

The background of the slide features a close-up, high-contrast photograph of a heavy-duty steel chain. The chain links are interlocked and run diagonally from the bottom left towards the top right. The lighting creates strong highlights and shadows, emphasizing the metallic texture and industrial nature of the chain.

# **The Global Steel Supply Chain Partnership:**

## **A New Alliance to Meet 21<sup>st</sup> Century Market Challenges**

**American Institute for International Steel  
EUROMETAL  
International Steel Trade Association**

# **The three founding Partners:**

- **The American Institute for International Steel**
- **EUROMETAL—STSG**
- **International Steel Trade Association**

# Global Partnerships: The Key to Effective Engagement



# Proposed Partnership Action Plan

- Enhance information flow so Partnership-affiliated members are more agile in a highly dynamic international environment
- Serve as a forum for interaction and professional development.
- To better focus attention on steel supply chain issues in the multilateral trading system, establish and make effective use of a direct link with key international organizations such as the World Trade Organization (WTO), the World Customs Organization (WCO), and others.

(Non-exclusive list)

# Focus and Activities

The Partnership's focus and activities are based on the understanding that competitiveness in a highly networked world is not based on price alone.

Competitiveness in a more globalized world economy increasingly means:

- More effective sharing of information
- The ability to innovate with other links in the chain
- The capacity of firms to integrate themselves into the supply/value chain.

Grant Aldonas, *Strengthening the Global Trading System*, The World Economic Forum, December 2013



## **Focus and Activities-continued**

**In a highly networked world, with many links in global supply chains, steps aimed at increasing the quality and reliability of goods and services, decreasing time to market, and enhancing the ability to innovate matter more than lowering the price “wedge” that tariffs create.**

**Aldonas, WEF study**

## **Focus and Activities-continued**

**Effective participation in the global steel supply chain requires a focus on “hardware”—good transport and communications infrastructure, for example—and “software”—improvements in customs procedures, for example.**

Aldonas, WEF study

# Missing Link

The steel supply chain has many links: producers, traders, shippers, stevedores, customs brokers, others.

The missing link:  
a “whole of the supply chain” focus.



# Benefits of Agility

**Agility is the ability of an organization to thrive in a continuously changing, unpredictable business environment.**

**In the international business environment, the supply chain is the part of a firm that is most severely affected by changes.**

**An agile firm can respond to changes in a useful time frame.**

***International Supply Chain Agility: Tradeoffs Between Flexibility and Uncertainty, by Edmund Prater, Markus Biehl, and Alan Smith***

# Our Partnership Promotes Supply Chain Agility

Adapting  
and  
adjusting  
to changes  
in a useful  
time frame



# Helping our members to better understand and navigate the New Global Trade Architecture

New global trade rules are creating new international trade and customs rules, patterns of trade, legal procedures, and institutions.

All of these create opportunities and challenges for the steel supply chain.



A faint, light blue background image of a heavy metal chain, with links visible throughout the slide.

## **Elements of this new architecture affecting global supply chains:**

- **Bilateral free trade agreements (FTAs): 16 in force in 1990; 200+ in force today.**
- **Bilateral Asian FTAs in 2000: 3 in force in 2000; 61 In force as of August 2010.**



# **FTAs: the Shift to Commercial Regulation**

**As international trade negotiations in the bilateral context focus less and less on tariffs, they are increasingly focusing on commercial matters related to foreign firm competition in the host country's domestic market, especially those related to business operations as well as product sales.**



# Principles Driving FTA Commercial Regulation Focus:

The heart of this new, expanding FTA commercial regulation focus are the principles of

- Harmonization
- Equivalence
- Transparency
- National treatment.

## **Other Key Elements of the New Global Trade Architecture:**

- **The Trans-Pacific Partnership (TPP)**
- **The Regional Comprehensive Economic Partnership (RCEP)**
- **The Pacific Alliance**
- **The Transatlantic Trade and Investment Partnership (TTIP)**
- **The WTO Trade Facilitation Agreement (December 2014)**

