.



# Cash grants, awards and cost refunds are the instrument most often recorded

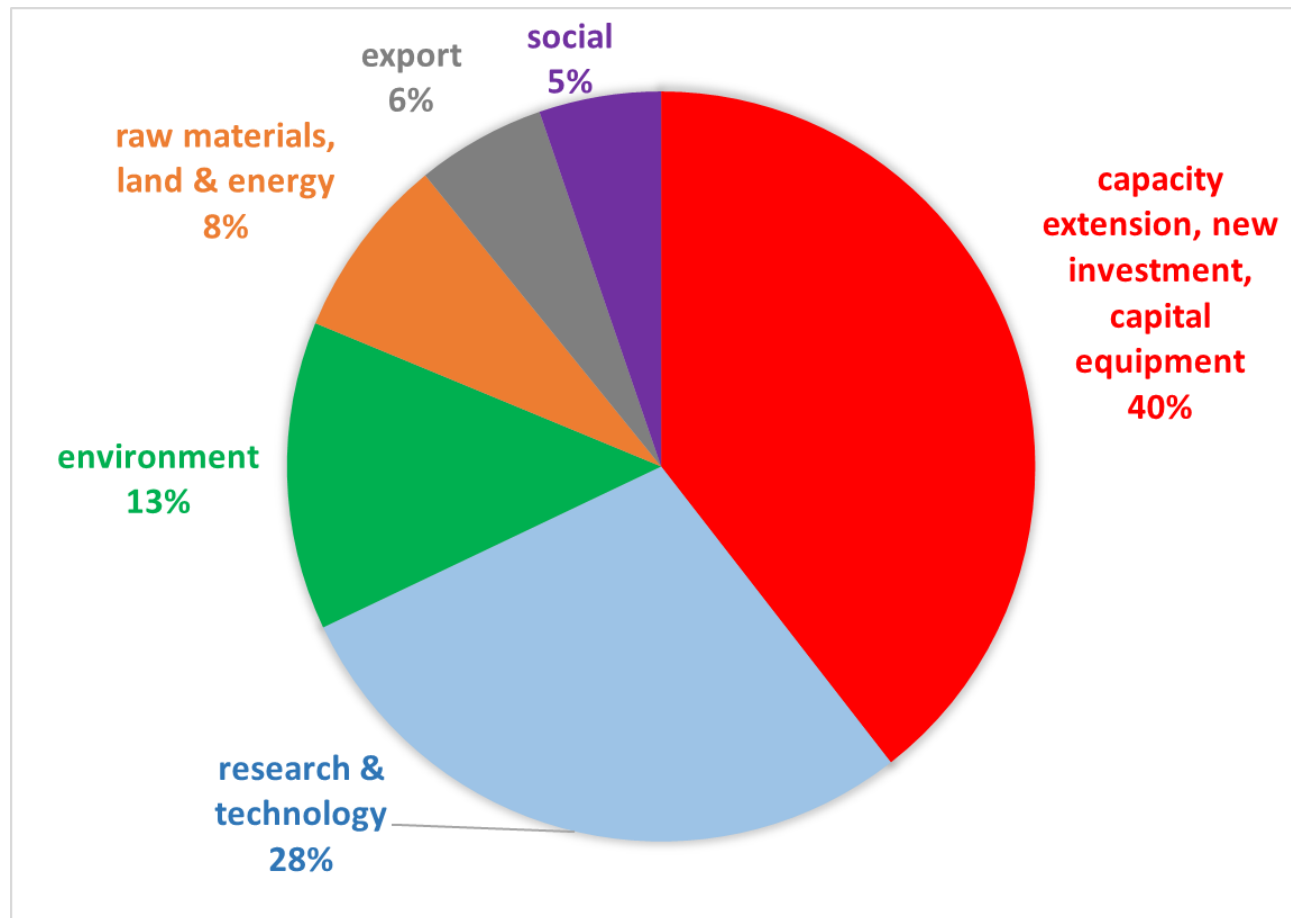
Data collected by instrument type and source type





