



Press Release

EUNIRPA warns: safeguard measures could injure independent wire rod processors

Brussels, 4th of April 2018. – Today EUNIRPA, the European Non-Integrated wire Rod Processors Association, expressed serious concerns about the recently initiated safeguard investigation on imports of steel from all non-EU origins. EUNIRPA fears that this investigation will further intensify the ongoing wire rod shortage and the ever increasing margin squeeze that continue to severely affect independent wire rod processors .

In recent months EUNIRPA has repeatedly stressed that, due to ongoing downstream investments of steel mills in the EU, there is simply not enough wire rod available on the European merchant market. According to Kris Van Ginderdeuren, president of EUNIRPA, the initiation of the safeguard investigation, will further exacerbate this shortage.

“Independent processors will be forced to limit their wire rod imports for fear of possible import duties upon arrival of the goods within the EU, leaving them at the mercy of a handful of integrated producers” claims Van Ginderdeuren. “This will result in higher prices for raw materials, but at the same time, prices for end products will continue to remain at low levels, due to the continuous flow of imports of finished products from non-European countries. It is clear that this kind of margin squeeze will very likely result in additional bankruptcies of independent wire rod processors.”

As a result EUNIRPA urges the EU to proceed cautiously when it comes to putting defence measures in place, since non-integrated wire rod processors are very strongly dependent on imports in order to find sufficient amounts of raw material at commercially viable prices.