

EUROPEAN STEEL REVIEW

January 2025

EU safeguard measures review brings imports uncertainty

Steel importers are braced for the effect of revisions to the European Commission's import safeguard measures, which it aims to implement from April 1.

The Commission announced its intention to review the current quota-based system on December 18, following an application from 13 EU member states. It said that their request had been prompted by challenges faced by the EU steel sector, which had been exacerbated by increasing global overcapacity and a continued decrease in EU steel demand.

Among the potential changes is the extended application of the 15% cap on individual countries' use of the "other countries" category's quarterly quotas, which are currently applied to hot rolled coil and wire rod. MEPS understands that this was among suggestions made by the European Steel Association (Eurofer).

The 15% cap was introduced in July last year. At the time, MEPS reported that imports from Vietnam, Japan and Taiwan – the three largest suppliers of Non Alloy and Other Alloy Hot Rolled Sheets and Strips into the EU in 2023 – would be increasingly exposed to 25% above-quota duties.

Diversified supply chain

Import data published on January 6 showed that the three countries' quarterly tariff-free quotas (each of 138,766 tonnes) had been exceeded; Vietnam by 9%, Japan by 56% and Taiwan by 13%. However, other countries' quotas remained underutilised, leaving scope for importers to diversify their sources to maintain supply.

Flat Rolled Products - Negotiated Domestic Basis Prices - Germany

EUR/tonne		Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Hot Rolled Coil	High	630	600	550	570	570	580
	Low	610	580	530	550	550	560
Hot Rolled Plate	High	720	710	680	670	670	680
	Low	690	670	640	630	640	650
Cold Rolled Coil	High	730	710	660	670	670	670
	Low	710	680	630	650	650	650
Hot Dipped Galvanised Coil	High	740	720	670	680	680	690
	Low	720	690	640	660	660	660
Electro-Zinc Coated Coil	High	780	750	710	720	720	720
	Low	750	720	680	690	690	690

MEPS analysis indicates that many importers have already been able to diversify their supply chains. Hot rolled coil import volumes have increased since the introduction of the 15% “other countries” cap. This apparent uptick, revealed by ISSB data, helped to maintain downward pressure on hot rolled coil prices recorded by MEPS in the second half of last year.

Throughout the six-month period, MEPS research contacts reported that low-cost imported material could be readily acquired from EU ports, with tightening storage capacity a growing issue in certain locations. Against a backdrop of oversupply and heavily subdued demand across the continent, the MEPS Europe Average hot rolled coil price declined by 11.4% between July and December, from EUR643 per tonne to EUR570 per tonne.

Increased tariff rate proposed

An increase in the above-quota tariff rate, from 25% to between 32% and 41%, is among other potential changes to the current EU safeguard measures. These elevated levels were first cited in the European Commission’s modelling for the quota-based system ahead of its introduction in 2018. At the time, the Commission said that a tariff of 32% would allow 10% more imports than in 2015-2017. A tariff of 41% would, it said, serve to maintain imports at their 2015-2017 level.

The 25% above-quota tariff ultimately adopted would, the Commission stated in 2018, facilitate traditional trade alongside a 10% increase in imports. It said that this represented “a cautious approach”.

Since 2018, however, EU steel production has declined by 16%, to 126m tonnes. EU steel consumption, meanwhile, has declined by around 22%, to 127m tonnes.

Imports now account for 27% of EU supply. Furthermore, Eurofer has estimated that global steel overcapacity would exceed 560m tonnes in 2024, with OECD data forecasting that an additional 157m tonnes of carbon-intensive capacity will come online by 2026.

Despite the risks posed by global overcapacity, the European Commission will not be permitted to cut its safeguard measures’ quota volumes. WTO rules state that quota volumes must be liberalised – or increased – in each year of their application.

The Commission is expected to conclude its safeguards review on March 31. Until it reveals its conclusions, importers face uncertainty over the tariff rates they will incur in quarter two and beyond.

Long Products - Negotiated Domestic Basis Prices - Germany

EUR/tonne		Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Wire Rod	High	670	660	650	640	640	650
(Drawing Quality)	Low	650	650	630	620	620	630
Medium Sections	High	770	800	790	780	780	780
and Beams	Low	750	780	770	770	770	770
Reinforcing Bar	High	380	370	360	355	365	380
	Low	360	360	350	345	350	360
Merchant Bar	High	300	295	280	275	290	290
	Low	280	275	260	255	260	260

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

	Hot Rolled Plate		Hot Rolled Coil	
	Q3/24	Q4/24	Q3/24	Q4/24
Europe Av				
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**

	Nov-24	Dec-24	Jan-25
Europe Average	94.1	94.4	94.7
Year-on-year % +/-	-7.3	-11.0	-14.0

* Jan 2007 = 100 - based on transaction prices

Flat Products

Coils

Northern Europe's slow start brings small price rises

Declining import volumes and rising energy costs will provide some impetus for EU steelmakers seeking to raise coil prices in Northern Europe.

After a subdued start to the new year, following Northern Europe's extended winter breaks, MEPS respondents reported no sign of an uptick in demand. Buyers continue to adopt a cautious approach amid significant year-on-year price declines. MEPS's January Europe Average coil prices are EUR136-165 per tonne down on the same month in 2024.

Mills are trying to implement price rises. The average offer was up by EUR30-40 across Northern Europe.

