

EUNIRPA expresses concerns about EU safeguarding

06/04/2018 – Platts

EUNIRPA, the European Non-Integrated wire Rod Processors Association, has expressed “serious concerns” about the recently initiated safeguard investigation on imports of steel from non-EU origins, and urges EU to “proceed cautiously” when it comes to putting defense measures in place

EUNIRPA said the investigation will intensify an ongoing wire rod shortage and the ever increasing margin squeeze that continues to severely affect independent wire rod processors. In recent months the association has repeatedly stressed that, due to ongoing downstream investments of mills in the EU, there is a limited amount of wire rod available in the European merchant market.

Kris Van Ginderdeuren, president of EUNIRPA, said: “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.”

“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.”

Domestic mesh quality wire rod prices climbed to a near-six-year high in January 2018, according to Platts data, with the latest price for mesh quality rod in northwest Europe reported at Eur555/mt effective delivered.