



JOINT PRESS RELEASE

of

European Entrepreneurs CEA-PME, European Small Business Alliance (ESBA) and
European Enterprise Alliance (EEA)

Brussels, June 16th 2022

Steel and Aluminium products have seen a fierce **increase in prices in Europe for already 3 years**, but since February 2022 prices have been **practically skyrocketing, with certain products up to 400% more**, with **delivery times 12-18 or even 24 months**. This impacts heavily on many economic sectors in Europe, like constructions where reinforcement steel and windows is lacking, or windmills production, which are urgently needed to become independent from Russia's gas.

The reasons for this are basically:

1. The **“trade defense measures” decided by the European Commission in 2018** to avoid too much Chinese steel and aluminium for highly competitive prices can be imported to the EU after the US had stopped imports of the same products.
2. The **European steel and aluminium producers, like Thyssen-Krupp, Arcelor Mittal, etc. have reduced their production during COVID-19** for several reasons, and are currently (and at least since 1,5 years) not able to satisfy the EU's domestic demand. This creates extremely high extra-profits and extremely high prices, pushing inflation in practically every sector where these products are needed.
3. **The sanctions against Russia and the countersanctions by Russia against the EU**, as well as the breakdown of the Ukrainian economy, with the **symbolic destruction of the Asov Steel Plant in Mariupol**, reducing even more the available production.

European Entrepreneurs CEA-PME has **asked immediately after the outbreak of Russia's war on Ukraine** and after the immediately decided sanctions by both, the EU and Russia, **to re-open the yearly review procedure on steel and aluminium import limits due to extraordinary circumstances**. We made resolutions, we wrote letters and we met together with experts from Germany and Italy with high-level decision-makers of the responsible Directorate General DG TRADE. **But until today DG TRADE did not re-open this review procedure.**

Nowadays, all import quotas for steel and aluminium products that are published every month **are exhausted sometimes after 1, sometimes after max. 3-4 days**, and beyond these quotas traders and manufacturers **pay 25% of customs on every extra ton imported** – mainly from China. This shows how far the domestic producers in Europe are from satisfying the hunger for steel and aluminium of the mainly SME-dominated manufacturing and construction industries.

For more info, please visit
www.european-entrepreneurs.org
www.esba-europe.org
<https://enterprisealliance.eu/>



To continue to maintain this customs and import regime, the **European Commission**

- **contributes massively to push inflation** in a very dangerous economic situation
- **triggers a slowing down of the economic recovery** especially in those **sectors strongly impacted by the economic crisis** caused by the COVID-19 pandemic, and **especially of SMEs**, and in **crucial sectors for the new energy policies** in terms of infrastructure and technology for renewables, and
- creates an **unprecedented case of market protectionism** for domestic European firms that harms the European economy itself, and which – if replicated in other sectors – would cause an explosion in prices, reduction of economic growth and at the end **stagflation**, a situation we are already facing.

While we understand and support the need for a certain protection of our European steel and aluminium producers we feel **there is a justifiable need for an at least temporary lifting** of the restrictions while our EU and other favoured producers can't keep up with demand in these difficult times. **We must prevent further damage to our manufacturing and supply SMEs** already suffering badly from energy prices, labour shortages and semi-conductor supply problems.

Until the end of June 2022, the Member States and the Commission have to make a decision. At the current stage, **it is unlikely the Commission will undertake any changes to the import limits and to the customs on exceeding quantities**, which will worsen the present economic crisis even more. A price that will be **paid by the Small and Medium-sized Companies** and by all **consumers**, in a moment where we would need economic relief to face the new challenges like decoupling from Russia, preventing climate change and reaching energy sovereignty.

We call the Commission, but also all European Member States to strongly increase the import quotas for steel and aluminium products, and to significantly reduce the customs on exceeding imports, and not maintain the same unjustified and wrong customs regime for these products!

Stefan Moritz

Secretary General

European Entrepreneurs CEA-PME

David Caro

President

European Small Business Alliance

Marcin Nowacki

President

European Enterprise Alliance

For more info, please visit
www.european-entrepreneurs.org
www.esba-europe.org
<https://enterprisealliance.eu/>