Some upward price pressure

Mills' efforts are underpinned by delivery lead times that now extend into April. Few buyers believe that their order books are full, however. Most mills remain willing to negotiate, and the market's limited spot market sales resulted in gains of around EUR10 per tonne.

Energy costs may apply upward pressure to coil prices. High winter electricity demand coincided with a lack of wind in mid-December to accelerate wholesale values.

A decline in coil imports will also help European suppliers realise price rises in the coming months.

Importers are nervous about retrospective duties resulting from the European Commission's antidumping investigation into hot rolled coil imports from Egypt, India, Japan and Vietnam. Uncertainty also surrounds revisions to EU safeguard measures, which could be implemented from April 1. Some MEPS respondents were concerned that the 15% cap on the "other countries" quota for hot rolled coils could be applied to galvanised material.

In France, supply could be affected by further closures at ArcelorMittal's distribution network. In mid-December it followed the recent announcement of site closures in Reims and Denain with further closures in Valence and Strasbourg.

'Disastrous' December for some

However, demand for coils remains heavily subdued and will continue to limit price increases. Many MEPS respondents in Germany and the United Kingdom say that sales volumes were "disastrous" in December, with little improvement experienced in January.

One Belgian research partner expressed hope that a reported increase in bank lending could indicate an uptick in economic activity. Low steel prices and the European Central Bank's December interest rate cut (to 3.15%) may prompt investment in larger steel-consuming projects.

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

price/ tonne	Local currency		US dollars	
	Last Month	This Month	Last Month	This Month
Germany	650	650	681	667
France	650	660	681	678
Italy	640	640	671	657
UK	555	555	702	687
Belgium	650	650	681	667
Spain	650	650	681	667

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

		Germany EUR/t	France EUR/t	Italy EUR/t	UK GBP/t	UK EUR/t	Belgium EUR/t	Spain EUR/t
Hot Rolled Coil	High	580	590	575	515	621	580	580
	Low	560	570	555	475	573	560	560
Hot Rolled Plate	High	680	660	650	620	748	670	660
	Low	650	650	630	570	688	650	640
Cold Rolled Coil	High	670	680	670	585	706	670	670
	Low	650	660	640	555	669	650	650
Hot Dipped Galvanised Coil	High	690	690	680	585	706	690	680
	Low	660	670	660	555	669	660	660
Electro-Zinc Coated Coil	High	720	730	720	650	784	730	720
	Low	690	700	690	620	748	690	690

Month on Month % Change

Hot Rolled Coil	Low	1.8	3.6	2.8	0.0	0.2	1.8	2.8
Hot Rolled Plate	Low	1.6	1.6	3.3	0.0	0.1	1.6	3.2
Cold Rolled Coil	Low	0.0	1.5	0.0	0.0	0.0	0.0	0.0
HD Galv Coil	Low	0.0	1.5	0.0	0.0	0.0	0.0	0.8
EZ Coated Coil	Low	0.0	1.4	0.0	0.0	0.1	0.0	0.0

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.

Recent declines in the Manufacturing PMIs for Germany (Hamburg Commercial Bank) and the UK (S&P Global) indicate a less positive outlook. Germany's score declined from 43.0 to 42.5 points in December – weighing heavily on the European economy – while the UK's declined for a fourth consecutive month, falling from 52.5 to 47.0 points. A score below 50 indicates a sector in contraction.

Southern Europe's prices rise as buying options narrow

Coil prices in Spain and Italy recorded further modest rises this month as European mills push for increases amid reduced imports.

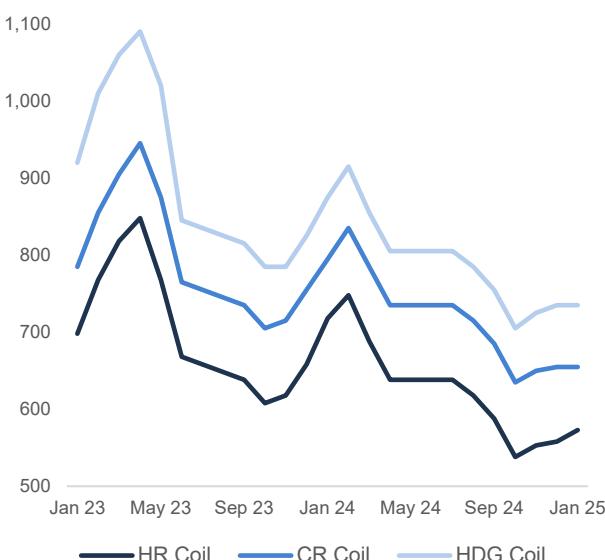
There have been few reported deals on Southern Europe's import market. Hot rolled coils were bought from Turkey before the Christmas break but offers have become less competitive since then.

The imminent revision of the EU's import safeguard measures could bring new restrictions from the beginning of April. Buyers worry that individual country limits could be implemented on galvanised material within the "other countries" quota. This would significantly reduce imported tonnages from Vietnam, in particular.

Quarter one customs clearance began at the start of January. Despite a reduction in the volume of imports compared with previous quarters, some quotas were exceeded. These included hot rolled coils from Japan, Taiwan and Vietnam – each subject to a 15% quota cap since July last year – along with galvanised category 4B coils from China. These imports will incur duties unless importers opt to leave material in ports' storage.

