

# EUROPEAN STEEL REVIEW

February 2025

## ***EU steelmakers eye 2018 to determine US tariffs' impact***

Revisions to the European Commission's import safeguard measures may result in stricter controls than previously anticipated after President Trump pledged to impose 25% duties on US steel imports.

The United States' new measures – to be introduced on March 12 – effectively removes any free-trade agreements, exemptions and product exclusions that were applied to Section 232's tariffs following their introduction in 2018. The Commission will be under increased pressure to defend the European steel industry amid an expectation that additional low-cost material will be redirected from the US.

European Steel Association (Eurofer) president, Dr Henrik Adam, said that around 3.7 million tonnes of EU steel exports would be affected by the new tariffs, along with 23m tonnes of material shipped to the US from other countries. Dr Adam has stated that the EU steel sector can neither afford to lose export sales at a time of such weak domestic demand or absorb an increased volume of imports. "In 2024 alone, the EU steel industry had to close nine million tonnes of capacity with over 18,000 job cuts announced", he said, adding: "The Executive Order by President Trump will inevitably further exacerbate the situation."

### **Flat Rolled Products - Negotiated Domestic Basis Prices - Germany**

EUR/tonne		Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
<b>Hot Rolled Coil</b>	High	600	550	570	570	580	610
	Low	580	530	550	550	560	580
<b>Hot Rolled Plate</b>	High	710	680	670	670	680	680
	Low	670	640	630	640	650	650
<b>Cold Rolled Coil</b>	High	710	660	670	670	670	700
	Low	680	630	650	650	650	670
<b>Hot Dipped Galvanised Coil</b>	High	720	670	680	680	690	715
	Low	690	640	660	660	660	685
<b>Electro-Zinc Coated Coil</b>	High	750	710	720	720	720	730
	Low	720	680	690	690	690	700

## Defending the EU steel industry's profitability

Eurofer wants the European Commission to tighten import quotas and extend its current safeguard measures beyond their current July 2026 expiry date.

If it fails to act, any resulting decline in steel prices would harm a European steel industry already suffering the effects of tight profit margins. During February, MEPS respondents across the region expressed concerns about potential business failures in 2025. The low end of MEPS Europe Average hot rolled coil price rose by EUR20 per tonne during February. However, this was the result of increased input costs, and most suppliers were unable to pass on its full value to end-users.

Market participants are divided on the potential imposition of tighter EU import controls. Many rerollers and distributors currently rely on low-cost Asian material to achieve profit margins. These margins have already been eroded by the market's current low prices and the strength of the US dollar against the euro and pound.

## Attempts to assess tariffs' effect

Many steel buyers are looking back to 2018 to assess the possible effect of the US's new 25% tariffs. US Section 232's full influence was felt between its March implementation and the Covid-19 pandemic. Total EU-origin steel imports to the US rose by 1.2% to 4.73m tonnes in 2018, before falling by 17.9% (to 3.89m) in 2019. In Covid-19 affected 2020, US steel imports from the EU fell by a further 35.3%, to 2.52m tonnes.

As steel-consuming sectors sought to meet pent-up demand, however, President Joe Biden agreed to replace 25% tariffs on EU steel with a new tariff rate quota system. EU steel imports into the US rose again, subsequently, exceeding four million tonnes in 2022. Nonetheless, US steel imports from the EU remained 13.8% down in the 2022-2024 period, when compared with pre-tariff 2015-2017.

Now President Trump is seizing the opportunity to fully realise his earlier ambition of restricting steel imports. Germany, Europe's largest steel producer (up 5.2% to 37.2m tonnes in 2024), stands to lose out most. In recent months, MEPS respondents in the EU have reported German suppliers' increased activity across the region. This is a result of weak demand in the country's domestic market. Similarly, German exports to the US rose by 2.8% in 2024 – reaching 974,178 tonnes.

Steelmakers in Germany and the wider EU region are now awaiting the outcome, not only of revisions to the bloc's own safeguard measures, but developments across the Atlantic.

## Long Products - Negotiated Domestic Basis Prices - Germany

EUR/tonne		Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
<b>Wire Rod (Drawing Quality)</b>	High	660	650	640	640	650	650
	Low	650	630	620	620	630	630
<b>Medium Sections and Beams</b>	High	800	790	780	780	780	780
	Low	780	770	770	770	770	770
<b>Reinforcing Bar</b>	High	370	360	355	365	380	380
	Low	360	350	345	350	360	360
<b>Merchant Bar</b>	High	295	280	275	290	290	280
	Low	275	260	255	260	260	260

### MEPS - Steel Price Index API Line Pipe X60/65 Composite

	<b>Hot Rolled Plate</b>		<b>Hot Rolled Coil</b>	
	Q3/24	Q4/24	Q3/24	Q4/24
<b>Europe Av</b>				
Non Sour	126.8	123.9	131.9	136.5
Sour	144.8	141.9	138.9	143.0

\* Q4/06 = 100 - based on euro values

### MEPS - Steel Purchasing Price Index - Automotive Auto Body Parts Composite Index

	Dec-24	Jan-25	Feb-25
<b>Europe Average</b>	94.4	94.7	97.5
<b>Year-on-year % +/-</b>	-11.0	-14.0	-13.9

\* Jan 2007 = 100 - based on transaction prices

## Flat Products

### Coil

#### Price rises defy North European buyers' uncertainty

Northern Europe's coil prices increased despite uncertainty about US steel import tariffs and revisions to the EU import safeguard measures further stalling sales in February.

