

European wire rod processors see supply/demand pressures growing

12/06/2017 – Kallanish

The interest group for independent wire rod processors in Europe, Eunirpa, is indicating that its US counterparts are facing similar input material shortages. Meanwhile, one Eunirpa member company is seriously considering the setting up of its own electric arc furnace to safeguard its demand for wire rod.

At its meeting in Lisbon last week, Eunirpa addressed the US anti-dumping moves initiated against imports of wire rod from ten countries. US non-integrated processors are threatened by these proceedings as are their fellow companies in Europe. This is because wire rod production and further processing on both continents mostly happens within integrated mills, leaving independent processors short of material.

It was this squeeze that initially brought European independent processors together to form Eunirpa last year, under the presidency of Kris Van Ginderdeuren of Dutch company Van Merksteijn. Eunirpa says that in Europe, a handful of integrated producers are aiming to fully control the downstream market. This is reinforced by the producers encouraging the European Commission to establish import barriers, Eunirpa maintains.

The situation now appears to be so serious that Van Merksteijn has decided to pursue the unusual step of establishing its own crude steelmaking and casting facility. The company is currently looking at a project to build its own electric arc furnace, along with a billet caster and rolling mill, it tells **Kallanish**. To this end, it is carrying out feasibility studies with two plant building groups. Van Merksteijn has an annual wire rod consumption of 1.2 million tonnes.