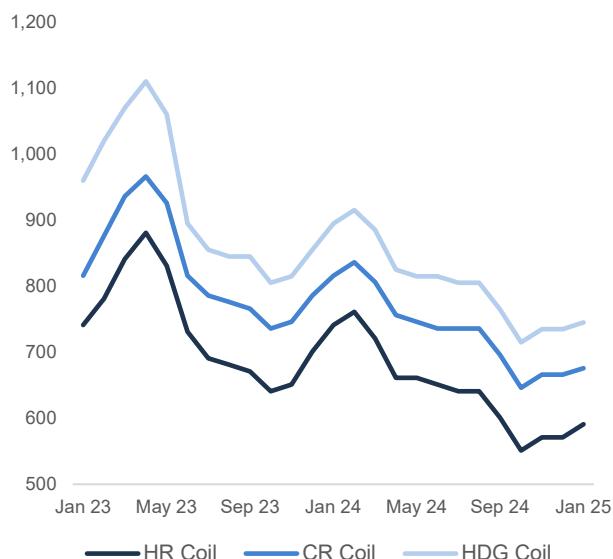
Italy Coil Products

Transaction Prices, EUR/t



France Coil Products

Transaction Prices, EUR/t



Stockholders and service centres say they have no urgent need for this material as their stocks still exceed the market's current levels of demand.

Downstream, there has been no improvement in end-users' demand. European mills quote delivery lead times stretching to March, and even April for galvanised coils, as they raise their prices further. However, the gap is widening between their quoted values and the prices that buyers are prepared to pay.

Buyers say that mills' elevated prices may have gained traction for small quantities of certain grades and sizes corresponding to specific orders, but the commodity market is struggling to absorb such increases.

Distribution prices for cut-to-length sheets have started to increase in some cases but distributors say they need these prices to consolidate before they can buy at a higher price.

Nonetheless, European buyers acknowledge that their domestic market is becoming their best buying option. This will remain the case unless prices increase too much. Furthermore, European coil suppliers should find themselves in a strong position once the market absorbs its reduced flow of imported tonnages.

Plate

No new year uptick in European plate demand

The low end of MEPS hot rolled plate price range increased for the first time in 12 months, in five of the six countries assessed for the European Steel Review, during January.

In Italy and Spain, the price increased by EUR20 per tonne as Germany, France and Belgium registered EUR10 per tonne increases. The United Kingdom's price was stable. However, MEPS analysts recorded a EUR20 increase at the high end of the price range.

Most MEPS research respondents believe that plate prices bottomed before Europe's Christmas and New Year holidays. They believe prices will have to rise, despite the absence of any uptick in demand.

Integrated mills and rerollers in Italy are under particular pressure to raise selling prices due to high electricity costs. Some suppliers also cite the high cost of slab feedstock. However, plate demand remains low.

Across Europe, the energy sector – and the development of wind farms, in particular – is among the few areas of consistent demand. In France, research partners also indicated that naval shipbuilding is slowly overtaking demand for cruise ships.

In Germany and France, mills have expressed a desire to raise plate prices by EUR20 per tonne, but most prices remained negotiable in January. Commodity grade plates are still available from stock at short notice.

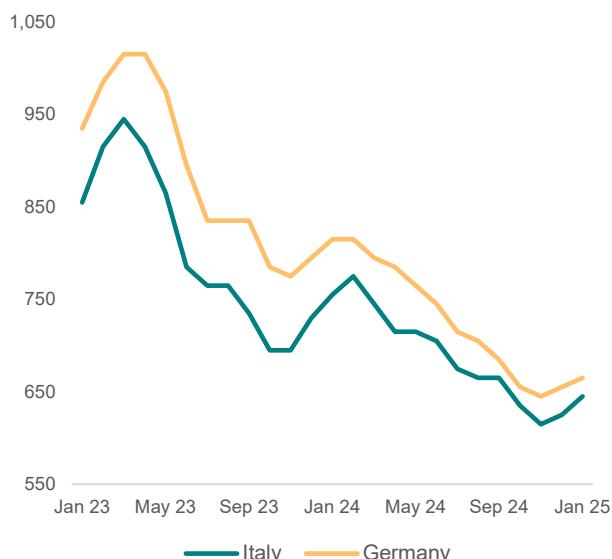
UK buyers say that the main domestic mill, operated by Liberty Steel, remains out of the market. Other suppliers are firmer on their prices than they had been in December. South Korean mills continue to provide quotes, despite a reduced number of import offers.

Exchange rate and tariff rate uncertainty

As in the EU, the appeal of imports into the UK has declined due to exchange rate fluctuations. Since the start of quarter three last year, the values of the pound (down 9.3%) and euro (down 8%) have weakened against the US dollar.

Hot Rolled Plate

Transaction Prices, EUR/t



MEPS respondents also fear that revisions to the EU safeguard measures, which could be implemented as soon as April 1, may apply new tariff rate quotas to plate. This is also deterring import purchases.

Reduced import volumes may help European mills raise their prices.

Many MEPS respondents hope that further interest rate reductions from the European Central Bank (ECB) will lead to an increase in infrastructure investment. Any further rate cuts – following December's 0.25 percentage point cut to 3% – will be applied with caution, however. The ECB recently downgraded its forecast for eurozone GDP growth in 2025 to 1.1% from 1.3%.

