

Brussels, 9 October 2007

## Is the European Steel industry trying to drive its customers out of the EU with calls for safeguard and anti-dumping measures on Chinese steel?

With order books nearly full and a record growth of 6.6% in 2006 to reach €1779 billion, the EU's engineering industry which uses some two thirds of the steel produced in Europe is inevitably having, in the face of an undersupplied EU market, to resort to imports. While imports in terms of percentages are rising, they are modest in terms of the size of the European market.

*"If increasing quantities of certain steel grades are finding their way into the European market, it is clear that this is because of demand in the EU is on the rise, while output is not able to keep up and stocks of steel in the EU are limited. Our companies are therefore finding it ever more difficult to buy steel locally in the quantities and qualities they need at competitive conditions. To make matters worse, the EU, which today has the highest steel price worldwide for many grades, is fast becoming a premium market for steel producers"* said Adrian Harris Secretary General of Orgalime, the organization which represents the engineering industry's interests in Brussels.

While Orgalime can understand that the steel industry should invest primarily in those markets which have led the industry to record profits, calling for trade restrictive measures which will put further pressure on supplies in the EU and lead to yet higher prices is, in the view of the organisation short sighted and damaging to their customers.

Orgalime has therefore asked the European institutions to focus on free but fair trade and not to introduce market restrictive measures which will inevitably jeopardise the capacity of engineering SMEs to continue working in the EU.

Added Harris: *"It just does not make sense to hit the competitiveness of the EU's metalworking and mechanical engineering SMEs, which provides over 7 million jobs throughout the EU, to protect the interests of an industry, which, through its increasingly global development, now only provides 250.000 jobs in a few European countries. For us matters are simple: our companies must have access to the supplies of steel they need at competitive market conditions. If our traditional suppliers in Europe can provide these, all the better. If not, we need to find alternatives for our companies to be able to continue manufacturing here"*.

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Orgalime, the European Engineering Industries Association, speaks for 35 trade federations representing some 130,000 companies in the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs some 10.6 million people in the EU and in 2006 accounted for some €1,779 billion of annual output. The industry not only represents more than one quarter of the output of manufactured products but also a third of the manufactured exports of the European Union.

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[www.orgalime.org](http://www.orgalime.org)