## **Key features of the TPP:**

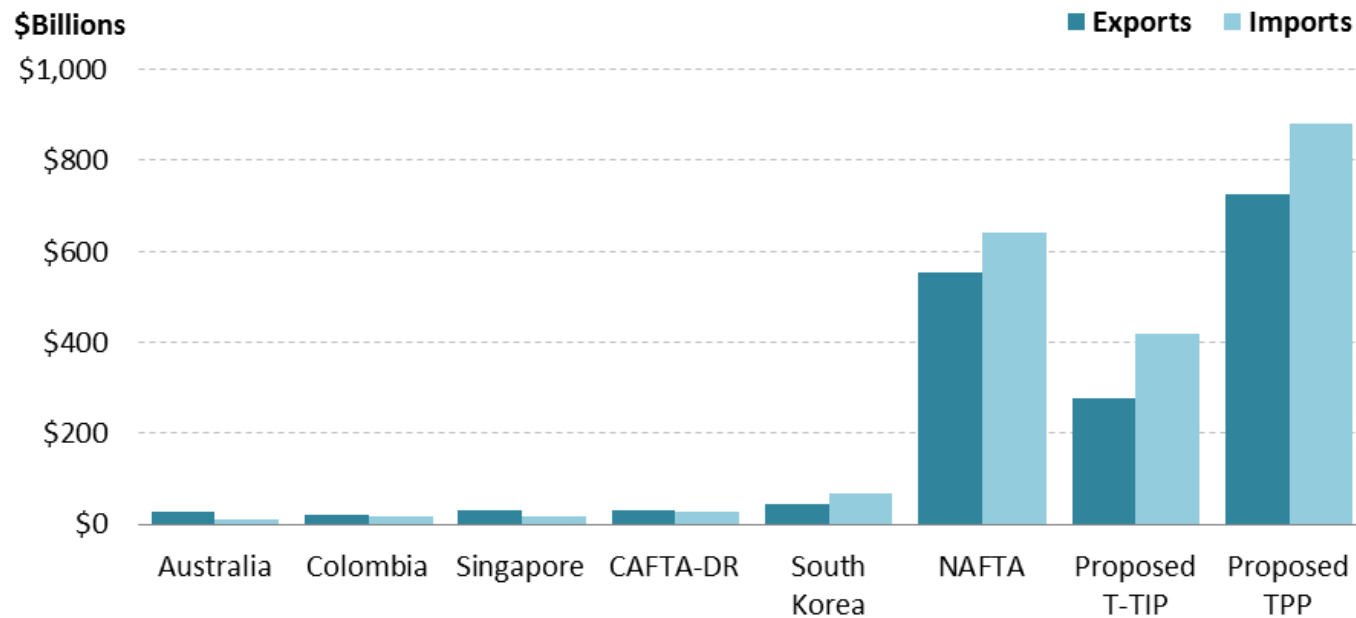
- **The Trans-Pacific Partnership countries account for 40 percent of global GDP.**
- **Has a chapter on customs and trade facilitation.**
- **Along with RCEP, a possible pathway to a free trade area of the Asia-Pacific region.**
- **Eventual United States goal: expand the TPP to include all 21 Pacific Rim member countries of the Asia-Pacific Economic Cooperation forum.**

# TPP Negotiating Topics

**Goods Market Access**  
**Competition/State-owned Enterprises**  
**Agriculture Market Access**  
**Trade Remedies**  
**Textiles and Apparel**  
**Transparency**  
**Customs/Trade Facilitation**  
**Labor**  
**Rules of Origin**  
**Environment**  
**Technical Barriers to Trade**  
**Cooperation and Capacity Building**  
**Sanitary and Phytosanitary Standards**  
**Regulatory Coherence**  
**Services**  
**Investment**

Source: Previous U.S. FTA chapters and USTR press releases on TPP negotiations.

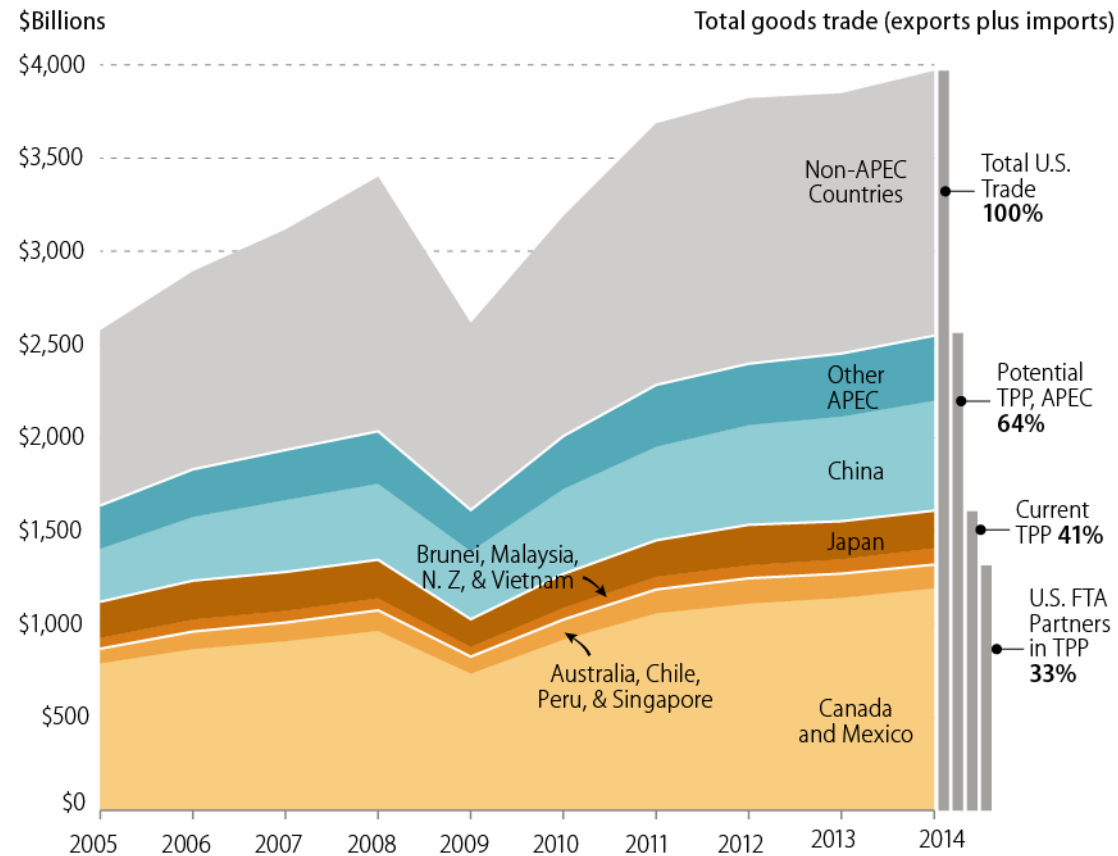
# Largest U.S. FTAs—Goods (2014)