MEPS's hot rolled coil price rose by EUR20 per tonne in Belgium, Germany and France this month. In the United Kingdom, the price was up by GBP15 per tonne.

Northern Europe's steelmakers increased their list prices by EUR30-50 per tonne this month and now quote delivery lead times in April or May. Some steel buyers suggest that mills are buying time in the hope that tightening of EU import quotas will support further price increases from April 1.

Uncertainty around the imposition of potential new duties is already deterring buyers from placing import orders. The 15% cap on individual nations' use of the "other countries" quota has also reduced buyers' interest, with many conscious of incurring duties on material from Japan, Taiwan and Vietnam. This is likely to reduce the volume of imports from these countries in the coming months. Nonetheless, stocks currently remain high at many ports.

MEPS respondents in Germany and Belgium report that a reduced volume of galvanised coil imports is already affecting supply. EU mills' order books have benefited and MEPS's hot dipped galvanised coil prices rose by EUR5-10 per tonne more than those for hot rolled coil, this month.

#### Rising input costs support prices

Mills' February price increases have been supported by rising input costs, particularly those for energy. The Dutch TTF natural gas near-term contract price rose by 23.8%, from EUR45.01 to EUR55.72 per megawatt hour, between on January 10 and February 7. In the same period, the German Power Base year-ahead futures contract electricity price rose by 11.1%, from EUR90.67 to EUR100.7 per megawatt hour.

Furthermore, the LME month one futures contract price for scrap rose by 5.6%, from USD341 to USD360 per tonne CFR Turkey, in the first week of February. This followed two months of relative stability.

There are few signs that an uptick in demand will apply upward pressure to coil prices, or sentiment among MEPS's Northern European research respondents, in the near term.

### Comparison of Low Market Domestic Basis Prices - Cold Rolled Coil

price/ tonne	<b>Local currency</b>		<b>US dollars</b>	
	Last Month	This Month	Last Month	This Month
<b>Germany</b>	650	670	667	689
<b>France</b>	660	680	678	699
<b>Italy</b>	640	670	657	689
<b>UK</b>	555	565	687	700
<b>Belgium</b>	650	670	667	689
<b>Spain</b>	650	675	667	694

Note: Exchange rates used for conversion are based on the figures given in our currency exchange rate table.

## Flat Rolled Products - Negotiated Domestic Basis Prices

		<b>Germany</b> EUR/t	<b>France</b> EUR/t	<b>Italy</b> EUR/t	<b>UK</b> GBP/t	<b>UK</b> EUR/t	<b>Belgium</b> EUR/t	<b>Spain</b> EUR/t
<b>Hot Rolled Coil</b>	High	610	610	605	520	627	610	605
	Low	580	590	575	490	590	580	585
<b>Hot Rolled Plate</b>	High	680	660	660	620	747	670	660
	Low	650	650	630	570	687	650	640
<b>Cold Rolled Coil</b>	High	700	700	690	590	711	700	695
	Low	670	680	670	565	681	670	675
<b>Hot Dipped Galvanised Coil</b>	High	715	720	710	595	717	720	715
	Low	685	700	680	575	693	690	695
<b>Electro-Zinc Coated Coil</b>	High	730	730	720	655	789	730	720
	Low	700	710	700	625	753	710	700

## Month on Month % Change

<b>Hot Rolled Coil</b>	Low	3.6	3.5	3.6	3.2	3.0	3.6	4.5
<b>Hot Rolled Plate</b>	Low	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
<b>Cold Rolled Coil</b>	Low	3.1	3.0	4.7	1.8	1.8	3.1	3.8
<b>HD Galv Coil</b>	Low	3.8	4.5	3.0	3.6	3.6	4.5	5.3
<b>EZ Coated Coil</b>	Low	1.4	1.4	1.4	0.8	0.7	2.9	1.4

## Price & Product Definitions

MEPS International's published price assessments relate to regular business, between buyers and steel mills, for newly produced, prime material, negotiated during the current month, for forward delivery. They refer to commercial grade steel for use in general industrial applications.

Quarterly, half-yearly and annual contract prices are excluded from the MEPS published assessments. These longer-term agreements are calculated using various methods and may not reflect the movements or absolute level of prices negotiated for regular monthly business.

Carbon steel basis prices exclude extras for dimensions of the product – for example thickness, width and diameter. They also exclude extras for coating, when coating is traditionally charged at an additional cost.

All prices exclude carbon and energy surcharges.

MEPS's German respondents hope that the formation of a new government, following the country's February 23 election, will prompt investment in steel-consuming infrastructure projects.

However, Germany's automotive industry association expects car production volumes to rise by 1% in 2025, to around 4.15 million units, after remaining flat in 2024. MEPS respondents in Germany, France and the UK continue to raise concerns about demand from the sector. Some annual contract negotiations remain ongoing as EU carmakers make determined efforts to cut costs.

### **Southern European buyers expect further price rises**

Buyers in Italy and Spain confirm that coil prices have increased by an average of EUR25 per tonne since last month.

They also expect to pay a part of European mills' new sought rises for their next orders.

Imports are becoming increasingly risky. A decision on the revision of the EU's import safeguard measures is due before the end of next month. The possible application of retroactive antidumping duties also remains on hot rolled coils coming from Japan, Vietnam, Egypt and India.

Nonetheless, transactions for imported material have been reported, mainly from Turkey. Other alternative sources under consideration include Vietnam, for cold rolled coils, and India, Japan, Taiwan, South Korea and China for cold rolled and galvanised material.

