

# WHY DO WE TALK ABOUT UNFAIR TRADE?

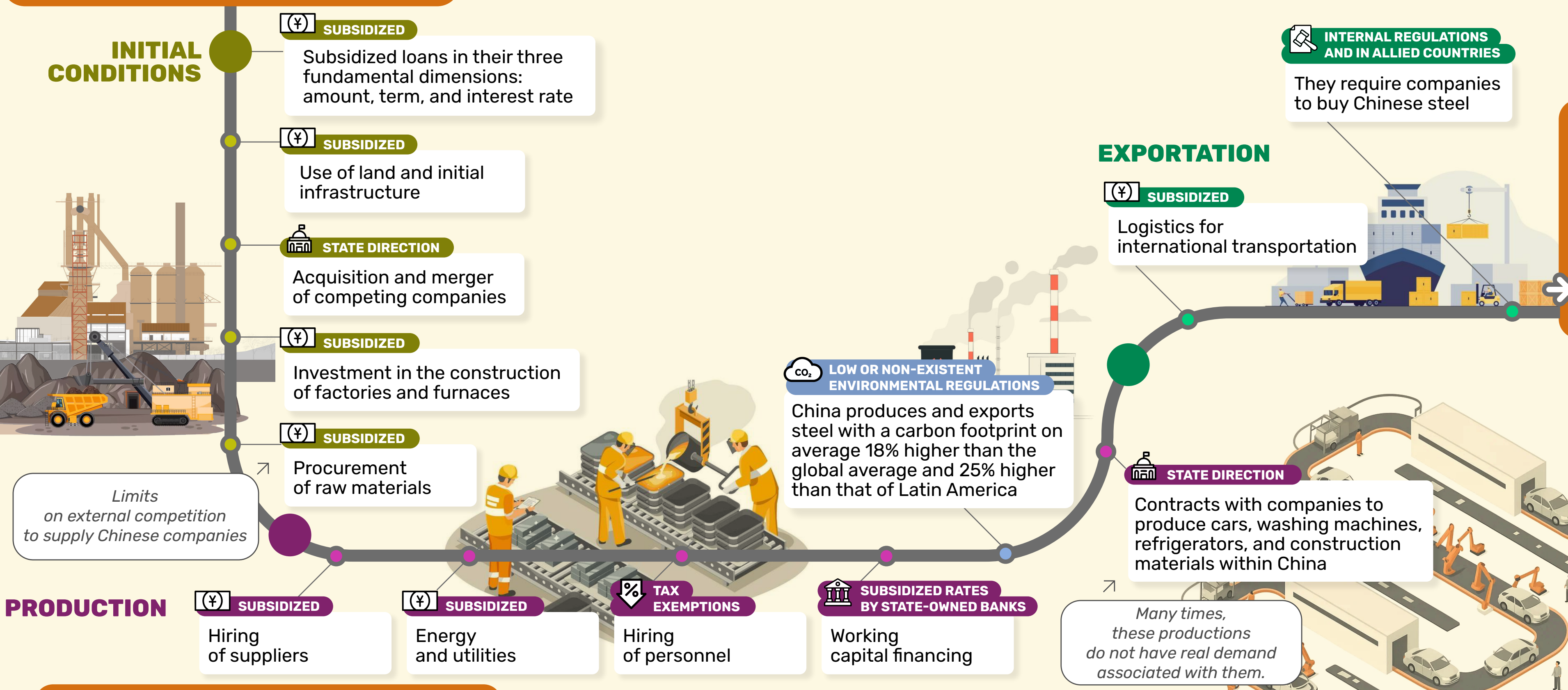
## CHINA CASE: SUBSIDIES TO STEEL AND ITS VALUE CHAIN

Producing steel and end products from its value chain is not a decision based on supply and demand, but on the premise of generating employment and development in the country. **For this reason, they promote a chain of subsidies that allows them to sell to the world below the real costs of production.**



This ultimately affects employment and production in Latin America and leads to the deindustrialization of our region.

### WHAT IS THAT PATH OF SUBSIDIES LIKE?



Steel products and all the products in its value chain end up **flooding the international market at a price below their real production cost.**

- **China overproduces steel for a world whose demand cannot absorb the surplus.**
- With the entire network of subsidies, Chinese steel and its derivatives flood the global market at dumping prices. This is the result of a systematic policy of value chain predation by the Chinese government.
- Some countries defend themselves with trade measures that often prove slow or ineffective. As a consequence, they end up absorbing exports that were originally destined for those countries that did apply more efficient defense mechanisms.

### RESULT: China wins, Latin America loses

**+233%** Chinese steel\* exports to Latin America have grown over the last 15 years. \* finished and semi-finished steel.

It went from 4 million tons in 2010 to **14,1 million tons** in 2024

**-13%** Crude steel production has fallen between 2021 and 2024

**-4%** Industrial GDP has fallen since the 1990s

**!** This means tens of thousands of quality jobs are lost.

**We need a comprehensive strategy with countries and regions that share our same market rules, such as the United States or Europe, to continue generating opportunities throughout our continent.**

**The time to promote Latin America's industry is now**