EUNIRPA CALLS UPON THE EU TO TAKE URGENT ACTION TO PROTECT THE 2.3 MILLION JOBS IN THE EU DOWNSTREAM STEEL PROCESSING INDUSTRY

POSITION PAPER

The EU must protect the EU steel ecosystem in its entirety and not overlook the downstream steel processing industry

The EU steel ecosystem is an integrated value chain in which the primary (upstream) producers of steel and the downstream steel processors are mutually dependent. The one cannot exist without the other.

In order not to undermine the long-term viability of the entire steel sector, it is critical that EU trade and industrial policies do not only focus on protecting the primary steel industry, but also consider the challenges faced by downstream steel processors that are exposed to increasing costs of raw materials while facing increased competition from third countries on the downstream production without protection. **The downstream steel processing industry, which is composed of thousands of European small and medium enterprises that transform semi-finished steel into specialised, high-value components and finished goods, has been largely absent from the EU's policy focus**.

Like the EU's primary steel producers, the EU downstream steel processors are increasingly exposed to distortive import practices from third countries, where exporting producers benefit from state support, lower environmental standards, access to cheaper (often subsidised) feedstock and artificially suppressed energy or input costs. This form of unfair competition on processed / finished imported products is steadily eroding the margins of EU downstream steel processors, making it impossible for them to compete on a level playing field. The dire situation of the downstream steel processing industry is compounded by the fact that its margins are also squeezed by high feedstock prices. If left unaddressed, the EU downstream steel processing industry will continue to lose market share, triggering plant closures, job losses and further offshoring of critical industrial capacity.

Neglecting the downstream steel industry overlooks its critical role in the EU's industrial ecosystem and sovereignty. In 2024, **the downstream steel industry employed more than 2.3 million people** – a workforce almost 8 times larger than the approximately 300,000 workers employed in primary steelmaking.[1] Yet, despite its substantial employment footprint and pivotal role in the EU's manufacturing base, the downstream industry has not received comparable policy attention or protection.

The loss of competitiveness of the downstream industry has led to an overall reduction in steel consumption in the EU in many downstream steel processing activities. This situation is already eroding the EU (primary) steel sector customer base, i.e. the EU downstream steel processors.

In the absence of a level playing field, the EU risks hollowing out its steel value chain. It is critical to preserve raw steel production while protecting the downstream industries that add the greatest value, drive innovation, and support millions of skilled jobs. The consequence for the EU steel sector, as a whole, would be simply devastating.

The Commission's newly proposed Measure on Steel leaves the EU downstream steel processing sector extremely vulnerable to imports of processed steel products

EUNIRPA is deeply concerned that the proposal the Commission unveiled on 7 October 2025 which addresses '*the negative trade-related effects of global overcapacity on the Union steel market*' (i.e., the Measure on Steel), and sets to replace the EU safeguard measures on certain steel products which are set to expire on 30 June 2026, mainly covers primary steel products.

By overlooking the EU downstream steel industry, the draft proposal places it at a competitive disadvantage compared to third-country producers who benefit from access to cheaper steel to manufacture their processed steel products that

[1] See European Steel in Figures (2024), Eurofer, slide 8, available here.

they continue to export in increasing volumes into the EU market. This is particularly true for steel products in which steel wire is the main input material. For example:

- EU imports of steel products falling within Chapter 7229 ("*Wire of alloy steel other than stainless, in coils*") increased by 78% between 2015 and 2024, and by 89% from China;

- EU imports of steel products falling within Chapter 7312 ("*Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated*") increased by 25% between 2015 and 2024, and by 113% from China;

- EU imports of steel products falling within Chapter 7313 ("*Barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of a kind used for fencing, of iron or steel*") increased by 49% between 2015 and 2024;

- EU imports of steel products falling within Chapter 7314 ("*Cloth (including endless bands), grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel*") increased by 94%.

EUNIRPA calls upon the EU to adopt measures to ensure that the EU Action Steel Plan also adequately protects the interests of the 2.3 million individuals employed by the EU downstream steel processing industry, which would also secure stable consumption of the EU steel industry

To strengthen its strategic autonomy, industrial competitiveness and resilience, the EU must rebalance its approach to include the downstream segment of the steel value chain. **A truly integrated European steel policy should protect not only the ability to produce raw steel, but it should also protect the economic benefits generated by the downstream sector and the creation of the value-added products that underpin Europe's green, digital and industrial transitions.**

The downstream industry needs the EU to act urgently. Because the downstream steel production is suffering from the same challenges of unfair competition as the primary steel producers - while employing eight times more people – it is imperative that both the upstream and downstream segments of the steel value chain receive equal and immediate attention and protection from EU policymakers.

In light of the dire situation of the EU downstream steel industry , it is essential to **reflect the concerns of the downstream industry now**, rather than having to wait up to 2 years as set out by the Commission in Article 9 of the Proposal. The absence of an immediate action would have devastating and irreparable consequences for the EU downstream steel processing industry.

About EUNIRPA:

EUNIRPA is an association that represents 15 members covering 12 Member States and defends the interests of European non-integrated wire rod processors and other long steel products in all EU matters, including but not limited to trade, customs and anti-trust matters, affecting their business activities, whether at national level or at EU level. All EUNIRPA members are active in the steel transforming business.

Contrary to fully integrated steel manufacturers that produce their own steel and process it into semi-finished or finished products, the members of EUNIRPA do not produce their own steel out of iron ore or scrap. Instead, they buy wire rod from steel mills and transform the purchased wire rod (high and low carbon) into bright wires, galvanized wires, rebar on coil, bars, spacers, lattice girders, mesh, steel cords, steel ropes and other wires for different applications. In total, the members of EUNIRPA are, by far, the largest non-integrated industrial users of wire rod into the EU. Collectively, they represent a total market share of over 3.8 million tons in the wire rod processing industry.

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