The supply of imported coils was plentiful following customs clearance in January. Material was despatched slowly following the calculation of the applicable safeguard duties, which many importers decided to pay due to the uncertainty surrounding the revised measures, to be applied from April 1.

Many importers paid a duty of 8-9% on hot rolled coils from Japan. A similar rate was applied to imports from Vietnam, while the duty for Taiwanese-origin coils was under 3%.

This added cost has prompted many domestic rerollers – especially those on the Iberian Peninsula – to go back to the market with updated quotes. They will aim to pass on the added costs to their customers amid tight profit margins.

The EU safeguard measures' "other countries" quota for galvanised coils filled up before the end of January. Material that has arrived since then has been left in storage at European ports. Meanwhile, the quota for Chinese-origin category 4B coils filled up at the start of January, incurring an initial duty of around 9% for buyers who opted not to leave the material at ports.

Downstream, sheet prices have started to increase too, albeit not by as much as mills' coil prices. Distributors say they have had to choose between preserving sales volumes or margins. Some see an uptick in apparent demand, but real activity levels remain low. Now that some restocking has taken place, many believe that purchases will largely serve buyers' immediate needs, which remain subdued.

## **Plate**

### **Plate prices stagnate amid weak demand**

Plate prices were unchanged across Europe as plentiful supply and an absence of demand undermined suppliers' efforts to implement rises.

In France, MEPS respondents say that rerollers and stockholders led the push to achieve higher prices during February. However, Germany's integrated mills' continued offer of high-grade plate at lower prices – to fill their order books – meant that these efforts proved unsuccessful.

Respondents in the United Kingdom, meanwhile, report that a three-tier plate market exists. In the top tier, distributors specialising in niche products achieve relatively stable orders. Competition is fierce among those relying on weak demand in the commodity sector. At the bottom end of the market, imports from South Korea continue to depress prices.

Prices are stagnant in the UK, with MEPS's plate price now unchanged for four consecutive months.

As in France, rerollers have been attempting to increase plate prices in Italy. One MEPS respondent described their domestic market as a "battleground" due to its lack of sales opportunity.

Rising energy and transport costs are squeezing Italian rerollers' profit margins and reducing the appeal of their sales into the German market. Furthermore, plentiful supplies of imported plate – largely from South Korea and Indonesia – are readily available from stocks held at Southern Europe's ports, applying further downward pressure to prices. This pressure from port stocks is also prevalent in Spain.

The appeal of new import orders is currently low, however. The risk of potential new duties arising from the European Commission's ongoing review of its import safeguard measures is deterring buyers. The weakness of the euro and the pound against the US dollar has also reduced the appeal of low-cost Asian imports.

## Hopes of uptick in infrastructure investment

Spain's plate buyers say that the country's main domestic plate mill is focussing its attention on large-scale projects, particularly wind farms. The Spanish government has set a target of doubling its current installed wind capacity to 62 gigawatts by the end of the decade.

Large-scale steel-consuming projects are, generally, in short supply across Europe. This month's 0.25 percentage point cuts to European Central Bank and Bank of England interest rates – to 2.75% and 4.5%, respectively – came as GDP growth forecasts were downgraded.

Nonetheless, flamecutters in France expect an improvement in demand in the second part of the year. They believe that some large end-users in the construction sector have finally used up their plate stocks. MEPS's German research respondents, meanwhile, hope that a positive outcome to the country's February elections may prompt an uptick in infrastructure spending.

# Long Products

## Rebar & Wire Rod

### No sign of North European improvement after rate cuts

The February interest rate cut by the Bank of England from 4.75% to 4.5% has not improved market sentiment in the United Kingdom.

Weak trading conditions persist in the UK and order intake, at both mill and stockholder level, remains low following the cut, which came just a week after the European Central Bank cut its rate to 2.75% (from 3%).

Demand from the construction segment is tepid in the UK. Little improvement is expected in the near term, despite the current government's ambitious target to build 1.5 million new homes by 2029. MEPS respondents believe that this may be undermined by regulatory pressures and a shortage of labour.

The availability of rebar and wire rod is plentiful in the UK. Mill delivery lead times, for wire rod, are shortening. British Steel's decision to restart its second blast furnace is a contributory factor. Similar trends are noted for rebar. A recent list price increase by Celsa Steel UK failed to garner any market support and was quickly withdrawn.

Rising energy costs are squeezing the profit margins of German mills. The country's rebar and wire rod buyers are reluctant to pay more for their material, however. This is because of sluggish demand from most steel-consuming industries and high stock levels for both products. Expectations of a significant market recovery are low. The German government recently downgraded its 2025 GDP growth forecast to 0.3% from 1.1%.

Little improvement in trading conditions has been noted by MEPS respondents in Belgium since the beginning of the year. Purchasing activity among stockholders and end-users remains weaker than many suppliers anticipated. Several construction projects are on hold. Rebar and wire rod can be sourced at short notice from domestic mills. Furthermore, competitively priced material from Italy is readily available.

### Mills aim to push up South EU prices

Mills are targeting further price increases in Southern Europe on the back of rising scrap prices and high energy costs.

Wire rod prices have increased by EUR10-20 per tonne in France, Italy and Spain since the beginning of the year. Nonetheless, buyers report good availability and generally short delivery lead times, despite a reduction in mills' output.

Riva France is carrying out maintenance works for a fortnight during February. Meanwhile, MEPS respondents say that two mills in Italy are focusing on the production of high carbon and special steel grades.

