

Increasing the minimum import price for GOES

thyssenkrupp Steel Europe AG | December 2024

Status of the proceedings: no agreement at working level, request for review submitted

- Since February 2024, thyssenkrupp Steel (tkSE) has been in dialogue with the European Commission's Directorate-General for Trade in order to achieve an increase in the minimum import price (MIP) for grain-oriented electrical steel (GOES).
- On 3 May 2024, tkSE submitted a concrete legal proposal for a swift adjustment of the trade defence measure to the responsible trade defence instruments unit of DG Trade. In addition, updated figures on economic injury were submitted in the course of a meeting on 8 July at the request of DG Trade.
- Despite intensive discussions, no agreement has yet been reached with the responsible unit on a pragmatic solution that can be implemented by the end of the year. The experts at DG Trade are critical of tkSE's proposal from a WTO law perspective.
- We are convinced that our proposal fulfils the requirements of WTO law. We also believe that the European Commission must be prepared to take minor legal risks in order to protect European industry.
- In September 2024, the European Steel Industry Federation, EUROFER, submitted the request for a review of the MIP to the Directorate-General for Trade on behalf of the two remaining GOES producers, thyssenkrupp Electrical Steel and Stalprodukt.
- The proposed approach was rejected at a meeting with the responsible department on 12 November for legally incomprehensible reasons. Alternative proposals would lead to a deterioration in external protection.
- EUROFER submitted the formal application for a review of the MIP on 12 December 2024, formally and unchanged. A political decision will then be required to implement this pragmatic and solution-orientated approach.

Outlook: political decision necessary for rapid increase

- By increasing the MIP, strategically important GOES production in the EU can be secured.
- Further important investments in GOES production facilities in the EU also depend on a level playing field. The increase in the MIP will therefore have a positive impact on the quantity and quality of GOES production in Europe.
- A political decision is therefore needed to initiate the increase as proposed. For this, we urgently need the support of the German government at a political level - ideally in close co-operation with France, where we operate our second production site.

Broad support from customers and politicians

- Numerous customers of tk electrical steel have expressed their support for an increase in the MIP in confidential letters to the EU Commission and the German government. They fear for the resilience of their own supply chain if the EU were to become 100% dependent on Asian GOES imports in the future.
- The Deputy Chairman of IG Metall and the Chairman of the General Works Council of thyssenkrupp AG, together with the CEOs of thyssenkrupp Steel Europe and thyssenkrupp Electrical Steel, wrote to Ursula von der Leyen on 4 June 2024.

- The CDU/CSU group in the EPP group in the European Parliament is calling for a European Steel Pact. The immediate measures it contains to strengthen the European steel industry also include an increase in the MIP for GOES.