ECONOMIC AND STEEL MARKET OUTLOOK

2025 2026

Q3 REPORT

Data up to, and including, Q1 2025

September 2025

EXECUTIVE SUMMARY

The current trend in EU apparent steel consumption, despite two modest consecutive rebounds over the last two quarters – driven by comparison with very low volumes recorded a year earlier – continues to reflect weak demand conditions. These conditions originated in the second quarter of 2022 due to war-related disruptions, coupled with unprecedented increases in energy prices and production costs. This negative cycle has persisted until the third quarter of 2024, mainly as a result of growing global economic uncertainty, higher interest rates – before eight policy rate cuts were implemented - overall manufacturing weakness, and growing uncertainty surrounding U.S. tariffs.

The consequences of the conflict in Ukraine and the energy shock on steel-using industries, along with worsened overall economic outlook, triggered a severe recession (-8%) already in 2022. These protracted downside factors further impacted apparent steel consumption, resulting in two other consecutive annual drops in 2023 and 2024 (-6% and -1.1%, respectively). In 2025, contrary to earlier expectations of a more favourable industrial outlook and improving steel demand, apparent steel consumption is set to decline again, albeit more moderately than previously foreseen (-0.2%, formerly -0.9%). This will be driven by the expected—albeit difficult to quantify—impact of U.S. tariffs and the resulting uncertainty and trade-related disruptions. In 2026, apparent steel consumption is projected to finally recover (+3.1%, previously set at +3.4%), conditional on a positive evolution of the industrial outlook and an easing of global tensions, both of which remain unpredictable at this stage.

Apparent steel consumption is set to experience another drop (-0.2%, more moderate than the previously forecasted, -0.9%). In 2026, apparent steel consumption is finally projected to rebound (+3.1%, formerly +3.4%), conditional on a positive evolution of the industrial outlook and easing trade and global geopolitical tensions, which all are unpredictable at the moment. The overall evolution of steel demand remains subject to very high uncertainty.

Apparent steel consumption is not expected to improve substantially before the first quarter of 2026, and consumption volumes are expected to remain far below pre-pandemic levels.

EU STEEL MARKET OVERVIEW

In the first quarter of 2025, apparent steel consumption increased year-on-year (+2.2%) for the second time in a row (+0.5% in the preceding quarter, after three consecutive quarterly drops). Total consumption volume in the first quarter of 2025 stood at 33.8 million tonnes.

Domestic deliveries mirrored the evolution in demand and increased year-on-year (+1.4%, after -2% in the preceding quarter). In 2024, they

decreased overall (-2.8%), reflecting persistently weak steel demand.

Imports into the EU - including semi-finished products – slightly decreased (-0.6%) in the first quarter of 2025, after a marked rise in the preceding quarter (+6.3%). It is worth noting that in absolute volumes the share of total imports out of apparent consumption has remained considerably high in historical terms up to the first quarter of 2025, standing at 25% (27% in the preceding quarter). In the entire year 2024, the share of imports stood at 27%. Over the second quarter of 2025, total imports continued to decrease (-3%).

EU STEEL-USING SECTORS

IIn the first quarter of 2025, the Steel Weighted Industrial Production index (SWIP) sharply dropped for the fifth consecutive time (-3.2%, after -4.6% in the preceding quarter). Until the end of 2023, EU steel-using sectors' output continued to show resilience and grow, albeit at a slower pace, despite the prolonged impact of Russia's invasion of Ukraine, overall manufacturing weakness and global geopolitical tensions - with trade-related issues emerging more recently -, weighing on industrial confidence and business investment.

The positive trend in overall SWIP, started after the pandemic, continued up to the fourth quarter of 2023, in spite of soaring energy prices impacting production costs, component shortages and lower output that began to take their toll on total production activity in steel-using sectors in the second half of 2022. The deterioration of the economic and industrial outlook in the EU – particularly due to high inflation and the subsequent interest rate hikes by the European Central Bank (ECB) – had only a limited impact on steel-using sectors' output up to the end of 2023, with the exception of the construction sector. As the industrial and economic landscape in the EU turned even gloomier throughout 2024, the evolution of the SWIP index has reflected a continued downturn in the construction, mechanical engineering, domestic appliances and metalware sectors— and particularly in the automotive industry, which is most exposed to volatility in global trade and supply chain disruptions.

