

Steel processors lambast Eurofer safeguard request

11/06/2020 – Kallanish

The debate continues over the European Commission's proposed review of safeguard measures, **Kallanish** notes. In an open letter, Eunirpa, the association for European non-integrated wire processors, strongly attacked the latest request by Eurofer to slash imports into the continent.

"As the representative of this user industry, Eunirpa fundamentally opposes the extravagantly protectionist measures advocated by Eurofer in response to the Covid-19 pandemic which have no other purpose than bluntly seeking to shield the European market from all imports of steel products by adjusting the safeguard quotas in ways that are incompatible with basic EU and WTO principles," the letter says.

Eunirpa stresses that the EU steel sector is supported by steel users and processors that need a diversified flow of material. The association also points to the need to secure the viability of non-integrated processors in a market in which large steelmakers are consolidating further downstream to compete directly with processors.

The association also argues that Eurofer is using the threat imports pose to investment into less-CO2-intensive steelmaking as leverage in its push for lower quotas.

"The current safeguard measures in place serve a very specific goal: to protect the European market from increasing imports and trade distortions stemming from Section 232 of US tariffs on steel and aluminium," Eunirpa reminds. "There is clear consensus that the EU has a vital role to play in setting sustainable targets. However, safeguard measures are not the appropriate tool. The EU should use a comprehensive set of carefully balanced rules that will lead to a successful transition to carbon neutrality that is fair, sustainable and allows all the industrial operators in the steel industry to remain globally competitive."

While non-integrated wire processors voiced their opposition to the latest requests by Eurofer, the Italian member of the European Parliament, Massimiliano Salini, issued a statement supporting steelmakers. He says he hopes the European Commission will review again its latest proposal. Salini was earlier this year the first signatory of a letter to Ursula von der Leyen to urge the Commission to cut steel imports in the continent.