# “Capacity extension”, “new investment”, and “capital equipment”: majority of stated purpose of subsidies collected!

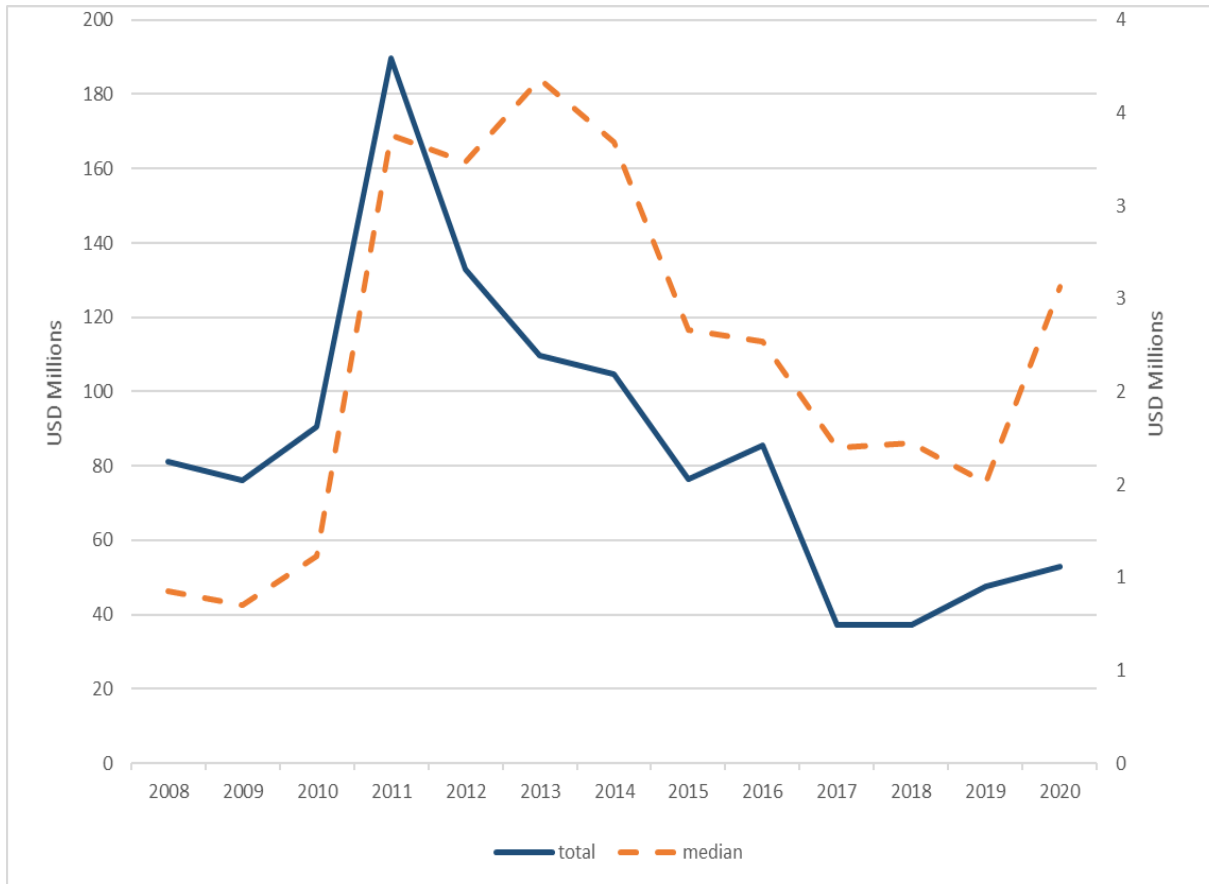
The graph depicts the relative share of the purposes stated in more than 1% of the subsidies collected at the recipient level