Due to U.S. tariffs – both announced and implemented - ongoing economic uncertainty is likely to intensify, weighing on growth also in the coming quarters. This is expected despite monetary easing by the ECB, which implemented eight consecutive 25 bps policy rate cuts between 2024 and 2025, the effects of which will not be fully visible in the short-term.

Despite persisting downside factors, steel-using sectors' output continued to grow in 2023 (+1.7%, revised from +1.6%), albeit with wide differences across individual European economies and sectors. This was largely driven by the better-than-expected performance of the construction sector in some EU countries. However, SWIP resilience came to an end in 2024, and steel-using sectors' output growth contracted on a yearly basis (-3.6%, revised from -3.7%). This was mainly due to drops in construction and automotive output (-2% and -9.8%, respectively). Due to growing uncertainty following U.S. tariff announcements, another recession—albeit a more moderate one— is anticipated in 2025, (-0.7%, formerly -0.5%), before a moderate rebound (+1.8%) in 2026.

CONCLUSIONS

The ongoing economic uncertainty is set to continue affecting steel market growth from the demand side over the upcoming quarters:

1. Despite EU industry proving quite resilient throughout 2023, output in steel-using sectors in the EU contracted in 2024, mainly driven by declines in the construction and automotive sectors. The outlook for 2025 and 2026 remains overshadowed by a worsening combination

of very high tariff-related uncertainty, weak conditions in manufacturing sectors – and consequently lacklustre steel demand - severe geopolitical tensions, and broader economic challenges. Notwithstanding repeated monetary easing in the euro area, its effects on the economic cycle will not be visible in the short-term.

2. While output grew more than expected (+2.9%) in 2022, in 2023 SWIP growth slowed down (+1.7%), albeit with wide differences among individual EU economies and industrial sectors. In 2024, growth in steel-using sectors declined more sharply than previously estimated (-3.6% vs. -3.3%), primarily due to the recessions in the two largest steel-consuming sectors- construction and automotive. Persistent geopolitical tensions and the delayed effects of monetary easing weighted on the overall manufacturing sector.

3. Another contraction, albeit milder, is expected in 2025 (-0.7%, slightly revised downwards from -0.5%), particularly due to the expected contraction in output in the automotive sector (-4.2%) and the very low growth in construction output (+0.4%), which is set to only partly benefit from continued monetary easing. SWIP is then projected to recover modestly (+1.8%, formerly +1.3%) in 2026.

Please note that, since the Q1 2025 Economic and Steel Market Outlook, the new base year underlying the indices of production activity for all steel-using sectors is 2021.

Accordingly, all time series have been revised.

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THE EU STEEL MARKET: SUPPLY

REAL STEEL CONSUMPTION

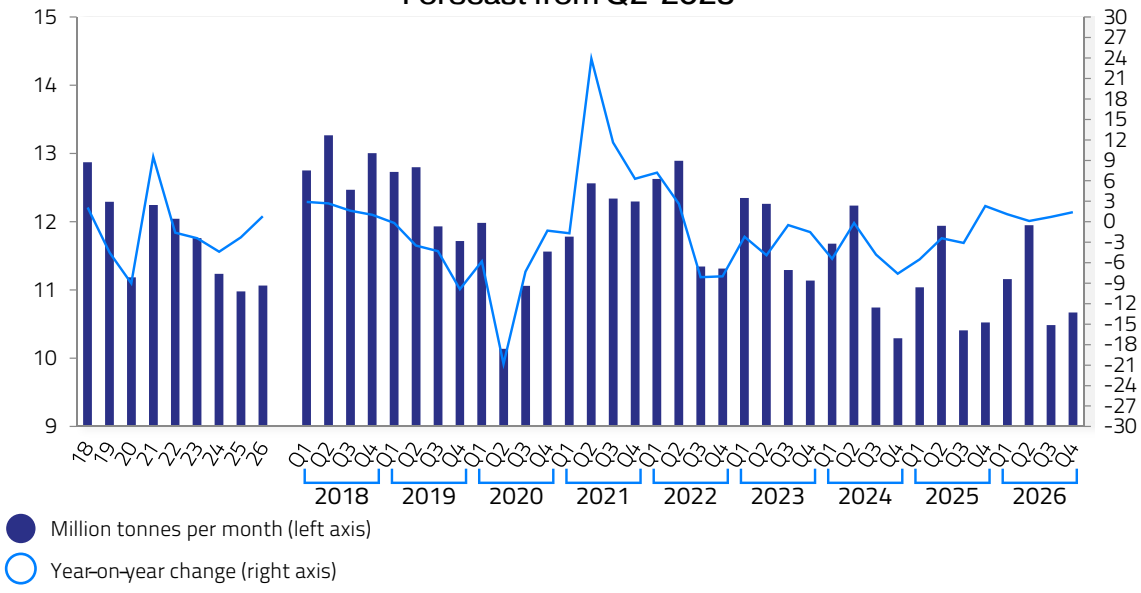
FIRST QUARTER OF 2025

In the first quarter of 2025, real steel consumption decreased for the eleventh consecutive quarter (-5.5%, following -7.6% in the fourth quarter of 2024).

