

# Press release

## Economic and Steel Market Outlook 2026-2027 report: European steel market faces another difficult year despite modest demand growth

Brussels, 25 June 2026 - Europe's steel market remains under significant pressure despite modest improvements in demand, according to EUROFER's latest Economic and Steel Market Outlook 2026-2027.

Apparent steel consumption increased by 4.4% in 2025. However, the rebound was largely driven by exceptional factors and does not signal a sustained recovery. Demand remains around 10 million tonnes below pre-pandemic levels, while growth is expected to slow sharply to just 0.4% in 2026.

**Axel Eggert**, Director General of the European Steel Association (EUROFER), "Modest improvements in demand should not be mistaken for a genuine recovery. Manufacturing remains weak, energy costs remain elevated, and uncertainty linked to global trade and geopolitical tensions continues to weigh on investment and industrial activity."

### **Steel demand recovers, but growth remains fragile**

Despite stronger-than-expected growth in apparent steel consumption in 2025, the recovery remains weak. Growth is expected to remain almost flat in 2026 before improving only gradually in 2027.

### **Industrial demand remains under pressure**

Demand from steel-using sectors declined again in 2025 (-0.1%), marking a second consecutive year of contraction. Although a modest improvement is forecast for 2026 (+1.3%), a more meaningful recovery is not expected before 2027.

### **Automotive weakness continues to weigh on recovery**

The automotive sector - one of Europe's most important steel-using industries - remains a major source of concern. Output fell sharply in 2024 and continued to decline in 2025, reflecting weak consumer demand, slower-than-expected electric vehicle uptake and persistent uncertainty affecting manufacturers. The sector is expected to remain under pressure throughout 2026.

### **Construction remains the main source of resilience**

Construction, Europe's largest steel-consuming sector, continues to provide some support to demand. However, growth remains modest and faces increasing headwinds from higher financing costs and a weakening economic environment.

### **Global uncertainty continues to cloud the outlook**

The broader economic environment remains challenging. Rising energy prices linked to tensions in the Middle East have reignited inflationary pressures and prompted further monetary tightening, while industrial output in several major EU economies remains below pre-pandemic levels.

Although imports eased somewhat in early 2026 following exceptionally high levels at the end of last year, global steel overcapacity and intense international competition continue to weigh heavily on European producers.

Without stronger industrial growth, improved competitiveness and lower energy costs, EUROFER expects Europe's steel market to remain under pressure for the foreseeable future.

**Read the full Economic and Steel Market Outlook 2026-2027 here.**

### **Notes for editors**

#### **Contact**

David French, Spokesperson and Head of Communications, +32 492 97 97 52,  
([d.french@eurofer.eu](mailto:d.french@eurofer.eu))

#### **About the European Steel Association (EUROFER)**

EUROFER AISBL is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER full members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations of Türkiye, Ukraine and the United Kingdom are also members.

The European Steel Association is recorded in the EU transparency register: 93038071152-83.

VAT: BE0675653894. The RLE or RPM is Brussels.

#### **About the European steel industry**

The European steel industry is a world leader in innovation and environmental sustainability. It has a turnover of around €192 billion and directly employs 293,000 highly-skilled people, producing on average 146 million tonnes of steel per year. More than 500 steel production sites across 22 EU Member States provide direct and indirect employment to millions more European citizens. Closely integrated with Europe's manufacturing and construction industries, steel is the backbone for development, growth and employment in Europe.

Steel is the most versatile industrial material in the world. The thousands of different grades and types of steel developed by the industry make the modern world possible. Steel is 100% recyclable and therefore is a fundamental part of the circular economy. As a basic engineering material, steel is also an essential factor in the development and deployment of innovative, CO2-mitigating technologies, improving resource efficiency and fostering sustainable development in Europe.