Processors report that they are now struggling to pass on any price rises to their customers. Low domestic prices mean that imports are not currently attractive. Only the safeguard quota for Algerian wire rod has filled up, so far, this month. Some importers are still receiving material from January customs clearance.

On Southern Europe's rebar market, the modest price rises recorded in Italy and Spain during recent months have held firm. Furthermore, sales volumes are described as reasonable.

## Long Products - Negotiated Domestic Basis Prices

		<b>Germany</b> EUR/t	<b>France</b> EUR/t	<b>Italy</b> EUR/t	<b>UK</b> GBP/t	<b>UK</b> EUR/t	<b>Belgium</b> EUR/t	<b>Spain</b> EUR/t
<b>Wire Rod</b> <b>(Drawing Quality)</b>	High	650	650	630	550	663	650	630
	Low	630	630	610	525	633	630	620
<b>Medium Sections</b> <b>and Beams</b>	High	780	780	800	690	831	780	760
	Low	770	770	780	660	795	760	740
<b>Rebar</b>	High	380	360	340	560	675	380	350
	Low	360	350	320	530	639	360	340
<b>Merchant Bar</b>	High	280	260	280	620	747	260	260
	Low	260	240	260	590	711	240	250

## Month on Month % Change

<b>Wire Rod</b>	Low	0.0	0.0	0.0	-0.9	-0.9	0.0	0.8
<b>Medium Sections</b>	Low	0.0	1.3	1.3	0.0	-0.1	0.0	0.0
<b>Rebar</b>	Low	0.0	0.0	3.2	-1.9	-1.8	0.0	6.3
<b>Merchant Bar</b>	Low	0.0	2.1	0.0	0.0	-0.1	0.0	4.2

## Price & Product Definitions

MEPS International's published price assessments relate to regular business, between buyers and steel mills, for newly produced, prime, commercial quality material, negotiated during the current month, for forward delivery.

All prices exclude carbon and energy surcharges.

Prices for low carbon drawing quality wire rod and medium sections (I beams) refer to effective values, including size extras. Prices for rebar and merchant bar refer to basis values, excluding size extras, with the exception of those in the UK.

### Disclaimer

All price and market data, in this report, is researched by MEPS International's staff and its local correspondents. The information is obtained from respondents who the company consider provide accurate intelligence on the steel market. The company makes its best endeavours to be assured that the information is correct and that its analysis is reliable. MEPS International Ltd. cannot be made liable for any loss resulting from the use of the published data, however it may arise.

Rebar prices have remained stable in France, but some buyers indicate that they have been waiting for quotes after some mills exited the market. Buyers remain cautious and are concerned about the lack of demand and profitability.

January was not a bad month in France in terms of sales volumes, following a quiet December. However, one MEPS respondent said that activity had been "see-sawing" and some already report a slowdown.

The Hamburg Commercial Bank France Construction Purchasing Managers' Index remained below 50, at 44.5, in January. A score below 50 indicates a sector in contraction. In Italy, the PMI declined to 50.9 in January, from December's 51.2, indicating small-scale growth.

## Beams & Merchant Bar

### Northern Europe's mills battle to pass on rising costs

Weak demand continues to weigh heavily on the beam and merchant bar markets in Northern Europe.

In the United Kingdom, MEPS respondents say that procurement activity for both products remains subdued in February. Furthermore, many steel suppliers continue to hold high inventories.

Short-term hopes for a demand recovery are modest. The Bank of England recently halved its growth forecast for 2025 to 0.75%. Market participants in the UK say that market confidence has been low since the government's Autumn Budget.

However, the launch of a UK Steel Charter is expected to provide long-term supply chain opportunities for producers. It ensures that domestically produced steel will be used in the development of future infrastructure projects, including a third runway at Heathrow Airport.

Northern Europe's beam and bar mills, which are keen to recoup their rising input costs, are being strongly opposed in their attempts to raise prices. Major producer ArcelorMittal temporarily withdrew its price quotations for both beams and bars, citing increased energy costs. European gas prices have risen to a two-year peak. This is largely due to storage concerns during the winter months. Furthermore, the recent decision of the Baltic nations to disconnect from the Russian grid has put additional strain on EU electricity supplies.

Purchasing managers say that it would be challenging to pass on any mill list price increases to end users. There is also fierce competition for sales among Northern Europe's service centres. Consequently, profit margins continue to narrow, with many businesses struggling to achieve a profit.

Beams, sourced from domestic mills and via imports, are readily available in Germany, Belgium and the UK. Following the introduction of added capacity, British Steel is keen to fill gaps in its production schedules.

Attractively priced imports – notably from South Korea and Malaysia – are being offered. The price of Turkish-origin bars, offered to UK buyers, has increased, however. This is because of rising scrap costs and a rise in the value of the US dollar against the pound.

Buyers continue to push back on German and Belgian mills' efforts to raise prices. Market respondents in both countries report that an apparent uptick in steel buying in early January was short-lived and possibly due to a pause in activity during December.

End-user demand remains soft, generally. Common grades and dimensions of both beams and bars are available from mill stocks for immediate delivery.

### Prices start to rise in France, Italy and Spain

MEPS's beam and merchant bar prices increased after mills started to implement limited rises in France, Italy and Spain during February.

The beam market has recorded rises of up to EUR10 per tonne on satisfactory sales volumes.

Activity from the construction of metal frameworks has been steady in France. The French government's EUR1.7 trillion budget was passed on February 6, ending several months of uncertainty. This is expected to unblock decisions and restart some large projects.

