

EU trade measures plan worries wire rod users

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Europe's independent wire rod processors have expressed serious concerns about the safeguard investigation on imports of steel from all non-EU places of origin.

Non-integrated wire rod processors say that they are very strongly dependent on imports in order to find sufficient amounts of raw material at commercially-viable prices. Their federation Eunirpa fears that this investigation will further intensify wire rod shortage and the increasing margin squeeze that continues to severely affect independent wire rod processors.

Eunirpa has repeatedly stressed that there is simply not enough wire rod available on the European merchant market (*see Kallanish passim*). According to association president Kris Van Ginderdeuren 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,” Van Ginderdeuren claims. “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 inflow of imports of finished products,” he warns.