European Plate Prices Edge Down on Sluggish Demand

European traders are still trying to reduce stocks, with little success. There is almost no demand from both end-users and traders," one market source said. The traditional market slowdown during summer has not been supporting trading activity either.

Declining import offer prices have been another factor in the fall in domestic prices in both Northern and Southern Europe. Domestic price assessment for S235JR-grade plate in Northern Europe declined by €5 ($6) per tonne over the week to €460-470 ($506-517) per tonne ex-works.

Key plate suppliers for the spot market, including Germany's Salzgitter and ThyssenKrupp, have been reported offering material within the assessment range.

NLMK Dan Steel in Denmark and NLMK Clabecq in Belgium have been offering S235JR-grade plate at €440 ($484) per tonne ex-works.

The price was not included in the assessment as both mills sell smaller volumes in the spot market, according to market sources.

The assessment for domestic S235JR-grade plate in Southern Europe was €420-440 ($462-484) per tonne ex-works. Italian re-rollers have been offering plates at €420 ($462) per tonne ex-works to some customers within the country.

EUROFER Criticizes European Commission for Proposal

The official publication of the European Commission's proposed revisions of the European Union's Emissions Trading Scheme (EU ETS) has been severely criticized by EUROFER (the European Steel Association).

Axel Eggert, EUROFER's director-general, has stated that the revisions 'fail to take into account the European Council guidelines on the importance of preventing carbon and investment leakage' and represent a 'missed opportunity to fix the fundamental flaws of the EU ETS'. He said that the proposal was at odds with the goals of the European Commission's Agenda on Jobs, Growth and Investment as it failed to secure a global level playing field.

According to EUROFER, even the most efficient European steel plants will experience excessive additional costs not borne by their global competitors. "This uneven distribution of costs is due to the continuation of the cross sectoral correction factor, as well as the artificial reduction of the performance benchmarks," said EUROFER, adding that it doesn't provide the necessary legal certainty that indirect carbon costs passed through in electricity prices will be offset in all member states. Currently there are 22 member states that do not offset any of these unilateral EU costs.

EUROFER wants the proposed revisions to be adjusted in order to fully offset direct and indirect carbon costs at the level of the most efficient steel plants in Europe, which are exposed to fierce global competition and at high risk of carbon leakage. With European steel industry employment down 20% and steel demand down 25% compared to pre-crisis levels, failure to make the necessary adjustments will 'deliver another major blow to our sector," Eggert said, appealing to policymakers to take the threat seriously and not ignore the 'clear results of the impact assessments or the anticipated effects on the EU steel industry'.

"The goal of the EU ETS is to reduce the impact of Europe's economic activity on the climate," Eggert said, adding that EUROFER was concerned that several elements of the revision risked the continued competitiveness of the European steel industry. "We believe that a tool to strengthen environmental performance should not risk European jobs and prosperity," Eggert concluded.

Other industries showed equal concern. Gerd Götz, director-general of European Aluminium, said that the proposals fell short in terms of restoring global competitiveness and ignored unanimous calls from all 28 member states and the European Parliament for harmonised EU compensation for indirect ETS costs. Utz Tillmann, director-general of VCI, the German chemical industry association, said: "In 2014 the European Council decided that the most efficient industrial installations should not be burdened any heavier by ETS in the future. With its draft the Commission entirely loses sight of that position."

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