MEPS respondents in Italy say that beam production has been lower than expected, but demand has been supported by some restocking and infrastructure projects.

Demand for merchant bar is lower than for beams. Nonetheless, prices have risen by EUR5-10 per tonne month-on-month in France and Spain. Values remained stable in Italy.

The market's leading merchant bar producer has been defending its price quotations, despite rising stocks. Cheaper material, sourced from Spain, can be found in Northern Italy.

Buyers report that demand is not strong enough to rally support for more significant price rises, despite a lack of profitability across the whole supply chain. Mills are still looking for orders and there is a sentiment that prices are still negotiable, to a certain extent.

Meanwhile, distributors say that their profit margins are being squeezed further as they are largely unable to pass on price increases to their customers.

## Market & Industry Scene

### UK trade defence

The UK government has accepted the Trade Remedies Authority (TRA) recommendation to cancel safeguard measures on Category 2 non-alloy and other alloy cold-rolled sheets.

The TRA's decision follows the conclusion of a review, launched in November 2024, in response to Tata Steel UK's request that the measures be removed. The company, previously the United Kingdom's sole producer of these products, had confirmed that it intended to discontinue sales of this material.

The decision to remove the 25% tariff-rate quota on imports of Category 2 non-alloy and other alloy cold-rolled sheets came into effect on January 22, 2025.

### Thyssenkrupp

German steelmaker thyssenkrupp has invested EUR150 million in a new annealing and isolating line at its Bochum site.

The line allows the site to produce electrical sheets with thickness ranging from 0.2mm to 1.0mm and widths of between 700mm and 1,350mm. It processes up to 220,000 tonnes per year.

### Acciaierie Venete

Italian long product producer Acciaierie Venete has contracted equipment manufacturer Danieli to construct a new 100-tonne EAF at its Padua facility.

The furnace, which is expected to have a production capacity of up to 750,000 tonnes per year, will be commissioned during a six-week scheduled shutdown in mid-2026.

Acciaierie Venete is also installing a new wire rod line at its Sarezzo plant, in Brescia, which is expected to enter service later this year.

### Rogesa

SMS group has been commissioned to modernise blast furnace 4 at Rogesa's facility in Dillingen, Germany.

The project being carried out by the German steelmaker – a joint subsidiary of Dillinger and Saarstahl – is due to be completed in quarter three and involves a 55-day shutdown to install a new hearth lining. The furnace has been in operation for 50 years and was most recently relined in 2016.

## Medium Term Price Forecasts

### Steady price recovery amid trade uncertainty

MEPS forecasts that EU steel prices will continue to increase over the next two to three months, primarily driven by steel mills' efforts to pass on rising costs amid tight profit margins.

Reduced competition from cheaper imports, due to uncertainty over safeguard measures, will support this trend. In line with last month's forecast, hot rolled coil prices will peak in April or May, with prices forecast to increase by EUR55-60 per tonne above the current values reported in this publication. However, significant downside risks remain, particularly concerning the recent announcement of the United States' 25% import tariffs on steel and aluminium products.

Hot rolled plate prices have remained relatively stable over the past three to four months, partly due to the lack of major infrastructure projects. However, some market participants are optimistic that infrastructure project announcements from key EU governments – particularly Germany, following its February 23 elections – will stimulate economic growth. This should provide some support to EU plate prices in the coming months.

According to the European Steel Association's (Eurofer) economic and steel market outlook for 2025-2026, a modest improvement in demand is anticipated in 2025. Its Steel Weighted Industrial Production (SWIP) index is forecast to grow by 0.9%. Another moderate increase of 2.1% is expected in 2026. The SWIP index serves as a proxy for steel consumption across various sectors in the EU, and growth is anticipated in key sectors such as automotive, construction and domestic appliances, all of which are sensitive to interest rates.

## Reduced interest rates' delayed effect

The European Central Bank (ECB) has reduced interest rates to 2.75%, marking the fifth rate cut since June 2024, down from a peak of 4%. The Bank of England is expected to reduce rates further in 2025. These developments are likely to boost consumer confidence, driving real demand, though the full impact of these rate cuts may take time to materialise.

EU long product prices have faced pressure in recent months, with construction being one of the economic slowdown's hardest-hit sectors. The positive effect of recent rate cuts is not expected before the second quarter of 2025. Furthermore, recent hikes in European energy prices have been a concern, prompting steel mills to push for price increases to cover their rising costs. This is likely to result in further price increases for long products.

## US tariffs present forecast risks

In formulating these forecasts, MEPS has factored in further ECB and Bank of England interest rate cuts in the remaining months of this year, aimed at stimulating economic growth across the region.

