

EU-Commissioner Executive Vice President
Valdis Dombrovskis
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Urgent Call to End Safeguard Measures applicable to certain steel products /
Joint letter of the members of HFL Herstellerverband für Luftleitungen e.V.

Berlin, 07.05.2021

Dear Mr. Dombrovskis,

the Herstellerverband für Luftleitungen HFL e.V. (Manufacturing association of air duct systems) which is based in Germany, has 36 members, employs over 4.000 people and processes more than 160,000 tonnes of galvanized steel yearly. The customers of our Members are dependent on our deliveries to install ventilation systems which improve in-door air quality and thus reduce the risk of Corona Virus infections in all types of buildings including Hospitals.

We are writing to you because of the request of 12 member countries, initiated by EUROFER and ESTA, dated 15th of January 2021 to prolong the Safeguard Measures applicable to certain steel products beyond 30.06.2021.

We refer to the letters written to you in this matter by the coalition of the associations ACEA, APPLiA, CECE, CEMA, CEMEP, CLEPA, Orgalim and WindEurope, as well as EUROMETAL, ANFIA, ASSOFERMET and the joint letter of Industrieverband Blechumformung e.V. (IBU) and Fachvereinigung Kaltwalzwerke e.V. (FVK) which point out the urgency of the situation and the necessity to end the Safeguard Measures.

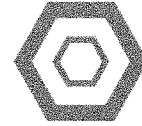
Our members are seriously affected by the unprecedented rise in steel prices (+100% within the last 6 months) and massive shortage of galvanized sheet metal which we require as our main product to manufacture air duct systems. The shortage is currently so severe, that warehouses of steel traders across Europe are completely emptied out and most of our members partly cannot continue production for the next months and are forced to lay off staff. On top of that delivery times for new orders of steel coils have jumped up to around 6 Months!

European steel manufacturers are far from being able to meet the European demand of steel – especially in the area of sheet metal. While Automobile manufacturers have a relatively strong position in negotiation and are prioritized by steel manufacturers, the steel traders and service centres (our suppliers) are

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not in any way receiving sufficient supplies from the European steel manufacturers and thus are only able to offer insufficient quantities at excruciatingly high prices and long delivery times. Currently it is impossible to buy any sheet steel from stock anywhere in Europe for our needs!

The quantities coming into Europe from outside are utilizing the safeguard quotas, but are so limited, that they are practically providing next to no relief in meeting the high demand. Steel traders could of course import more steel than the quotas, but are extremely reluctant to do so, because import prices are already at the same high level as prices from European steel manufacturers and they do not want to pay 25% safeguard duty on top at their own risk.

We would like to add that even the current shortage of microchips and consequently reduced production in the automobile industry has not led to higher availability of steel. We fear that the already detrimental situation will turn into a catastrophic stand still if automobile steel demand picks up again due to availability of microprocessors.

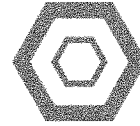
In conclusion we are in a massive shortage situation because of the inability of European steel manufacturers to meet the demand of steel by far and if this situation continues literally hundreds of thousands, if not millions of jobs in the downstream metal processing industry in Europe are at stake.

There is no danger from steel manufacturers outside the European Union as China has turned from exporting to importing steel and world market prices are at least as high as in Europe and interest to export steel to Europe is very low. The ambitious programs of governments across the world to aid economic recovery will further contribute to the shortage as the world regains control over the Covid 19 pandemic and slowly returns to normal life.

We therefore urgently appeal to you to reject the requested prolongation of Safeguard measures beyond 30.06.2021. This is the only way to relieve the situation and to restore the balance in the market.

We remain with best regards

The board and members of HFL e.V.



HFL
Herstellerverband
für Luftleitungen e.V.

Members of HFL e.V.

airleben GmbH
ath service GmbH
Aerotechnik E.Siegwart GmbH
B.ARC Lüftungskanalbau GmbH
BerlinerLuft. Technik GmbH
BLH GmbH
Canser Luftkanalbau GmbH
Deutsche Rockwool GmbH & Co. KG
DL Lufttechnik
Eugen Hartmann GmbH
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und Lüftungstechnik mbH
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Felderer AG
Gebhardt Stahl GmbH
Hans Prechtl GmbH & Co. KG
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Tanneberger Luftkanalbau
TL Concept GmbH
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