



European  
Automobile  
Manufacturers  
Association



28 February 2020

## **EU steel users call for flexible approach to steel safeguards review**

Dear Commissioner,

Representing the coalition of downstream users of steel, we welcome the timely initiation of a second review of the safeguard measures on steel currently in force. The coalition includes the technology (including construction equipment), car and car parts, home appliances, and wind industries in Europe.

We understand that the European steel industry is calling for a tightening of the measures on the basis that they are not providing sufficient protection.

We contest the claim of the European steel sector that the quotas are not filling. On the contrary, a large number of quotas are on course to be consumed.

The steel safeguards are therefore limiting the ability of our sectors to source optimally. In many cases they are driving imports of higher value-added, processed steel products, which are competing directly with EU manufacturers of high value-added products. Both phenomena are damaging the competitiveness of high value-added EU manufacturing. And by affecting steel products that are essential for the development of green energy, they are increasing the costs of the climate transition.

We support a strong and profitable EU steel industry, which remains our principal supplier of steel. We also support multilateral action against global overcapacities and industrial subsidies.

Nevertheless, we rely on imports of steel from third countries when EU manufacturers are not able to supply us with the quality and scale required.

We once again urge the European Commission to consider the interest of the downstream steel users when taking a decision on the annual review of the steel safeguard measures.

We therefore request an increase of the safeguard quota volumes of not less than five per cent.

Yours Faithfully,

*The Coalition of Downstream Users of Steel*