Political uncertainty is another barrier to new government-funded projects in some European countries. France's new prime minister – the country's fourth in the last year – is already facing no confidence votes. Germany, meanwhile, will elect a new chancellor in February.

Long Products

Rebar & Wire Rod

German election brings cautious optimism

MEPS respondents in Germany hope that increased spending on steel-consuming infrastructure projects will be a priority for the newly elected government following the country's February 23 general election.

After a slow start to steel buying in 2025, many market participants want to see strong new policies to help revive steel-consuming industries.

In December, the Hamburg Commercial Bank's Manufacturing Purchasing Managers' Index for Germany fell to 42.5, down from 43.0 in November. A score below 50 indicates a sector in contraction.

Subdued demand from Germany continues to weigh on Europe's steel industry. Nonetheless, European rebar producers implemented price increases, in response to rising energy costs, during January. Part of these proposed increases was accepted by buyers, resulting in a modest price hike of EUR10-15 per tonne in Germany. In Belgium, rebar prices rose by EUR10 per tonne, while United Kingdom values remained unchanged month-on-month.

Supply continues to outstrip demand. Output from Feralpi Stahl, a key German rebar producer, will soon return to the market following a month-long maintenance and repair shutdown.

Wire rod demand improvement short-lived

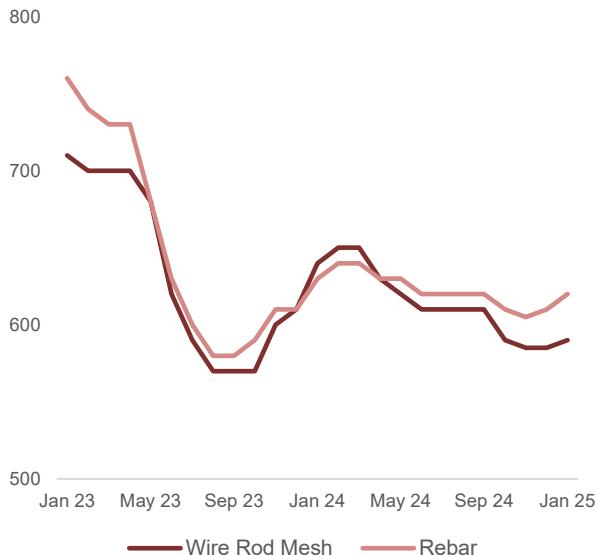
Demand for wire rod showed a slight improvement across Northern Europe in early January, supported by some stock replenishment. However, delivery lead times remain short, and prices for high-carbon and cold-heading grades continue to face downward pressure, according to MEPS respondents.

Wire rod prices rose by EUR5-10 per tonne in Germany and Belgium but, as with rebar, remained unchanged in the UK this month.

MEPS respondents in Belgium attributed the country's weak demand to a slowdown in manufacturing activity. They report growing concerns about workforce reductions amid rising production costs.

Germany Long Products

Transaction Prices, EUR/t



In the UK, December's Christmas and New Year holidays paused import deliveries, temporarily reducing the volumes supplied by mainland European exporters. Market participants inform us that demand is weak. S&P Global's UK Manufacturing Purchasing Managers' Index recorded its fourth consecutive decline in December, falling from 48.0 to 47.0.

MEPS respondents say that import offers are currently unattractive. Nonetheless, rebar imports using the EU safeguard measures' "other countries" category – including China, Taiwan, Japan, South Korea and Egypt – exceeded their quota by 18% on January 6.

South European rebar and wire rod prices increase

Mills started to push up Southern Europe's rebar and wire rod prices on the back of high energy costs at the end of last year.

Consequently, MEPS prices have increased in January, despite the continuation of subdued demand.

Long Products - Negotiated Domestic Basis Prices

		Germany EUR/t	France EUR/t	Italy EUR/t	UK GBP/t	UK EUR/t	Belgium EUR/t	Spain EUR/t
Wire Rod (Drawing Quality)	High	650	650	630	550	663	650	625
	Low	630	630	610	530	639	630	615
Medium Sections and Beams	High	780	770	800	690	832	780	760
	Low	770	760	770	660	796	760	740
Rebar	High	380	360	340	560	676	370	340
	Low	360	350	310	540	651	360	320
Merchant Bar	High	290	255	290	620	748	270	250
	Low	260	235	260	590	712	240	240

Month on Month % Change

Wire Rod	Low	1.6	1.6	1.7	0.0	0.0	1.6	0.8
Medium Sections	Low	0.0	0.0	0.0	1.5	1.7	0.0	1.4
Rebar	Low	2.9	2.9	6.9	0.0	0.0	2.9	3.2
Merchant Bar	Low	0.0	0.0	0.0	0.0	0.1	0.0	0.0

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.

The largest rises have been recorded on the rebar market, especially in Italy, where mills slowly restarted production from January 7 following extended production stoppages. Buyers in Spain also report that mills have been firmer on rebar prices than other long products.

The Hamburg Commercial Bank Construction Purchasing Managers' Index for Italy rose from 48.5 to 51.2 in December. A score above 50 indicates a sector in growth. Italy's improved outlook was attributed to renewed activity and new orders, with residential and commercial building activity reaching 12- and seven-month highs, respectively. Meanwhile, the Construction PMI for France showed no improvement last month, declining from 43.7 to 42.6.

