

### EU wire drawers urge repeal of import safeguard measures

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The European Non-Integrated Wire Rod Processors Association (EUNIRPA) urged the European Commission to take urgent action to save the industry by either scrapping EU safeguard measures or significantly raising quotas.

EUNIRPA said in a statement that the import safeguards affecting their wire rod supplies were “profoundly distorting the entire non-integrated wire rod processing market.”

Kris van Ginderdeuren, EUNIRPA president and owner of Van Merksteijn International, told S&P Global Platts: “The measures are causing us serious harm. We will either need to relocate (a process which has already started for some of us) or simply go bankrupt like Sotralentz.”

Sotralentz, used to be the EU's second largest non-integrated mesh-quality wire rod processor. It went bankrupt in September 2016.

“We urgently call upon the policymakers to support the repeal of the safeguard measures imposed on wire rod or at the very least to adjust significantly upwards the level of the current quotas,” the association stated. “At a minimum, the quota for product category 16 (wire rod products) should represent the yearly average of the volume of imports of wire rod in 2016-2018 (rather than 2015-2017), increased by 20% (rather than 5%).”

EUNIRPA said the proposed total quota increase of around 700,000 mt from current levels would be insignificant compared with the 20 million mt of wire rod produced by the EU industry.

According to European Commission data, 41% of the 312,081 mt quota of Turkish wire rod exports to the EU was cleared on July 1, the first day of the new quotas, with another 5% over the next two days. Once it exhausts its quota Turkey will only be able to export more product to the EU when the “other countries” quota opens [on April 1, 2020](#), providing this has not already been exhausted by other exporters.

“The biggest free capacity and good quality for wire rod is in Turkey. It is terrible that only 137,000 mt is left for the next 11.5 months. It goes down very quickly. In practice, for VMI (Van Merksteijn International) this source is out of use. The left-over quota will be taken by industrial users from countries close to Turkey. They can [import] with short lead times and smaller volumes to reduce the risk of duty,” van Ginderdeuren said.

“We will have to survive and look for alternatives [till July 1, 2020](#) without Turkish wire rod,” he added.

The association statement said the increasing lack of wire rod available on the free market in the EU was forcing its members to source well over 50% of their needs from non-EU countries.

“We account for virtually all the wire rod imported under Product Category 16. When definitive safeguard measures were imposed, the uniqueness of the wire rod market was absolutely not taken into consideration,” the association said, adding that because European steel producers have become increasingly vertically integrated they keep most of their wire rod for their own use.