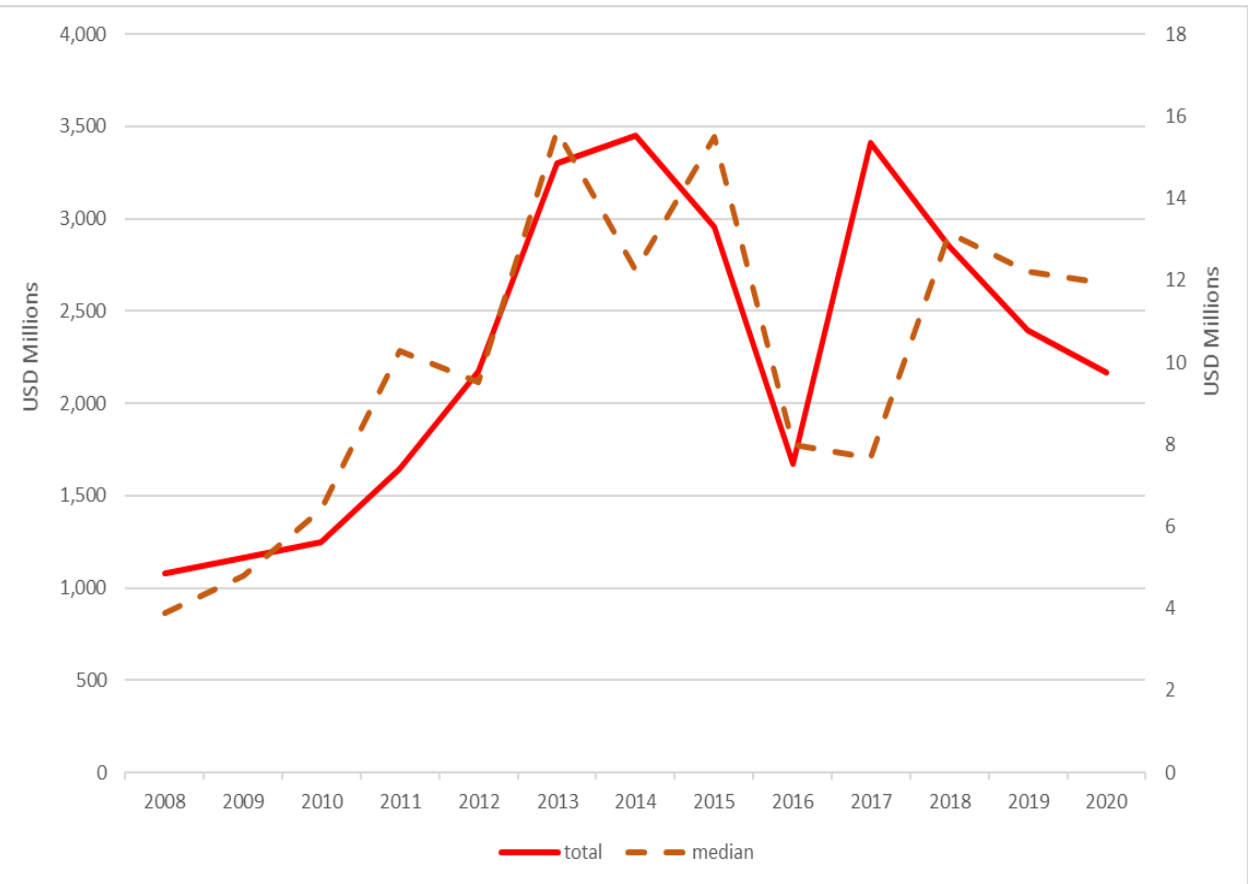


# Whereas subsidies in OECD economies declined, strong rise in non-OECD economies

## OECD