

Wire rod buyers demand higher EC import quotas

12/12/2018 – Kallanish

European buyers of wire rod are asking the European Commission to review its limit for imports of the product, as the available quota is far behind the actual demand.

According to Eunirpa, the European Non-Integrated Wire Rod Processors Association, imports of wire rod in 2018 amount to 2.6 million tonnes, whereas the limitation set by the EC in July foresaw a quota of around 1mt. The offerings of wire rod from outside the EU are still very limited and coming from a small number of interested countries, **Kallanish** hears from the association.

Eunirpa has admonished the shortage of wire rod, even before the quota, for two years now. And the US import ban has not helped the situation. “We can conclude that there is absolutely no redirection of volumes previously imported into the US towards the EU,” it comments. Countries such as Mexico, Japan, Canada or Brazil have not shown any interest to export to Europe, it notes.

“We are convinced that the only correct decision from the EU would be to increase the actual quota to a realistic value of the 2018 imports in combination with a global arrangement,” it continues.

According to an observer from Germany, the current quota is exhausted by around 95% for imports that would have to land at the port in early February. The remaining volume currently stands at 42,400 tonnes.

Prices for wire rod in November reached €550/t (\$623) after an increase of some €15. Meanwhile, they have reportedly dropped again by the same degree, “...but only in the wake of the scrap price, which dipped this month,” one buyer says.”