Wire rod prices also increased in January, rising by between EUR5 and EUR20 per tonne month-on-month across France, Italy and Spain. Some buyers have not placed any orders at the new prices yet, as they have enough stock for January. Many MEPS respondents described their order books as being "stable" this month but added that there is no visibility of demand beyond January.

Some wire rod-consuming sectors are faring better than others. Mesh quality material remains exposed to general weakness in the construction sector. Within the drawing quality category, demand for armoured and submarine cables shows good prospects for the whole year. MEPS respondents in France report that demand from the food and automotive industries remains weak.

Most market participants expect January's long product price rises to consolidate into February. Nonetheless, while there has been a slight rebound in activity after the Christmas and New Year holiday period – especially in France and Spain – it remains to be seen if this can be sustained.

Beams & Merchant Bar

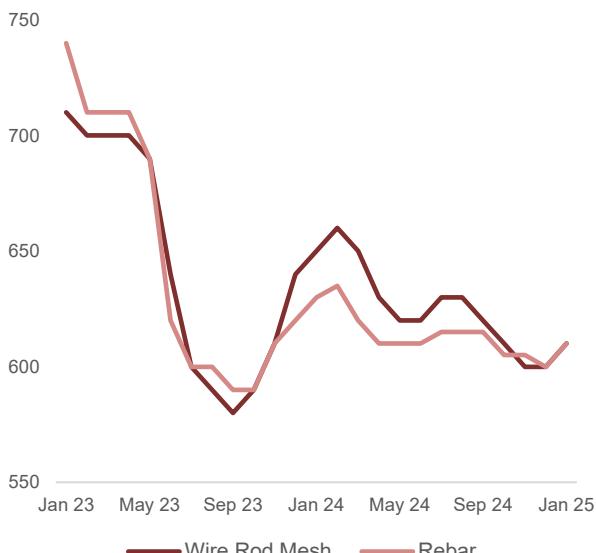
North European buyers reject mills' price rise attempts

MEPS respondents in Northern Europe anticipate a challenging first half of the year after January's beam and merchant bar sales showed no sign of improvement following a slow December.

Prices in Germany and Belgium remained unchanged after producers' attempts to implement price increases proved unsuccessful. Buyers continue to manage their inventories at reduced levels amid continued weak demand.

France Long Products

Transaction Prices, EUR/t



Germany's construction sector remains in recession. The Hamburg Commercial Bank's Germany Construction Purchasing Managers' Index (PMI) declined from 38.0 to 37.8 points in December, its lowest level for eight months. A lack of new projects continues to weigh heavily on the industry, prompting companies to scale back their operations.

European steelmakers remain wary of potential tariffs that could be imposed by United States President Donald Trump. If exports to the US are restricted, an increased focus on domestic customers is expected to exert downward pressure to European steel prices.

Longs producers in Germany have also faced logistical disruptions caused by the sinking of a ship carrying scrap metal along the Moselle River. The ship damaged a lock gate, resulting in closure of the waterway until late March. While steel prices have yet to be affected, an increased reliance on more costly road transport will squeeze German steelmakers' margins.

UK beam prices affected by weak pound

The continued depreciation of the pound against both the US dollar and the euro is influencing the cost of beams in the UK. Prices increased marginally by GBP10 per tonne in January as a consequence of recent currency fluctuations rather than any uptick in demand.

Beam and merchant bar suppliers hope that the Bank of England will follow November's 0.25% cut to interest rates, to 4.75%, with a further reduction in February. This could help boost investment, particularly in construction.

Celsa UK, the country's largest EAF operator, has been sold to Czech investment company, Sev.en Global Investments. The transaction reduces the debt burden of Celsa Spain while enabling Sev.en GI to expand its portfolio of industrial assets. No changes to supply have been reported.

Meanwhile, British Steel has confirmed the restart of its second blast furnace, named Queen Anne, at its Scunthorpe facility. However, discussions between the steelmaker and the UK Government regarding its decarbonisation strategy are ongoing (see Market and Industry Scene).

Prices stable in Southern Europe

Despite mills' increased price quotes for beams and merchant bars, values have remained largely stable in France, Spain and Italy this month.

Buyers in France and Spain report that some mills are pushing for increases, while others are still open to negotiations and are delaying the implementation of rises to get orders.

French distributors, which have become used to selling beams at their average replacement price, will find it difficult to buy stock at higher prices and make a profit.

In Italy, demand for beams has been supported by investments in public infrastructure, notably for rails. However, bad weather in both Italy and France has recently forced some projects to be put on hold. MEPS respondents say that stocks have increased as a result of the reduced consumption.

In Spain, distributors' inventories are low, but they prefer to get orders from their customers first before starting to purchase. Distributors in the country have reported a pickup in the number of enquiries.

Market & Industry Scene

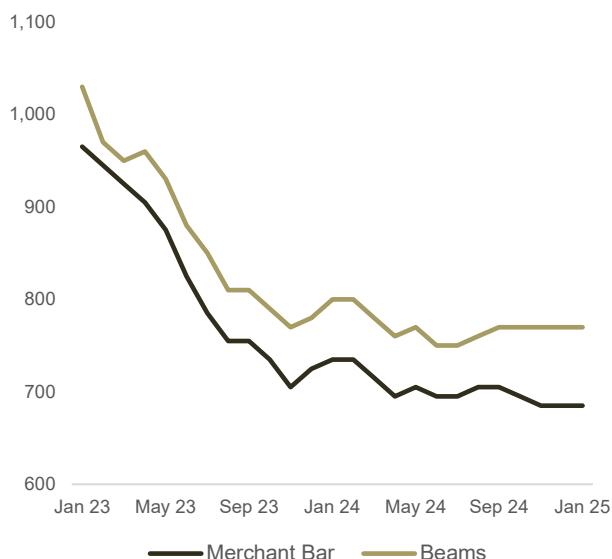
British Steel

British Steel is now operating two blast furnaces at its Scunthorpe site after refiring its Queen Anne furnace.