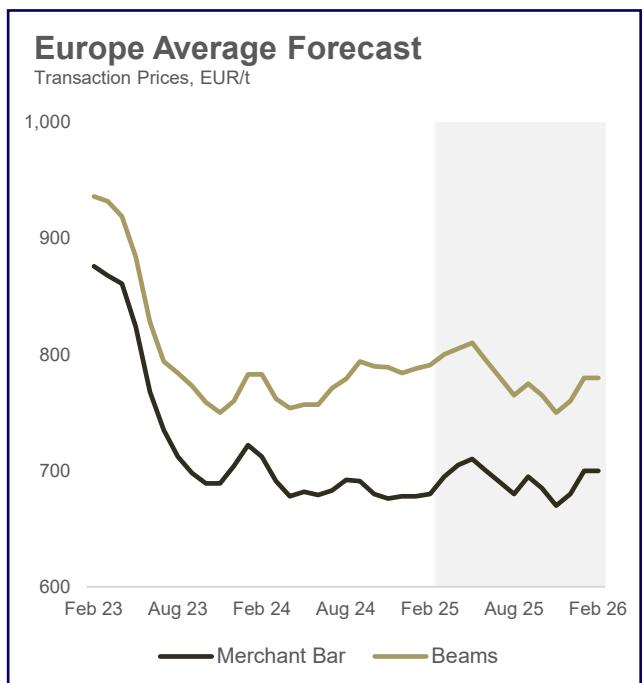
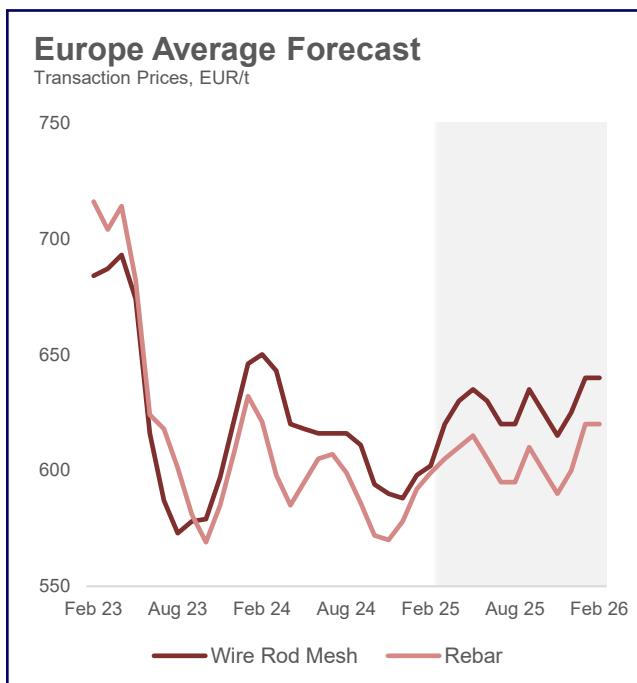
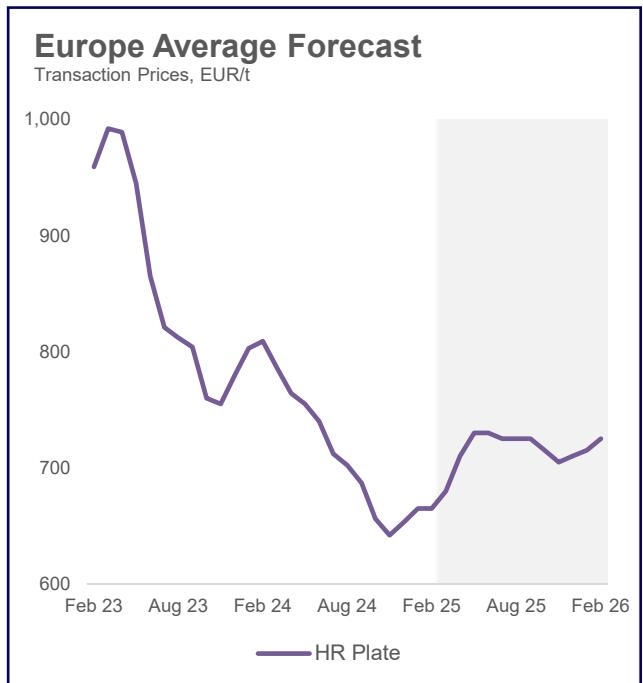
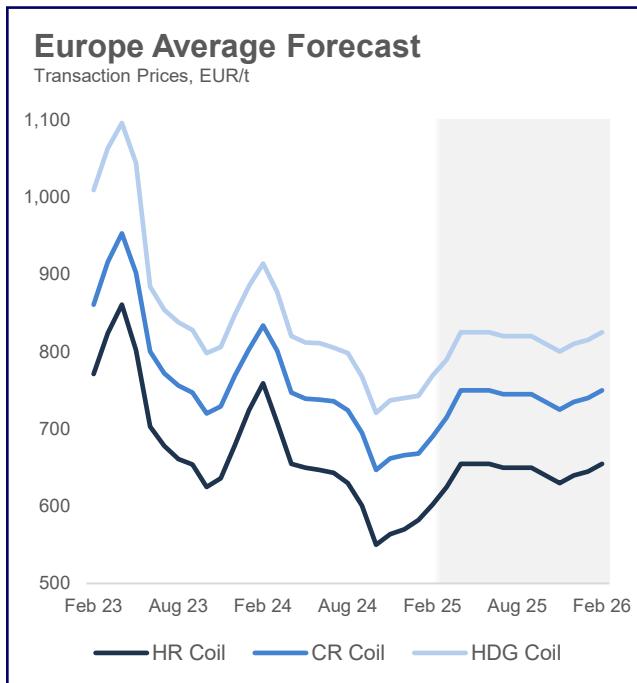
The US was the largest destination for EU steel exports during the period from January to November, 2024, accounting for nearly 17.7% of total steel exports. MEPS is not anticipating that steel of third-country origin redirected from the US market will lead to an increase in EU imports during this period, however. The effect of this will be mitigated by import safeguard measures.

