**Namık Ekinci, Chairman of the Turkish Steel Exporters’ Association, Comments on Trump’s Trade Policies In terms Of the Effects on Steel Imports:**

The USA is the key playmaker for the global economic order. This role burdens the new US President Trump with a responsibility against not only his own country but also the entire world. The trade policies of Trump administration will be shaped by three individuals: Peter Navarro, Head of the White House National Trade Council; Wilbur Ross, Nominee for United States Secretary of Commerce; and Robert Lighthizer, Nominee for United States Trade Representative. Lighthizer is a partner at a Washington-based law firm and has represented the U.S. Steel in trade cases for a long time. Ross, on the other hand, was involved in the restructuring of several bankrupt steel companies. Two of the three individuals to lead Trump's trade policy have extensive experience in the steel industry while all three are reported to have protectionist inclinations. However, we are not desperate since we are representing an industry that produces and exports without any subsidies and dumping in compliance with the WTO rules.

We think the Trump administration will not be violating the WTO rules in principle and are convinced that they will never tolerate subsidized and dumped products. However, the world trade will be crippled and the debilitation of trade ethics will be accelerated if the Trump administration will also continue to ignore the WTO rules and unfairly impose measures against products imported without dumping and subsidies such as Turkish steel products. As we have repeatedly mentioned before, this will hamper the development of US industry and inflict a significant harm on domestic industry on the medium run. Furthermore, protective policies have recently caused territorialization in the global steel trade. The furtherance of such policies by the Trump administration will also have an impact on other countries and deepen territorialization in trade. However, Turkish steel industry is very likely to enjoy a much favorable position against its competitors thanks to its robust competitiveness.

Both during the election process and after assuming office as the president, President Trump issued statements that new investments will be made. Considering that the US production stood at 72 million tons in the first 11 months of 2016 according to the US ITC data while consumption was 100 million tons and imports stood at 38 million tons in the same period, we estimate the US will have to import steel in order to realize the promised investments. Even if one thinks new capacities will be commissioned to increase steel production, it will take a long time for such capacities to be commissioned. Therefore, it seems impossible for them to execute the new promised investments without importing steel. Turkey will be one of the countries meeting this need thanks to the market experience of Turkish steel industry which has long been exporting to the United States.

If they prefer to ignore all this and block imports duly performed under the WTO rules, the reduction in steel supply will cause the prices in the country to surge. The price surge will increase costs for those industries using steel and, moreover, the domestic steel industry will have ensured sort of a profit transfer from the public and the state. The exorbitant profits for the industry, which already obtains high profit, will peak.

On the other hand, considering steel-related industries and employment, Dan R. Pearson, a senior official from the Cato Institute, a leading U.S. think-tank, thinks the duties imposed on steel imports may lead to unintended consequences such as harm to steel consuming industries like the automotive industry.

Pearson has also said, "Manufacturers (steel consuming industries) employ far more workers than steel mills.” Since 1979, employment in the said industries have deteriorated but this is due to automation rather than free trade. “About 13 percent of job losses can be linked to international trade; the other 87 percent was the robots. The situation is not without precedent. Approximately 48 percent of people in the U.S. worked on farms in 1900. Today, that number is less than 2 percent. I haven’t heard Trump come forward and say, ‘We have to rebuild our farms!’”. Despite this, U.S. has an efficient agricultural economy that is a world leader in exports” Pearson added.

As the Turkish steel industry, we will keep in contact with the relevant U.S. authorities to prevent a cul-de-sac regarding the aforementioned developments and ensure the continuity of our existing close trade ties with the U.S. It is strictly essential for us to keep relations warm in order to prevent any blow on our export to the United States. In addition, positive political relations to be established between Turkey and the U.S. will prevent any negative political implications on our industry.