The furnace was shut down last year due to production issues encountered following a shift to the use of imported coking coal after the closure of the site's coke ovens in 2023.

Italy Long Products

Transaction Prices, EUR/t



The market's leading merchant bar supplier has low stock availability in France and Italy, with long lead times, due to extended winter production stoppages. However, activity has remained subdued, limiting the effect on supply.

Merchant bar buyers are sceptical about mills' ability to implement significant price rises and believe that values are more likely to remain rangebound. Many say that their stock requirements are largely covered for January and will wait until the second half of the month to place orders. They worry that the slight rebound in activity seen after the holiday may be short-lived, as the region's economic outlook remains subdued.

Thyssenkrupp

Thyssenkrupp Steel has completed upgrades to its walking beam furnace in Hot Strip Mill 1 at its Duisburg-Bruckhausen facility.

The furnace's new design reduces surface defects and allows for more uniform temperature distribution during the reheating process for slabs.

Thyssenkrupp expects the new equipment to increase the quality of electrical steel produced at the site.

Van Merksteijn

Netherlands-based Van Merksteijn has informed customers of its intention to merge with Germany's Badische Stahlwerke.

The merger would create a new joint holding group named Reinforcing Steel Europe. The deal is expected to be finalised in the first half of 2025. The two companies process wire rod and rebar products for the construction industry.

Trade Defence

The European Commission has confirmed that provisional antidumping duties will be applied to Chinese-origin tin mill products.

Duties ranging from 14.1% to 62.6% will be applied to the material following the conclusion of an investigation launched in May 2024. The investigation was prompted by a complaint from the European Steel Association (Eurofer) which contained evidence that these products were being dumped in the European market.

Network Steel

Spanish steel processor Network Steel has agreed to purchase thyssenkrupp's Galmed coil processing plant located in Sagunto, near Valencia, according to local reports.

Thyssenkrupp announced in November 2023 that it would shutter the plant due to a lack of demand for galvanised products in Spain and in other parts of Southern Europe.

The facility has capacity to process up to 450,000 tonnes of automotive grade hot dipped galvanised coil per year.

Medium Term Price Forecasts

Steel prices to rise in quarter one of 2025

Steel prices in Europe are expected to rise steadily through the first quarter of 2025, with peaks expected in April or May.

MEPS forecasts that prices for flat products will climb by 10-13% during the period, with long steel products rising by 3-6%. However, real demand is not expected to show a significant improvement compared with the fourth quarter of 2024.

The price hikes are likely to be driven by mills' efforts to restore their profit margins to sustainable levels and the effect of low capacity utilisation on supply. Current margins are reported to be half of the desired levels, according to a major steel producer in the region.

A decline in import volumes is also expected to support prices during the first half of 2025. The decrease is due to uncertainty about potential antidumping duties, revised safeguard measures and a weakening of the euro and the pound against the US dollar.

Sluggish performance in key sectors

Demand across Europe's key industrial sectors remains sluggish, with a slower-than-expected recovery predicted for 2025. Regional variations are notable, however. According to ING Group, the EU's construction output is forecast to grow marginally, by 0.5%, after a 2% decline in 2024. However, major markets Germany and France are expected to experience flat or negative growth.

Similarly, S&P Global Mobility forecasts little growth in vehicle sales in the EU, with a slight 0.1% year-on-year increase. The flat market is attributed to ongoing economic uncertainty, high car prices, reduced electric vehicle (EV) subsidies and political instability in Germany and France.

Eurozone inflation rose to 2.4% in December, driven by raised energy costs, while core inflation (excluding food and energy) held steady at 2.7%. The increase supports the European Central Bank's cautious interest rate reduction strategy.

Near-term cost-based price increases

In the steel market, the increased value of European steel producers' January offers have led to modest gains in EU plate transaction prices for the first time in 12 months. However, post-holiday restocking has been lower than expected due to weak demand.

Elevated winter energy costs and a decline in imports should continue to support plate prices in the coming months. Rebar and wire rod producers are also expected to push for price hikes as energy costs rise and profit margins remain narrow.

Merchant bar and beams prices, which had been stable, could be boosted by a slight uptick in demand from the previously weak construction sector.

Although January activity has been subdued, post-election infrastructure investments in Germany are expected to spur investment.

Iron ore and coking coal prices are unlikely to significantly impact finished product prices in the coming months. Mills' raw material costs are forecast to remain stable due to weakened global steel demand.

