

Eunirpa bemoans shrinking independent wire rod processing market

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"The takeover by Riva's German unit of wire mesh fabricator Drahtwerk Horath has been welcomed by the local economy as salvation for the bankrupt company. The move is likely however to weaken the interests of other smaller-sized wire rod processors in Europe.

Last year, a number of these smaller companies formed Eunirpa, the European Non-Integrated Wire Rod Processors Association, which is fighting to maintain availability of wire rod on the European market. They bemoan the fact that integrated mills prefer to keep their wire rod for in-house processing, and in addition strive to encourage the European Commission to build a trade barrier against imports.

"Riva of course has the right to acquire a downstream company; but this means that there will be even less wire rod mesh quality available for other players," says the association's president, Kris van Ginderdeuren. "Riva's strategy is clearly that it wants to go it alone, processing its wire rod at its own units," he tells **Kallanish**, noting that the only alternative source for the material in Europe is Celsa.

The fact that Drahtwerk Horath and its former parent, France's Sotralentz group, ran into problems shows how badly independent processors struggle to keep business running, Van Ginderdeuren argues.

According to a Riva spokesman, Drahtwerk Horath processed 30,000 tonnes/month prior to its insolvency, but it is unclear if the plant will continue to operate at that level."