Issue: 31-23 | Date: 22 Aug 2023

聞 This week:

European steelmakers fear safeguard measures will end in June 2024

German steelmaker Salzgitter said recently that the extension of EU safeguard measures beyond their current, end-June 2024 expiration deadline is unlikely.

"It will then be possible to import steel products into the EU market from July 1, 2024 onward without any restrictions by tariff quotas, which will likely drive up import volumes," the steelmaker said in its second-quarter earnings report.

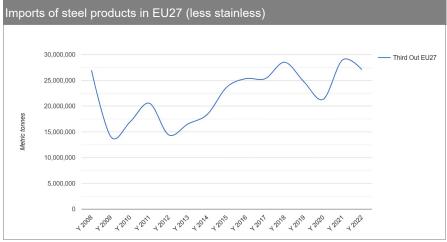
EU steelmakers have in recent months voiced fears over the potential expiration of safeguard measures in mid-2024, with the EU's Carbon Border Adjustment Mechanism (CBAM) due to come into full force only on 1 January 2026. This would leave an 18-month gap that would see the EU's market unprotected.

According to WTO rules, safeguard measures can be implemented for a maximum of eight years and then must be rescinded for the same duration as they were applied before they can be re-applied. European safeguard measures were originally implemented in July 2018, therefore it could be possible to extend them until June 2026, if needed.

Their renewal is likely to depend much on whether the EU and US can agree a steel trade pact, the Global Sustainable Steel Agreement (GSSA), which is currently under negotiation. If no deal is agreed by the October deadline, the US could reapply Section 232 duties on EU steel. "The various negotiation positions are currently still very far apart, which makes arriving at a consensus by October 2023 difficult. The loss of preferential market access to the US would considerably hamper exports again," Salzgitter says.

As for the EU's sanctions on Russian steel, importing steel products of Russian origin processed in non-EU countries will be prohibited as from October 2023; importing semifinished products will no longer be possible starting with October 2024.

"Risks arise from the new sanctions to the extent that the long transition periods through to autumn 2024 continue to facilitate Russian steel imports that are frequently offered at prices significantly below the customary market price level. Owing to the complexity of the directive and the difficulty in its implementation, this risk continues to prevail and may lead to distortions in the market on the back of low prices for Russian steel products," Salzgitter observes.



Source: Eurofer

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Global Overview

Americas:

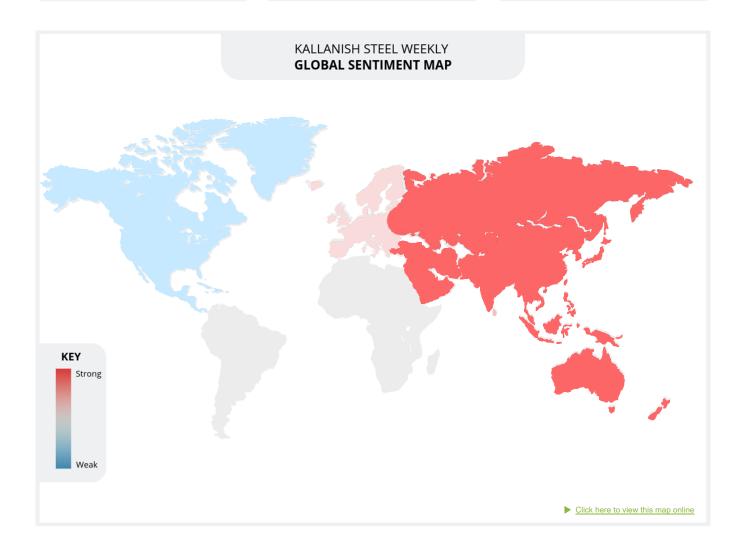
- Plate spot prices in the US decline by \$50/st
 Hot, cold-rolled coil pricing slips
- slightly this week
- Domestic scrap market sentiment improves for August

Europe:

- European export scrap up slightly Liberty to shut Dunaferr BF
- Safeguard measures seen ending June 2024

Asia:

- Chinese iron ore up again despite uncertainty
- Chinese economy sends
- worrying signals
 Uncertainty over steel outputs in



India:

- Indian scrap prices recover
- Indian industrial activity recovers

CIS:

Russian mills raise billet quotes, market acceptance debated

Middle East:

- Turkish scrap market believes prices peaked
- Turkish mills raise longs exports quotes Kardemir sells large billet
- tonnage

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Word of the week

Quarto Plate

Quarto plate is hot rolled from slab. Desired thickness is achieved by passing the slab back and forth through the mill. Quarto plate mills tend to be dedicated to plate rolling, and can achieve a wider, thicker product than on a tandem mill.

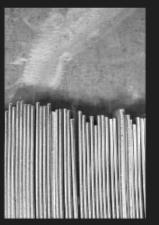
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