Real steel consumption decreased in 2023 (-2.4%) and, more severely, also in 2024 (-4.4%, slightly revised from -4.7%). The decline is projected to continue also in 2025 (-2.3%, revised upwards from -3.3%). Given the protracted economic and industrial uncertainty and low business confidence, some re-stocking along the steel distribution chain is not be expected at least before the first quarter of 2026.

The two consecutive recessions of 2019 and 2020 were caused by a considerable slowdown in the activity of steel-using sectors due to a downturn in manufacturing and trade, and the COVID crisis, respectively. The pronounced destocking trend that started in late 2019 has persisted to date. The trend of weak demand conditions has continued throughout 2023 and 2024, given the protracted impact of the war in Ukraine, growing geopolitical and trade tensions, and uncertainty on the global industrial outlook. Although de-stocking has continued at very high historical levels - reflecting poor demand perspectives - real consumption growth was negative in 2022, 2023 and also in 2024. The recession is projected to continue in 2025 (-2.3%) while a modest recovery in expected in 2026 (+0.8%), in line with SWIP developments.

EU Real Steel Consumption
Forecast from Q2-2025



Forecast for real consumption - % change year-on-year

Period	**2024**	Q1'25	Q2'25	Q3'25	Q4'25	**2025**	Q1'25	Q2'25	Q3'25	Q4'25	**2026**
% Change	**-4.4**	-5.5	-2.4	-3.1	2.3	**-2.3**	1.1	0.1	0.7	1.4	**0.8**

APPARENT STEEL CONSUMPTION

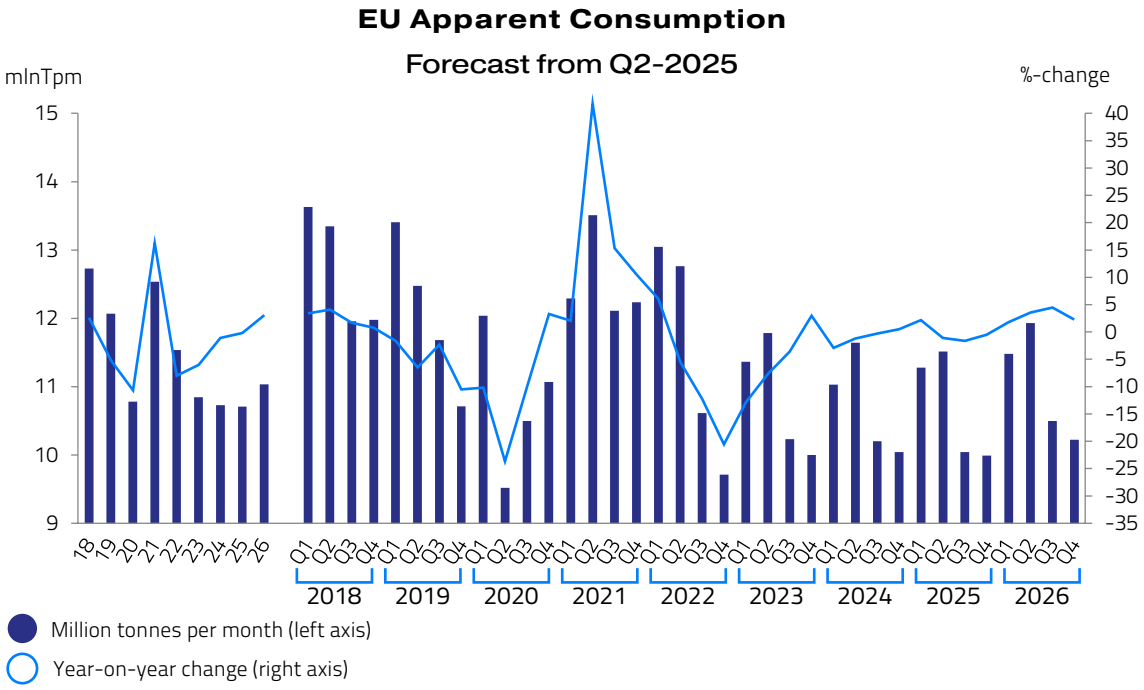
FIRST QUARTER OF 2025

In the first quarter of 2025, apparent steel consumption increased year-on-year for the second consecutive quarter (+2.2%), after the moderate increase seen in the last quarter of 2024 (+0.5%), following three consecutive quarterly drops. Total consumption volume in the first quarter of 2025 stood at 33.8 million tonnes.