## Europe Average Domestic Transaction Price Forecasts

EUR/tonne	Actual		Forecast				
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25
<b>Hot Rolled Coil</b>	602	625	655	655	655	650	650
<b>Hot Rolled Plate</b>	665	680	710	730	730	725	725
<b>Cold Rolled Coil</b>	690	715	750	750	750	745	745
<b>HD Galv Coil</b>	769	790	825	825	825	820	820
<b>EZ Coated Coil</b>	801	830	865	865	865	860	860
<b>Wire Rod (Drawing)</b>	623	640	655	660	655	650	650
<b>Wire Rod (Mesh)</b>	602	620	630	635	630	620	620
<b>Sections (I Beam)</b>	771	780	785	790	775	760	745
<b>Sections (H Beam)</b>	791	800	805	810	795	780	765
<b>Reinforcing Bar</b>	599	605	610	615	605	595	595
<b>Merc Bar (Round)</b>	684	700	710	715	705	695	685
<b>Merc Bar (Eq Angle)</b>	680	695	705	710	700	690	680

Price Definitions
MEPS regional average steel prices for Europe are computed from a weighted average of prices in Germany, France, Italy, Spain and the UK. The weighting is based on steel consumption in individual countries. Prices are collected in the appropriate local currency and converted into euros to provide a basis for comparison.



Transaction Price Data Sheet								
Negotiated Domestic Transaction Prices								
Flat Products		Europe Average	Germany	France	Italy	UK	UK	Spain
			EUR/t	EUR/t	EUR/t	GBP/t		
Hot Rolled Coil	High	631	631	631	623	540	651	626
	Low	602	601	611	593	510	614	606
Hot Rolled Plate	High	694	695	675	675	634	764	675
	Low	665	665	665	645	584	704	655
Cold Rolled Coil	High	714	716	716	705	604	728	711
	Low	690	686	696	685	579	698	691
Hot Dipped Galvanised Coil	High	795	790	795	785	685	825	790
	Low	769	760	775	755	665	801	770
Electro-Zinc Coated Coil	High	828	823	823	813	725	873	813
	Low	801	793	803	793	695	837	793
Long Products		Europe Average	Germany	France	Italy	UK	UK	Spain
			EUR/t	EUR/t	EUR/t	GBP/t		
Wire Rod (Drawing Quality)	High	643	650	650	630	550	663	630
	Low	623	630	630	610	525	633	620
Wire Rod (Mesh Quality)	High	614	610	620	600	550	663	610
	Low	602	600	610	590	525	633	600
Medium Sections (I Beam)	High	789	780	780	800	690	831	760
	Low	771	770	770	780	660	795	740
Medium Sections (H Beam)	High	809	800	800	820	705	849	780
	Low	791	790	790	800	675	813	760
Reinforcing Bar	High	618	640	620	600	560	675	610
	Low	599	620	610	580	530	639	600
Merchant Bar (Round)	High	705	705	685	705	620	747	685
	Low	684	685	665	685	590	711	675
Merchant Bar (Equal Angle)	High	701	700	680	700	620	747	680
	Low	680	680	660	680	590	711	670
All prices exclude carbon and energy surcharges.								

<b>Currency Exchange Rates</b>				
	<b>US dollars USD</b>		<b>Euros EUR</b>	
	<b>2-Jan</b>	<b>3-Feb</b>	<b>2-Jan</b>	<b>3-Feb</b>
<b>Eurozone EUR</b>	0.974	0.973	-	-
<b>UK GBP</b>	0.808	0.807	0.829	0.830

<b>MEPS Industrial Sector Steel Purchasing Price Index - Europe Average</b>			
Jan 2007 = 100	<b>Jan-25</b>	<b>Feb-25</b>	<b>% change</b>
<b>Construction Industry</b>	96.9	97.8	0.9
<b>Household Appliances</b>	78.2	80.1	2.4
<b>Machinery Sector</b>	88.6	89.3	0.8
<b>Shipbuilding Industry</b>	77.8	77.9	0.1
<b>Shipping Containers</b>	89.3	91.3	2.2
<b>Yellow Goods</b>	91.5	93.9	2.6

<b>Transaction Price Index - Europe Average</b>				
January 1997 = 100				
	<b>Jan-25</b>	<b>Feb-25</b>	<b>% change</b>	
<b>Hot Rolled Coil</b>	223.0	230.7	3.5	
<b>Hot Rolled Plate</b>	231.7	231.7	0.0	
<b>Cold Rolled Coil</b>	183.5	189.6	3.3	
<b>HD Galv Coil</b>	161.2	166.8	3.5	
<b>EZ Coated Coil</b>	188.1	190.3	1.2	
<b>Wire Rod (Drawing)</b>	235.1	235.1	0.0	
<b>Wire Rod (Mesh)</b>	252.3	254.0	0.7	
<b>Sections (I Beam)</b>	250.2	251.1	0.4	
<b>Sections (H Beam)</b>	225.8	226.6	0.4	
<b>Reinforcing Bar</b>	260.8	263.9	1.2	
<b>Merc Bar (Round)</b>	256.4	257.1	0.3	
<b>Merc Bar (Eq Angle)</b>	262.8	263.6	0.3	

Note: Based on low transaction values.

