



# STAND UP FOR STEEL

## Priorities for the steel sector

1. Use Canadian-made steel in infrastructure projects
2. Implement a border carbon adjustment
3. Expand the capacity of the CBSA to identify unfairly traded steel

Canadian-made steel: a win for jobs, communities, and the climate

- Why are we advocating for Canadian-made steel?
  - Without a solid Canadian steel industry, we'll lose good, community-sustaining jobs and see a rise in global greenhouse gas (GHG) emissions.
  - Since 1984, the share of imports has climbed from 15.5% of the Canadian steel market to 61% in 2023. This level of import penetration is unsustainable.
- Canadian steel is a winner for jobs and the environment:
  - The Canadian steel industry sustains 23,000 direct and 100,000 indirect jobs in Canada.
  - Canadian steel produces roughly three times less greenhouse gas emissions than imported steel.
  - Using lower-carbon Canadian-made steel could reduce up to 900 million tonnes of carbon pollution annually, according to Blue Green Canada (BGC) and Clean Energy Canada (CEC).
- Canada needs to match massive physical infrastructure investments we have seen in the United States and the Inflation Reduction Act's (IRA) ties to the use of clean steel. *The IRA contains \$433 billion in new investments and spending, \$369 billion of which is dedicated to energy security and climate change programs.*

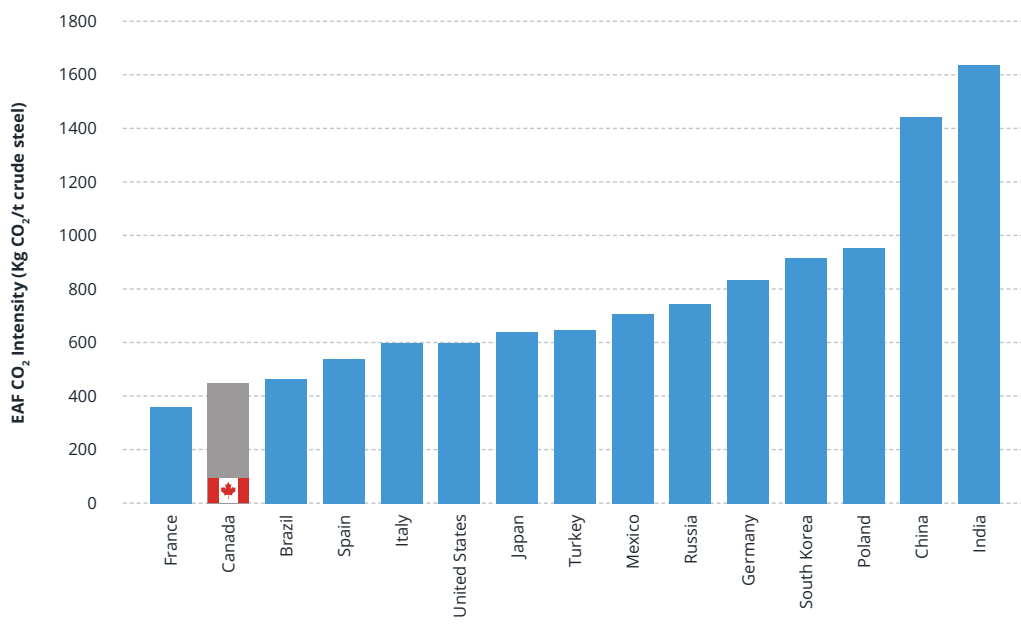
### **PRIORITY 1: Use Canadian-made steel in infrastructure projects**

- Too many public dollars are spent on non-Canadian steel, such as Chinese and European-sourced steel for the Canadian navy's new Arctic and offshore patrol ships, or the government exempting duties on Chinese-fabricated steel to allow two Liquefied Natural Gas (LNG) projects in B.C. – which are financed with public funds – to move ahead with non-Canadian steel.