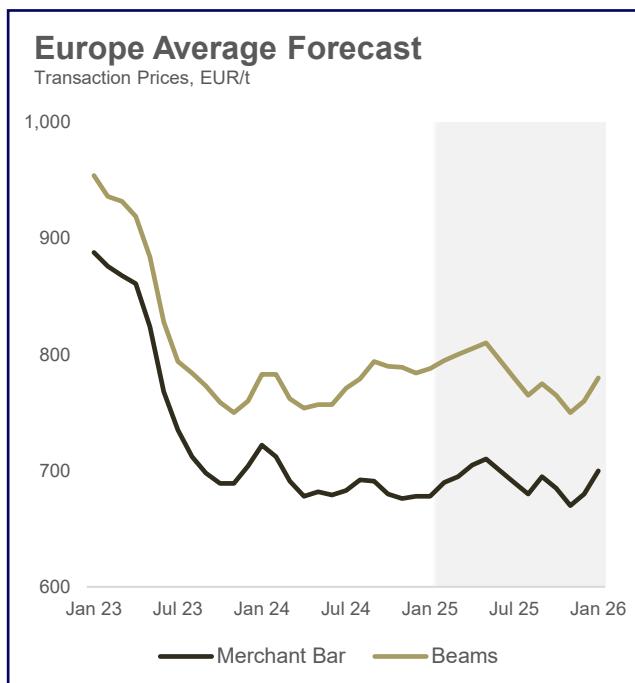
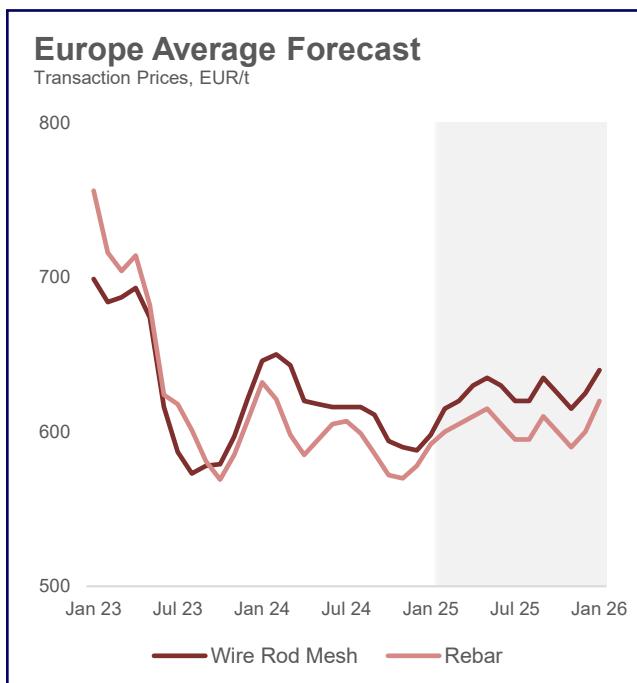
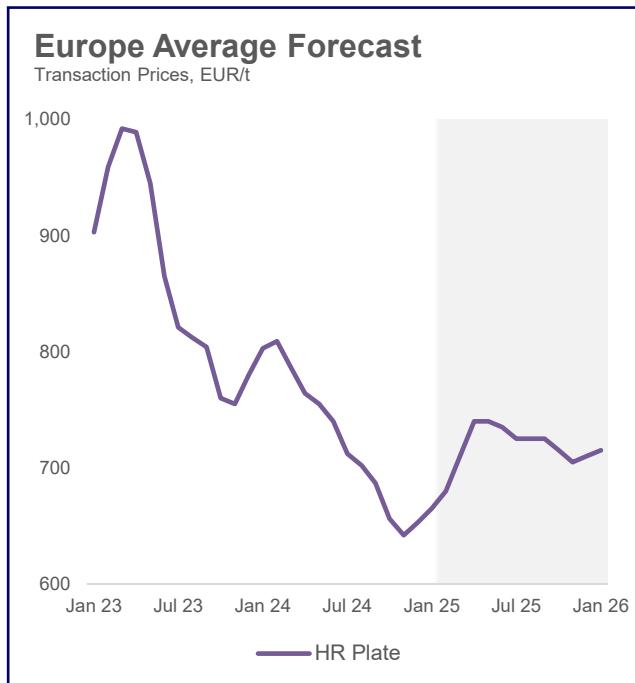
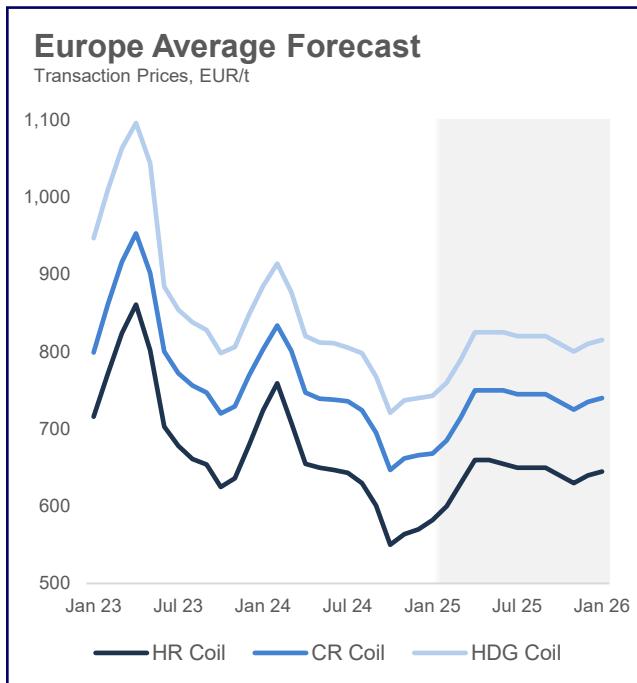
The risks to MEPS's forecasts remain weighted to the downside, with notable uncertainties surrounding potential United States trade barriers on EU steel products. The continued decline of China's real estate sector, and ongoing weakness in the German economy, also present downside risks.