The current trend in EU apparent steel consumption – despite two recent consecutive rebounds reflecting the very low historical volumes seen one year earlier – continues to mirror weak demand conditions, originating in the second quarter of 2022 due to war-related disruptions, unprecedented rises in energy prices and production costs. This negative cycle has continued until the third quarter of 2024, mainly as a result of growing global economic uncertainty, higher interest rates – before eight policy rate cuts were implemented - and overall manufacturing weakness, now coupled with growing uncertainty around U.S. tariffs.

The consequences of the conflict in Ukraine and the energy shock on steel-using industries, along with worsened overall economic outlook, triggered a severe recession (-8%) already in 2022. These protracted downside factors further impacted apparent steel consumption, resulting in two other consecutive annual drops in 2023 and 2024 (-6% and -1.1%, respectively). In 2025, contrary to earlier expectations of a more favourable industrial outlook and improving steel demand, apparent steel consumption is set to decline again, albeit more moderately than previously foreseen (-0.2%, revised from -0.9%). This will be driven by the expected—albeit difficult to quantify—impact of U.S. tariffs and the resulting uncertainty and trade-related disruptions. In 2026, apparent steel consumption is projected to finally recover (+3.1%, revised downwards from +3.4%), conditional on a positive evolution of the industrial outlook and an easing of global tensions, both of which remain unpredictable at this stage.

The overall evolution of steel demand remains subject to very high uncertainty. No improvement in apparent steel consumption is expected before the first quarter of 2026, and consumption volumes are expected to remain far below pre-pandemic levels.



EU DOMESTIC AND FOREIGN SUPPLY

In the first quarter of 2025, domestic deliveries mirrored the evolution of demand and increased year-on-year (+1.4%, after -2% in the preceding quarter). In 2023, they markedly dropped (-4.6%) and continued to decline in 2024 (-2.8%), reflecting persistently weak steel demand.

Imports into the EU - including semi-finished products – slightly decreased (-0.6%) in the first quarter of 2025, after a rise in the preceding quarter (+6.3%). It is worth noting that in absolute volumes the share of total imports out of apparent consumption has remained considerably high in historical terms up to the first quarter of 2024, standing at 25% (27% in the preceding quarter). In the entire year 2024, the share of imports stood at 27%.

Over the second quarter of 2025, total imports continued to decrease (-3%).

EU apparent steel consumption - in million tonnes per year

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025 (f)**	**2026 (f)**
Million tonnes	147	149	153	145	129	150	138	130	129	128	132

