

Russia Says U.S. Violated WTO Rules by Ditching Steel Deal

By [The Moscow Times](#)

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Delegates speak before a special meeting of the General Council Preparatory Committee on Trade Facilitation at the World Trade Organization (WTO) headquarters in Geneva.

LONDON — Russia has complained that a U.S. move to scrap a 15-year-old deal sheltering Russian flat-rolled steel producers from high import duties is inconsistent with World Trade Organization rules.

The move comes as Western sanctions over Moscow's actions in Ukraine, together with a plunge in world oil prices, have pushed the Russian economy to the brink of recession.

The so-called U.S. suspension agreement has sheltered Russian steelmakers from steep anti-dumping duties on hot-rolled, flat-rolled, carbon quality steel, instead setting a cap on imports and a minimum price.

It was scrapped on Dec. 19. As a result, Russian steelmaker Severstal now faces anti-dumping

duties of 74 percent, while other producers like Novolipetsk Steel and Magnitogorsk Iron and Steel Works face duties of 185 percent.

In a letter to the U.S. Department of Commerce this month, Russia's trade representative to the United States, Alexander Stadnik, said the rates calculated were originally based on methodologies used for countries with non-market economies.

The U.S. Department of Commerce ruled in 2002 that Russia was no longer a non-market economy, and the country joined the WTO in 2012.

"Since the original investigation Russia has joined the WTO, and has implemented further market reforms that have increased the transparency and predictability of its marketplace, and thus made it easier for foreign firms to compete in Russia and have therefore expanded competition within that market," said Stadnik in the letter, dated Dec. 12. "In this case, imposing a non-market economy rate is inconsistent with the WTO rules."

U.S. steel prices are at their lowest since October last year, according to data compiler CRU, and industry representatives hope protective measures against imports of Russian steel could support them.

In their submission to Commerce, Severstal, Novolipetsk and Magnitogorsk said the duties were punitive because they were calculated 15 years ago under a different economic situation and dumping methodology and based on outdated prices.

But U.S. producer Nucor said it was normal procedure to apply the duty rates calculated in the original investigation.

The U.S. Department of Commerce was not immediately available for comment.

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