economies in the scope

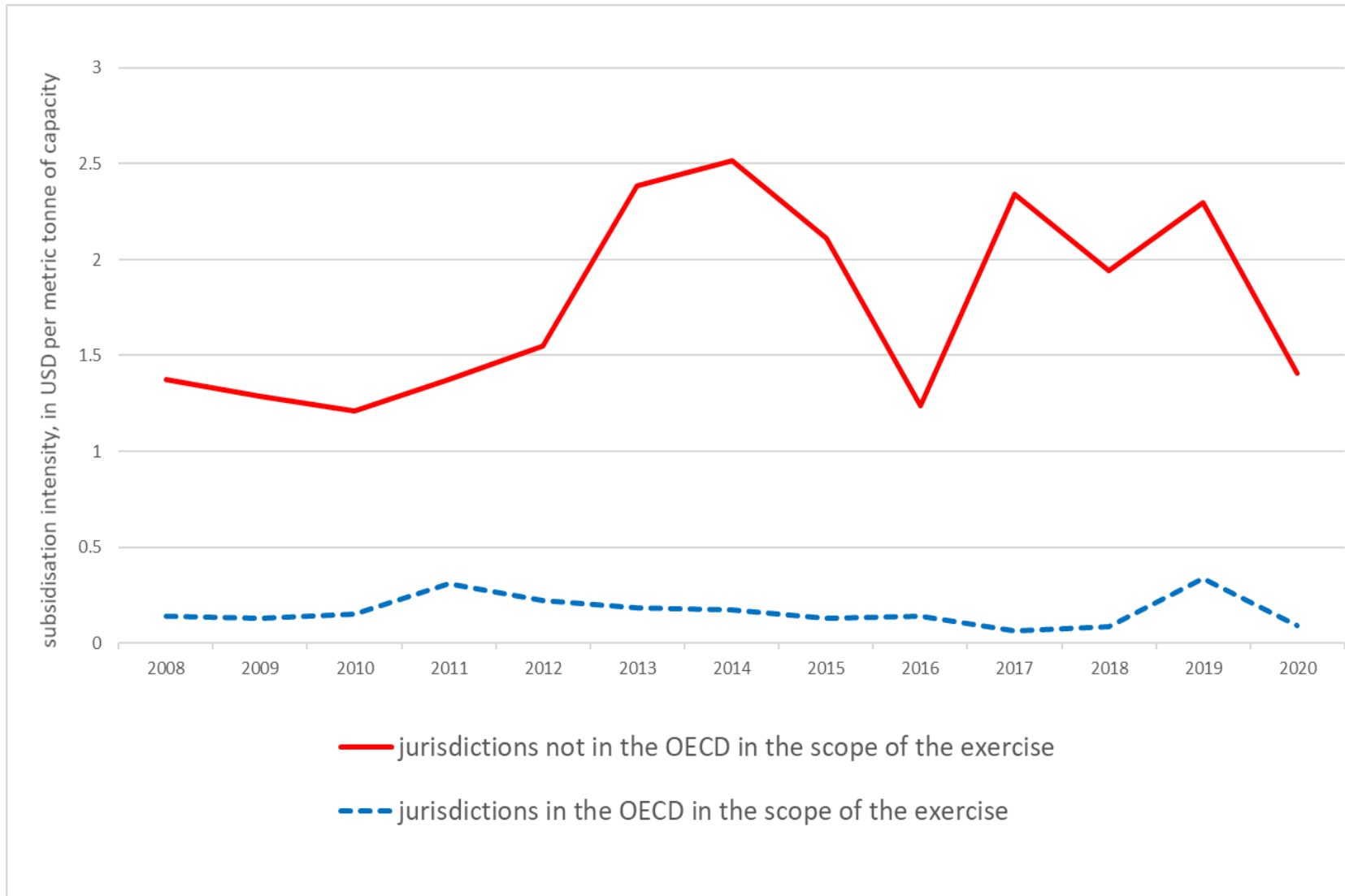


## Non-OECD economies in the scope





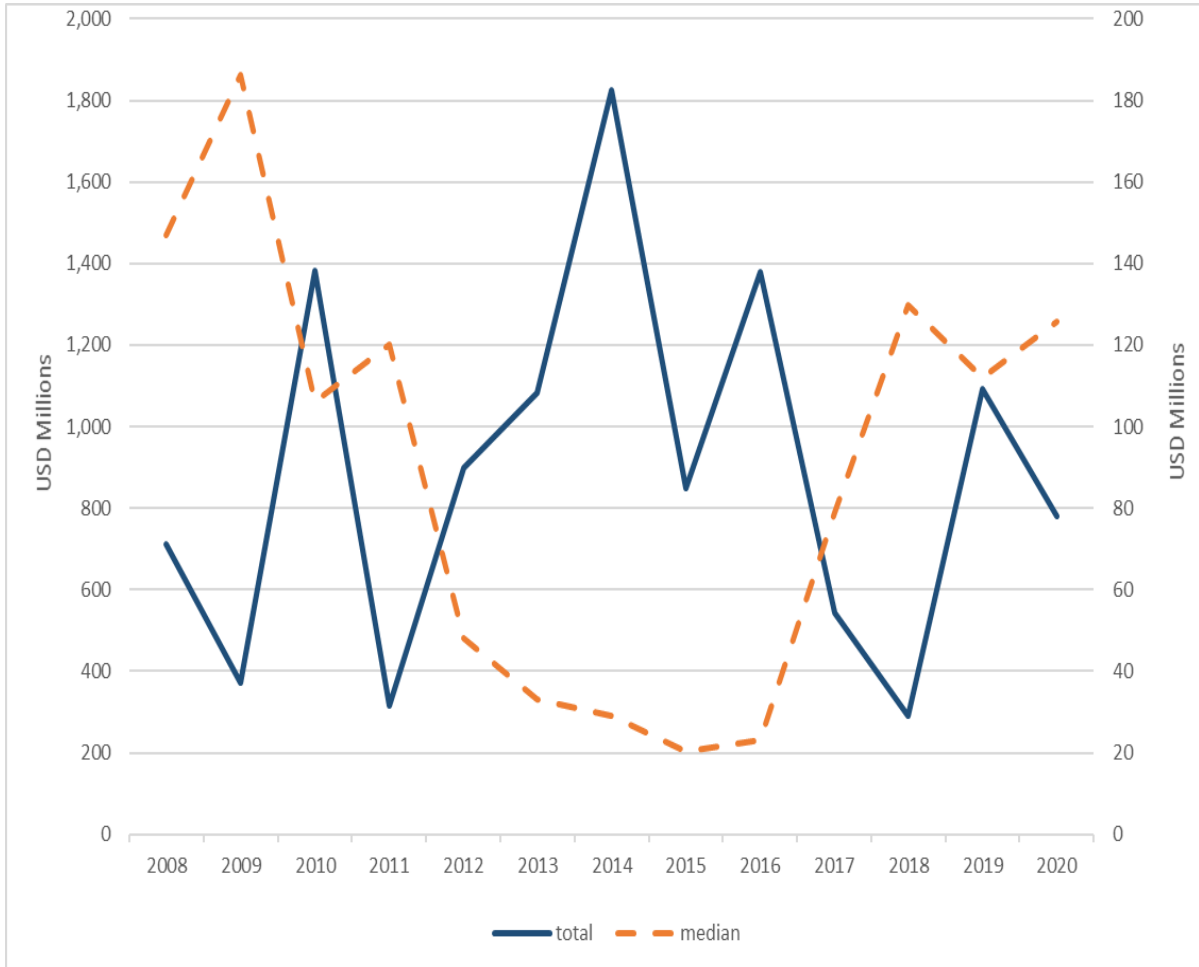
## Per unit of production capacity, subsidies are 10 times higher for non-OECD economies than in OECD economies