<b>Negotiated Domestic Transaction Prices - Month on Month % Change</b>								
		<b>Europe Average</b>	<b>Germany</b>	<b>France</b>	<b>Italy</b>	<b>UK</b>	<b>UK</b>	<b>Spain</b>
		EUR	EUR	EUR	EUR	GBP	EUR	EUR
<b>Hot Rolled Coil</b>	Low	3.4	3.4	3.4	3.5	3.0	2.8	4.3
<b>Hot Rolled Plate</b>	Low	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cold Rolled Coil</b>	Low	3.3	3.0	3.0	4.6	1.8	1.7	3.8
<b>HD Galv Coil</b>	Low	3.5	3.4	4.0	2.7	3.1	3.0	4.8
<b>EZ Coated Coil</b>	Low	1.1	1.3	1.3	1.3	0.7	0.6	1.3
<b>Wire Rod (Drawing)</b>	Low	0.0	0.0	0.0	0.0	-0.9	-0.9	0.8
<b>Wire Rod (Mesh)</b>	Low	0.7	1.7	0.0	0.0	-0.9	-0.9	0.8
<b>Sections (I Beam)</b>	Low	0.4	0.0	1.3	1.3	0.0	-0.1	0.0
<b>Sections (H Beam)</b>	Low	0.4	0.0	1.3	1.3	0.0	-0.1	0.0
<b>Reinforcing Bar</b>	Low	1.2	0.0	0.0	1.8	-1.9	-1.8	3.4
<b>Merc Bar (Round)</b>	Low	0.3	0.0	0.8	0.0	0.0	-0.1	1.5
<b>Merc Bar (Eq Angle)</b>	Low	0.3	0.0	0.8	0.0	0.0	-0.1	1.5

## MEPS European Steel Review - Price & Product Specifications

MEPS International's published price assessments relate to regular business, between buyers and steel mills, for newly produced, prime, commercial quality material, negotiated during the current month, for forward delivery. Transactions which involve abnormally large or small volumes, non-repeatable deals or sale of ex-stock material are omitted from consideration in the formulation of the published prices. Long-term contract prices are also excluded from the MEPS monthly assessments. Unless included as standard, at no additional cost to the buyer, all extras charged for processing, packaging, testing and certification are excluded from the published prices. The majority of MEPS International's price assessments refer to material sold ex-works, excluding local taxes. When delivery charges or local taxes are incorporated in a published figure, this is stated in the relevant specification.

Basis prices exclude extras for dimensions of the product – for example thickness, width and diameter. They also exclude extras for coating, when coating is traditionally charged at an additional cost. Transaction prices include applicable extra charges, such as those for thickness, width, diameter and coating. All prices exclude carbon and energy surcharges.

### **Hot Rolled Coil**

*Germany (Ruhr), France, Italy, Belgium, Spain*

Ex works. Grade S235JR.

Basis - excludes size extras.

Transaction - Thickness 2-3mm, Width 1100-1549mm.

*UK*

Ex works. Grade S275JR.

Basis - excludes size extras.

Transaction - Thickness 2-3mm, Width 1100-1549mm.

### **Hot Rolled Plate**

*Germany (Ruhr), France, Italy, Belgium, Spain*

Ex works. Grade S235JR.

Basis - excludes size extras.

Transaction - Thickness 15-40mm, Width 2000-2500mm.

*UK*

Ex works. Grade S275JR.

Basis - excludes size extras.

Transaction - Thickness 15-40mm, Width 2000-2500mm.

### **Cold Rolled Coil**

*Germany (Ruhr), France, Italy, UK, Belgium, Spain*

Ex works. Grade DC01.

Basis - excludes size extras.

Transaction - Thickness 1.00-1.24mm, Width 1100-1549mm.

### **Hot Dipped Galvanised Coil**

*Germany (Ruhr), France, Italy, UK, Belgium, Spain*

Ex works. Grade DX51D+Z.

Basis - excludes size extras, Coating Z100.

Transaction - Thickness 1.00-1.24mm, Width 1100-1299mm, Coating Z275.

### **Electro Zinc Coated Coil**

*Germany (Ruhr), France, Italy, UK, Belgium, Spain*

Ex works. Grade DC01+ZE.

Basis - excludes size extras.

Transaction - Thickness 1.00-1.24mm, Width 1100-1299mm, Coating 2.5µm.

### **Wire Rod (low carbon drawing quality)**

*Germany, France, Italy, UK, Belgium, Spain*

Delivered. Grade C4D, SAE1006.

Transaction - Diameter 5.5mm.

### **Wire Rod (low carbon mesh quality)**

*Germany, France, Italy, UK, Spain*

Delivered. Grade SAE1008.

Transaction - Diameter 6-12mm.

### **Sections (I beam)**

*Germany, France, Italy, Belgium, Spain*

Delivered. Grade S235JR, S275JR.

Transaction - Category 1, Designation IPE 180-220.

*UK*

Delivered. Grade S275JR.

Transaction - Designation UB 203, UB 254.

### **Sections (H beam)**

*Germany, France, Italy, Spain*

Delivered. Grade S235JR, S275JR.

Transaction - Category 3, Designation HEB 240.

*UK*

Delivered. Grade S275JR.

Transaction - Designation UC 254.

### **Rebar (deformed)**

*Germany, France, Belgium*

Delivered. Grade B500B.

Basis - excludes size extras.

Transaction - Diameter 16-20mm.

*Italy*

Delivered. Grade B450C.

Basis - excludes size extras.

Transaction - Diameter 16-20mm.

*UK*

Delivered. Grade B500C.

Transaction - Diameter 16-20mm.

*Spain*

Delivered. Grade B500SD.

Basis - excludes size extras.

Transaction - Diameter 16-20mm.

### **Merchant Bar**

*Germany, France, Italy, Belgium, Spain*

Delivered. Grade S235JR, S275JR.

Basis - excludes size extras.

Transaction (round bar) - Diameter 16-50mm.

Transaction (equal angle) - Dimensions 50x50x5mm.

*UK*

Delivered. Grade S275JR.

Transaction (round bar) - Diameter 16-50mm.

Transaction (equal angle) - Dimensions 50x50x6mm.