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## EU steel safeguard measures hamper the competitiveness and growth of the EU manufacturing industry

First introduced in 2018 by the European Commission, the main objective of steel safeguard measures is to prevent economic damage for EU steel producers, given the risk of trade diversion, due to US tariffs on steel. Yet, as a direct effect, the implementation of the tariffs reduced competition from third countries, this way limiting import alternatives aimed at easing cost and lead-time pressures on European manufacturers, ultimately adding to the uncertainty and adverse market conditions faced by steel users, including the home appliance industry.

Earlier this month, EU Member States approved the EU's proposed updated steel import safeguards regime, envisioning an increase in the "liberalisation rate" of quotas for tariff-free steel from 3 to 4%. While the industry "welcomes the renewed liberalisation push, the measure is still insufficient to meet the sectoral demand of raw materials and ensure fair access for European manufacturers to competitive steel," explained Paolo Falcioni, APPLiA Director General, highlighting the negative implications of the adopted measure on investments and economic growth across Europe.

Home appliance manufacturers found procurement of steel products within the EU to be increasingly challenging over the past years. On the one hand, "EU steel producers are often unable to meet the demand for sufficient volumes of materials, within the set timelines," pointed out Falcioni. This is the case for steel categories 4A, 4B and 5, where tariff rate quotas are insufficient to meet growing demand. On the other hand, "the high price of steel in the EU severely undermines the ability of the sector to remain competitive," and therefore, to deliver cost-efficient products to European consumers. A reality, as Falcioni outlined, that "makes business planning extremely difficult, acting as a major deterrent to new investments and the creation of new job opportunities."

With this in mind, it is imperative for EU steel safeguard measures to be removed. Delaying this move until July 2023, as planned, would in fact only continue hampering the competitiveness of the EU manufacturing industry, ultimately jeopardising the European economy.

APPLiA - Home Appliance Europe represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 53 billion, investing over EUR 1.6 billion in R&D activities and creating nearly 1 million jobs.

