

EU wire rod, service centers seek safeguard quota revisions

08/02/2019 – Platts

EU steel wire rod buyers and automotive sector service centers believe safeguard quota revisions will be necessary and are willing to work with the European Commission, after regulations opened the door to the possibility of adjusting tariff rate allocations.

“The revision is needed because the commission did not take into consideration recent figures showing an increase in EU consumption as well as reduced availability because of the downstream policies of integrated players,” Kris van Ginderdeuren, president of EUNIRPA, the European association of rod processors, said Thursday.

There was already a shortage of rod in 2017 and 2018, he said, adding: “The commission did not want to use last year's figures for the quota calculation or take into account the good growth prospects for the construction sector for this year.”

Ginderdeuren said that in 2018 imports of wire rod stopped in the middle of December because provisional quotas for the period through February 3 were already fully filled, otherwise imports would have been even higher than the 2.7 million mt registered by Eurostat.

“If we use up the quota calculated by the commission, we will see a maximum of 1.9 million mt of imports. So on top of the shortage, we have 800,000 mt less available in terms of imports,” he added.

According to paragraph 161 of the EC steel safeguards document, the EC believes “it may have to adjust the level or allocation of the tariff-rate quota...in case of changes of circumstances during the period of imposition of the measures.”