Europe Average Domestic Transaction Price Forecasts

EUR/tonne	Actual		Forecast				
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Hot Rolled Coil	582	600	630	660	660	655	650
Hot Rolled Plate	665	680	710	740	740	735	725
Cold Rolled Coil	668	685	715	750	750	750	745
HD Galv Coil	743	760	790	825	825	825	820
EZ Coated Coil	792	810	840	875	875	875	870
Wire Rod (Drawing)	623	640	645	655	660	655	650
Wire Rod (Mesh)	598	615	620	630	635	630	620
Sections (I Beam)	768	775	780	785	790	775	760
Sections (H Beam)	788	795	800	805	810	795	780
Reinforcing Bar	592	600	605	610	615	605	595
Merc Bar (Round)	682	695	700	710	715	705	695
Merc Bar (Eq Angle)	678	690	695	705	710	700	690

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	606	601	611	593	535	645	601
	Low	582	581	591	573	495	597	581
Hot Rolled Plate	High	692	695	675	665	634	765	675
	Low	665	665	665	645	584	704	655
Cold Rolled Coil	High	692	686	696	685	599	723	686
	Low	668	666	676	655	569	686	666
Hot Dipped Galvanised Coil	High	769	765	765	755	675	814	755
	Low	743	735	745	735	645	778	735
Electro-Zinc Coated Coil	High	823	813	823	813	720	869	813
	Low	792	783	793	783	690	832	783
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	625
	Low	623	630	630	610	530	639	615
Wire Rod (Mesh Quality)	High	613	610	620	600	550	663	605
	Low	598	590	610	590	530	639	595
Medium Sections (I Beam)	High	787	780	770	800	690	832	760
	Low	768	770	760	770	660	796	740
Medium Sections (H Beam)	High	807	800	790	820	705	850	780
	Low	788	790	780	790	675	814	760
Reinforcing Bar	High	616	640	620	600	560	676	600
	Low	592	620	610	570	540	651	580
Merchant Bar (Round)	High	709	715	680	715	620	748	675
	Low	682	685	660	685	590	712	665
Merchant Bar (Equal Angle)	High	705	710	675	710	620	748	670
	Low	678	680	655	680	590	712	660

All prices exclude carbon and energy surcharges.

Currency Exchange Rates				
	US dollars USD		Euros EUR	
	2-Dec	2-Jan	2-Dec	2-Jan
Eurozone EUR	0.954	0.974	-	-
UK GBP	0.791	0.808	0.830	0.829

MEPS Industrial Sector Steel Purchasing Price Index - Europe Average			
Jan 2007 = 100	Dec-24	Jan-25	% change
Construction Industry	97.7	96.9	-0.8
Household Appliances	79.7	78.2	-1.9
Machinery Sector	89.4	88.6	-0.9
Shipbuilding Industry	78.1	77.8	-0.4
Shipping Containers	89.8	89.3	-0.6
Yellow Goods	92.0	91.5	-0.5

Transaction Price Index - Europe Average			
	Dec-24	Jan-25	% change
Hot Rolled Coil	218.4	223.0	2.1
Hot Rolled Plate	227.5	231.7	1.8
Cold Rolled Coil	183.0	183.5	0.3
HD Galv Coil	160.5	161.2	0.4
EZ Coated Coil	187.6	188.1	0.3
Wire Rod (Drawing)	232.1	235.1	1.3
Wire Rod (Mesh)	248.1	252.3	1.7
Sections (I Beam)	249.2	250.2	0.4
Sections (H Beam)	224.6	225.8	0.5
Reinforcing Bar	254.6	260.8	2.4
Merc Bar (Round)	256.4	256.4	0.0
Merc Bar (Eq Angle)	262.8	262.8	0.0

Note: Based on low transaction values.

Negotiated Domestic Transaction Prices - Month on Month % Change							
		Europe Average	Germany	France	Italy	UK	UK
		EUR	EUR	EUR	EUR	GBP	EUR
Hot Rolled Coil	Low	2.1	1.8	3.5	2.7	0.0	0.2
Hot Rolled Plate	Low	1.8	1.5	1.5	3.2	0.0	0.0
Cold Rolled Coil	Low	0.3	0.0	1.5	0.0	0.0	0.0
HD Galv Coil	Low	0.4	0.0	1.4	0.0	0.0	0.1
EZ Coated Coil	Low	0.3	0.0	1.3	0.0	0.0	0.1
Wire Rod (Drawing)	Low	1.3	1.6	1.6	1.7	0.0	0.0
Wire Rod (Mesh)	Low	1.7	0.9	1.7	3.5	0.0	0.0
Sections (I Beam)	Low	0.4	0.0	0.0	0.0	1.5	1.7
Sections (H Beam)	Low	0.5	0.0	0.0	0.0	1.5	1.6
Reinforcing Bar	Low	2.4	1.6	1.7	3.6	0.0	0.0
Merc Bar (Round)	Low	0.0	0.0	0.0	0.0	0.0	0.1
Merc Bar (Eq Angle)	Low	0.0	0.0	0.0	0.0	0.0	0.0

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.

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.

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.

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.