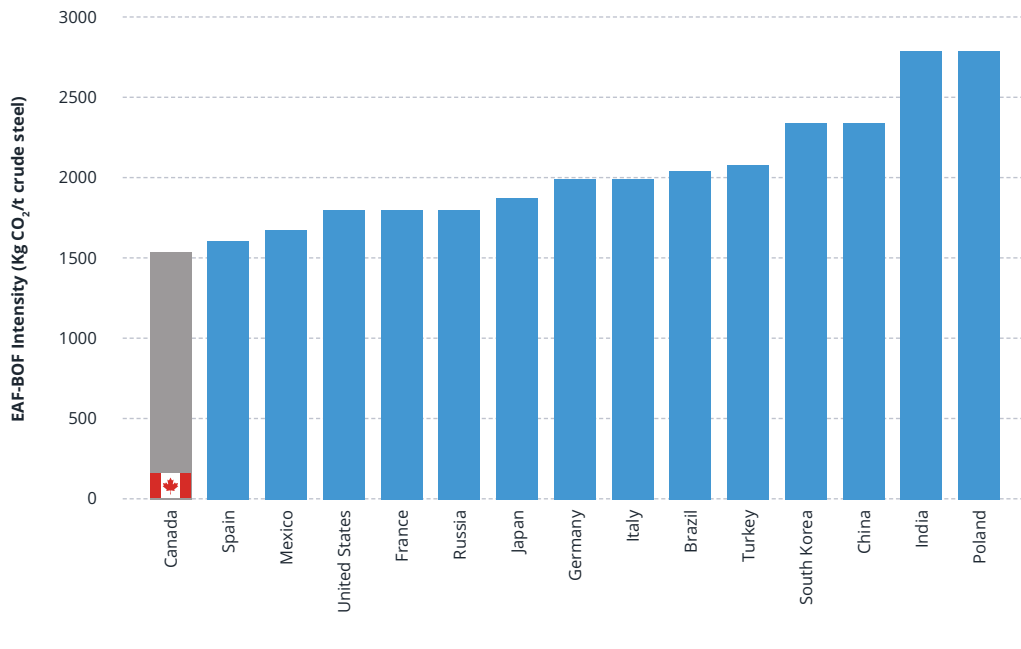
- The American Iron and Steel Institute (AISI) estimates that each \$1 billion invested in infrastructure spending requires about 50,000 net tonnes of steel.
- CEC estimates that roughly 30% of steel purchased in Canada is in the public sector.
- Recommendations:
  - **Require the use of Canadian-made steel in public infrastructure projects to ensure the long-term health of the Canadian steel industry.**
  - **Further leverage the use of lower-emission Canadian-made steel in public and private construction projects through low-carbon purchasing requirements using a Buy Clean model.**
  - **Match the physical infrastructure investments of the American *Inflation Reduction Act*.**

## PRIORITY 2: Implement a border carbon adjustment (BCA)

- A tax on imported steel must reflect the real price of steel made in countries with lower environmental standards.
- Canadian steel has a far-lower carbon footprint than steel made in most countries: Basic Oxygen Furnace (BOF) production has the lowest-emissions in the world, while Electric Arc Furnace (EAF) has the second-lowest.
- Canada’s greener steel should make Canadian steel more attractive, not less.
- Other countries **MUST NOT** be able to use poor environmental standards to their advantage, as they currently are.
- Canada must pursue a BCA in concert with other lower-carbon jurisdictions including the United States



\*Figure 2: Carbon intensity of EAF steel production (2016)<sup>36</sup>



\* Figure 3: Carbon intensity of BF-BOF steel production (2016)

### PRIORITY 3: Expand the capacity of the CBSA to identify unfairly traded steel

- Recent trade remedy advancements must be backed by the capacity to enforce the rules.
- The Canada Border Services Agency needs increased staff and revenue to monitor trade flows and identify unfairly traded goods.
- Ensure the ability to implement a sufficient melt-and-pour monitoring system by November 2024, as announced in February 2024.

\* BlueGreen Canada, and Mantle314. (2021). "Buy Clean: How Public Construction Dollars Can Create Jobs and Cut Pollution." BlueGreen Canada. 16-17.

<sup>36</sup> *How Clean Is the U.S. Steel Industry? An International Benchmarking of Energy and CO<sub>2</sub> Intensities.* Global Efficiency Intelligence. <https://www.belfercenter.org/publication/how-clean-us-steel-industry-international-benchmarking-energy-and-co2-intensities>