CRS analysis of ITC data



# U.S.-World, APEC, and TPP trade



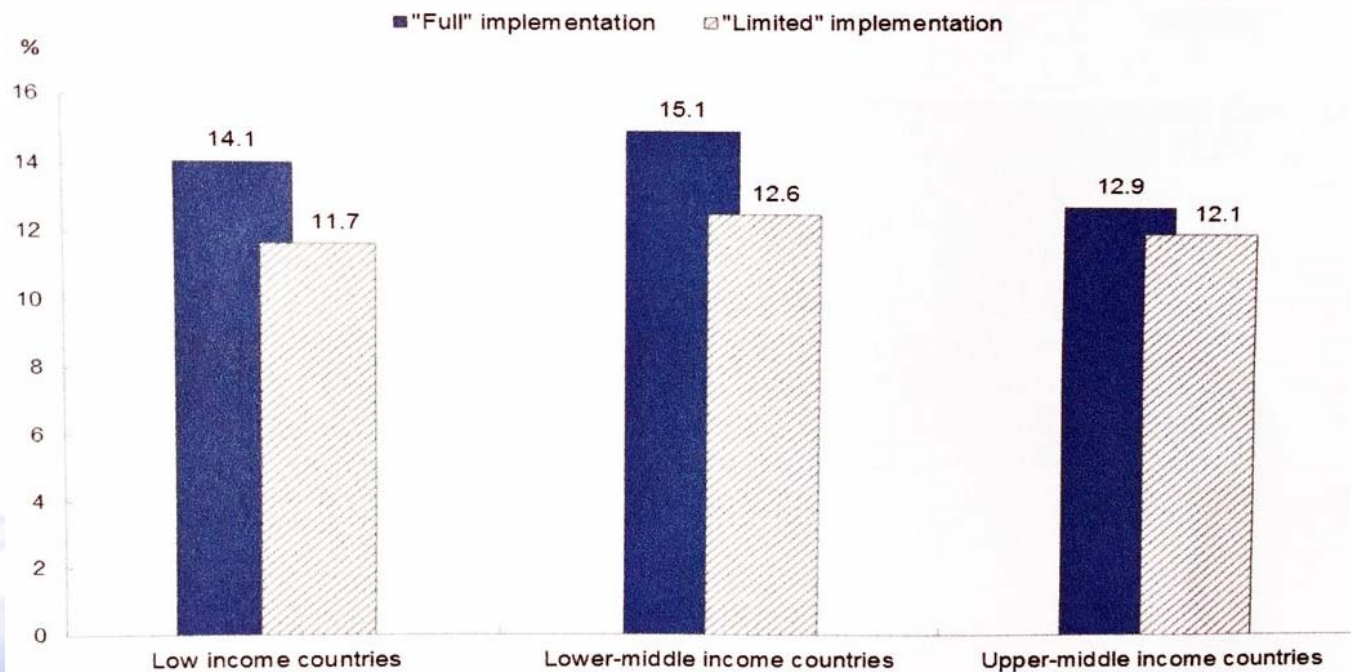
Congressional Research Service Analysis

# The Pacific Alliance: the most important trading bloc you never heard of?

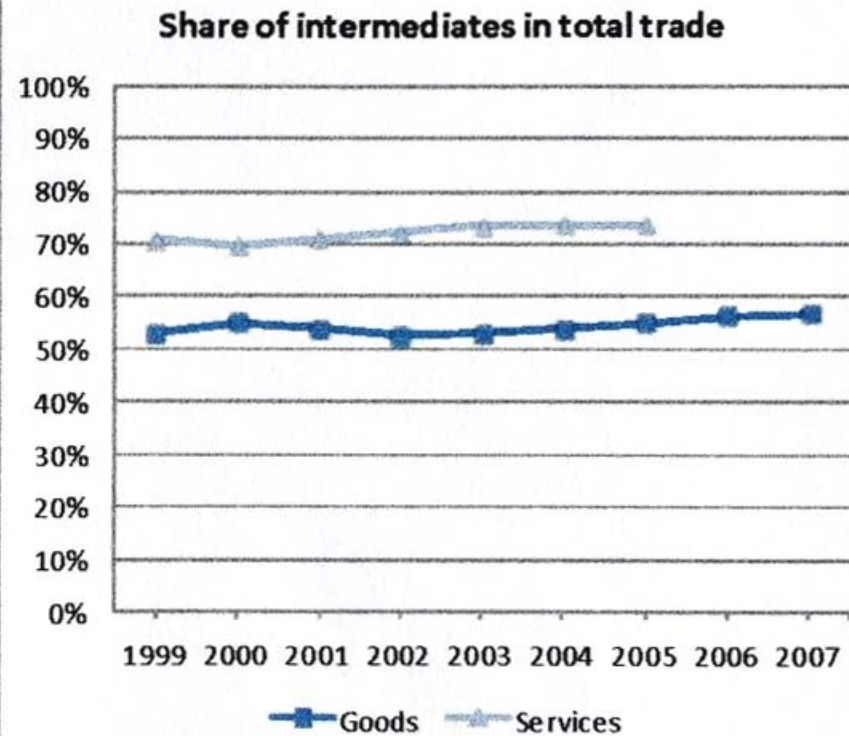
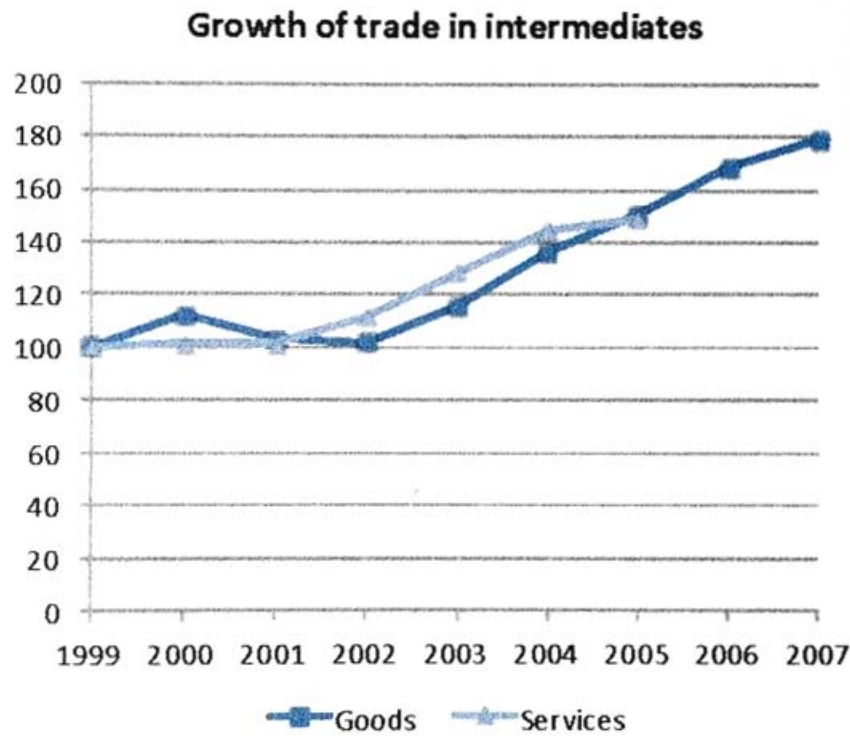
- Currently Chile, Colombia, Mexico, and Peru.
- Represents nearly 36 % of Latin American GDP.
- If counted as a single country, would represent the sixth largest economy in the world.
- Beginning the process of regional integration: a common stock exchange, etc.

# Potential reduction of trade costs as a result of full implementation of the WTO Trade Facilitation Agreement.

Overall potential trade costs reductions by income group



# Growth and Importance of Trade in Intermediates for OECD countries.



Source: OECD Trades in Intermediate Goods and Services Database

**THANK  
YOU**

**MERCI**

**DANKE**

**OBRIGADO**

**GRAZIE**

**GRACIAS**