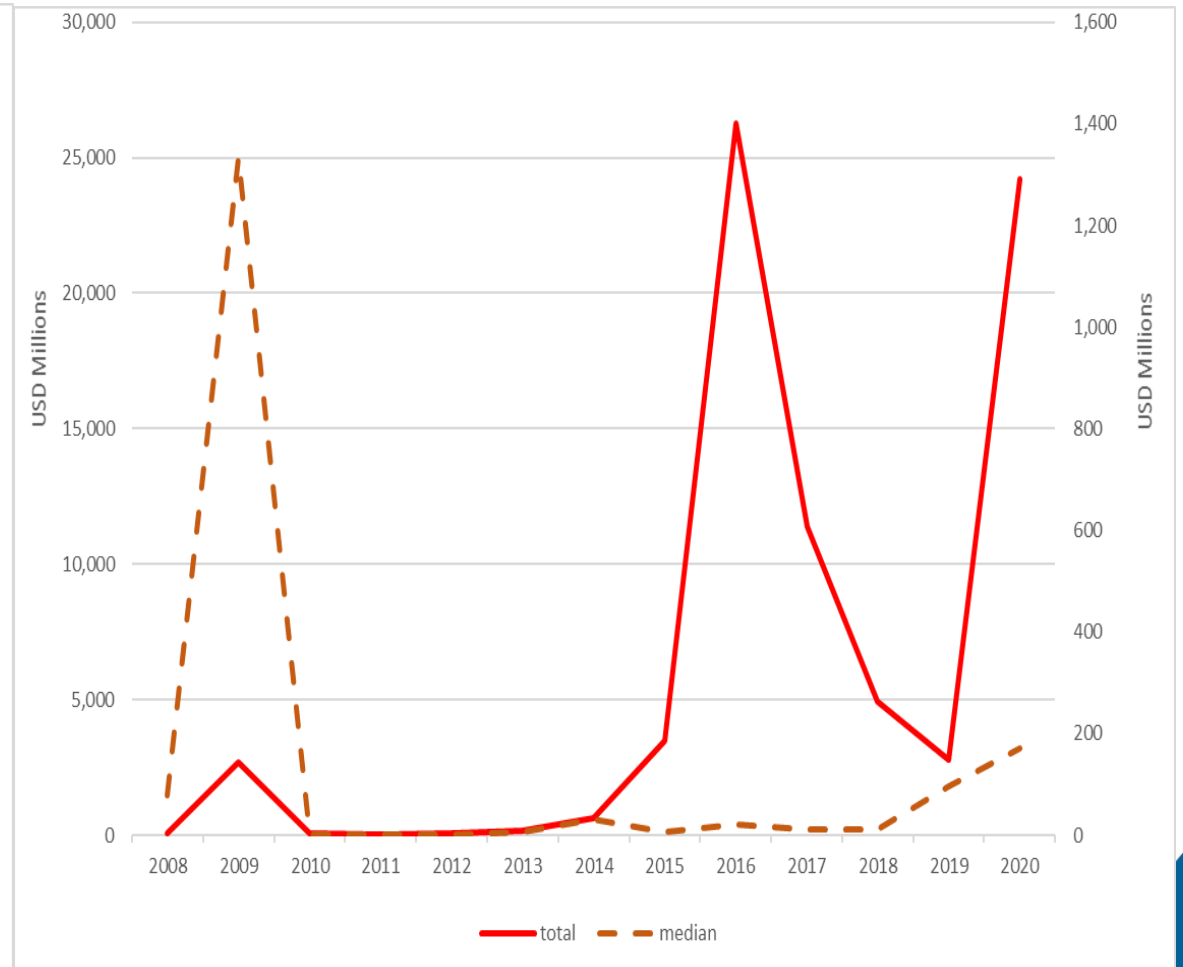


# Subsidised lending, equity infusions and debt-to-equity swaps evolution are increasing in non-OECD economies

## OECD economies in the scope



## Non-OECD economies in the scope

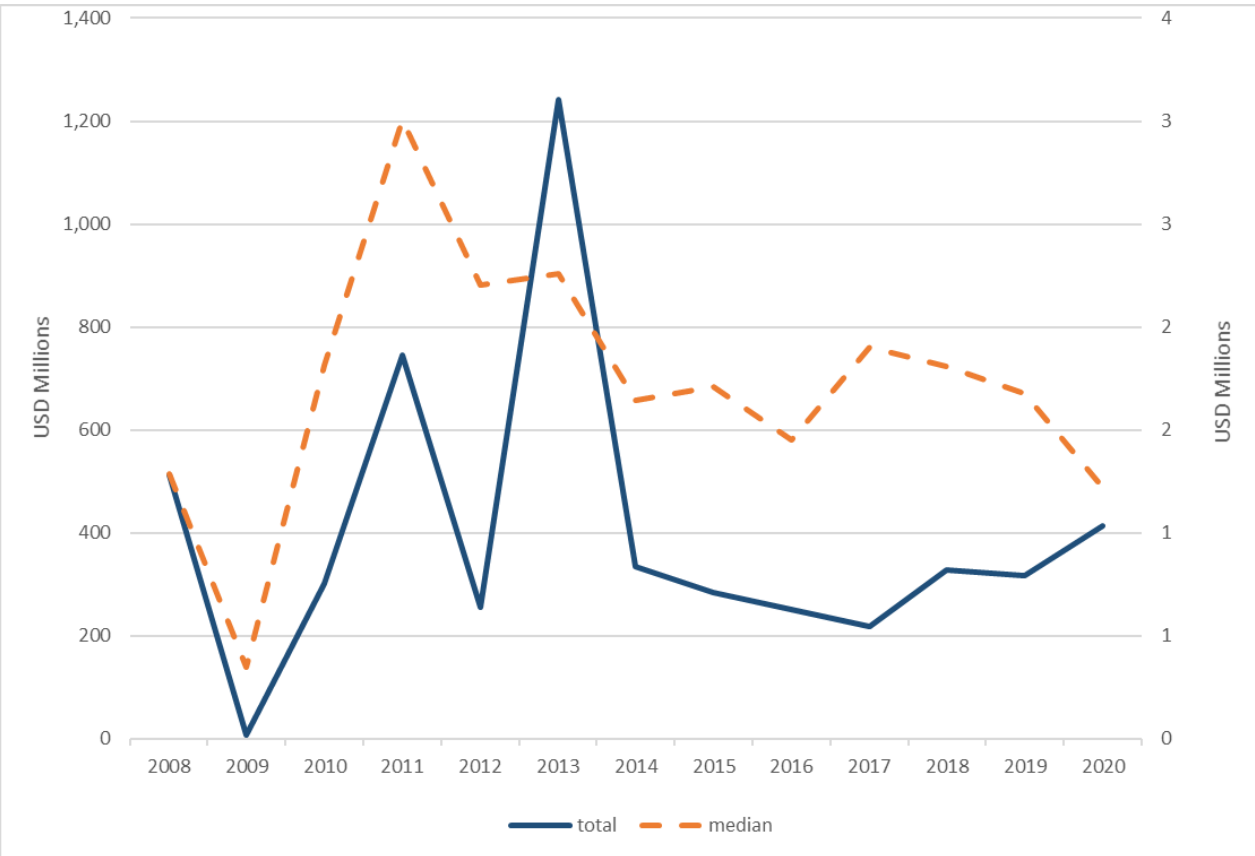




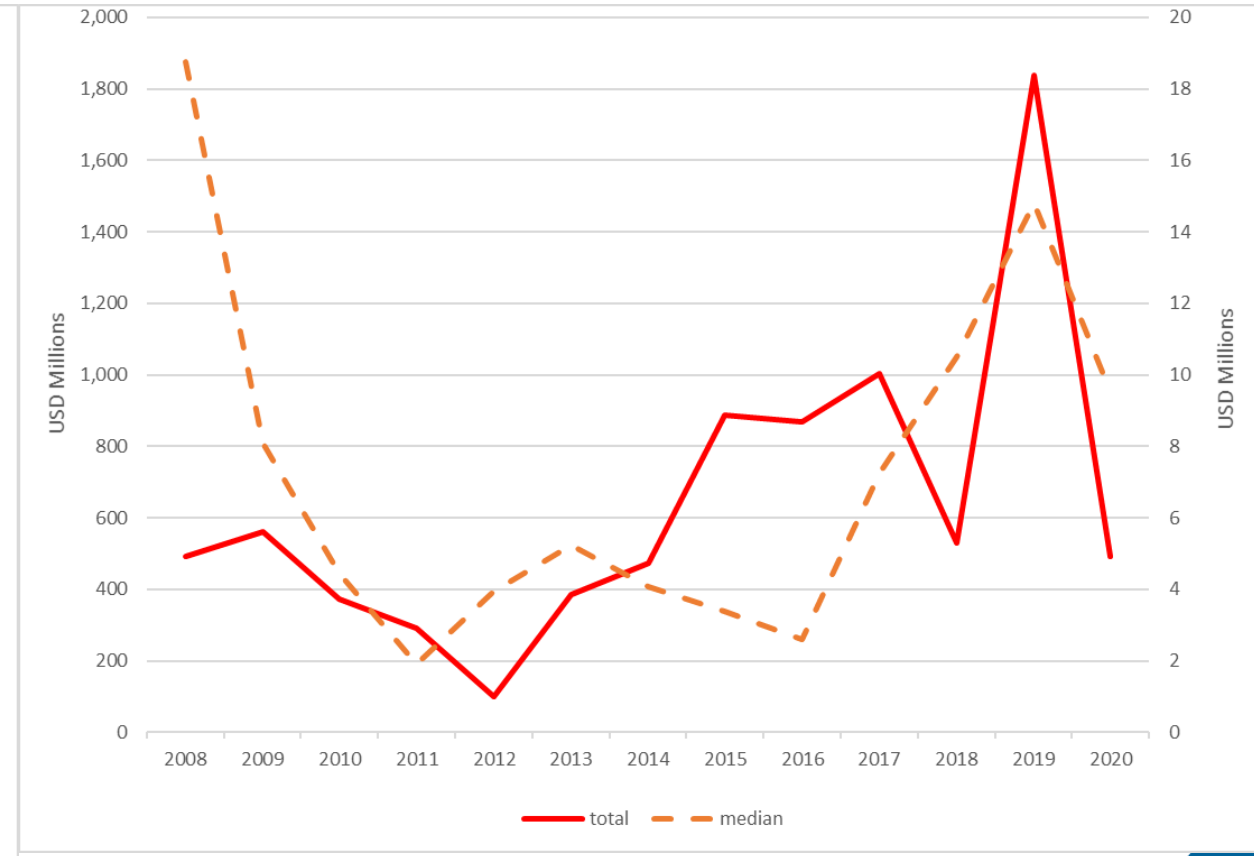


# Tax credits, tax rebates and tax refunds evolution are increasing in non-OECD economies

### OECD economies in the scope



### Non-OECD economies in the scope





# National contexts are impactful

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- 1. Government-set targets and goals**
- 2. National contexts are influenced by broader international contexts differently**
- 3. Opaque financial schemes**
- 4. Upstream and downstream sectors**



## For discussion

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### **Delegates are invited:**

- to provide comments on the report and its results;
- to approve the declassification of the report.



Thank you for your attention