Forecast for apparent consumption - % change year-on-year

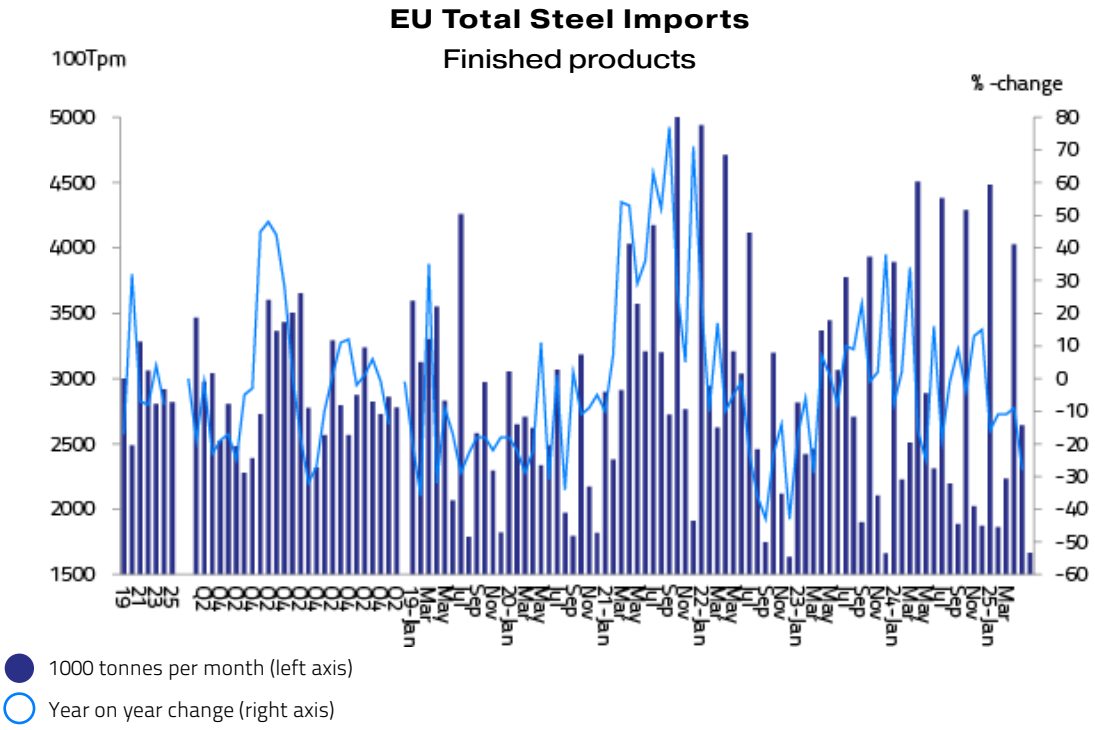
Period	**2024**	Q1'25	Q2'25	Q3'25	Q4'25	**2025**	Q1'25	Q2'25	Q3'25	Q4'25	**2026**
% Change	**-1.1**	2.2	-1.1	-1.6	-0.5	**-0.2**	1.8	3.6	4.5	2.3	**3.1**

IMPORTS

In the second quarter of 2025, total steel imports (including semis) into the EU decreased year-on-year (-3%), following the moderate decrease seen in the preceding quarter (-1%, or -0.6%). Imports of finished products also dropped (-7%) in the second quarter of 2025, after remaining unchanged in the previous quarter. During the same period, imports of flat products decreased (-9%) after a contraction in the preceding quarter (-2%). Imports of long products decreased (-2%), after a significant increase (+8%) in the previous quarter.

In 2024, imports of finished products increased overall (+7%). In particular, imports of flat products rose (+8%), along with imports of long products (+4%).

Imports have displayed increasing volatility throughout 2024 and up to date, mirroring the fluctuations seen in the four preceding years. Reflecting much weaker demand since the first quarter of 2022, imports have been declining in volume from the second half of 2022 to the second quarter of 2023, before increasing again over the entire year 2024. Overall, trade data available for the first and second quarters of 2025 are still too early to reveal a clear impact of U.S. tariffs. However, disruptions stemming from very high trade-related uncertainty have been increasing over the last quarters. It is therefore premature to draw conclusions about the evolution of trade patterns, which remain highly unpredictable at this stage. In any case, even in the second quarter of 2025 imports have remained at elevated historical volumes, resulting in very high import shares out of apparent consumption (25%), as well as in a widening trade deficit vis-à-vis third countries.



IMPORTS BY COUNTRY OF ORIGIN

In the second quarter of 2025, the main countries of origin for finished steel imports into the EU market were, in descending order: Turkey, South Korea, China, India and Ukraine. The top five exporting countries in the first six months of 2025 accounted for 57% of total EU finished steel imports. Turkey held the leading exports share to the EU (21%), followed by South Korea (12%), China (9%), Ukraine and India (8% each) and Taiwan (7%).

In the second quarter of 2025, imports from major exporting countries showed diverging developments. Imports of finished products recorded the sharpest increase from Ukraine (+44%) and Turkey (+41%) and also surged, albeit more moderately, from China (+11%). On the other hand, imports of finished products plunged from India (-50%), Japan (-40%), Taiwan (-17%) and South Korea (-16%).

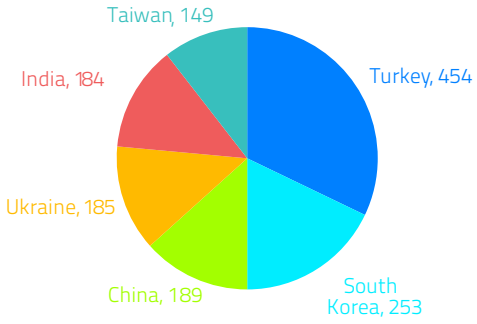
IMPORTS BY PRODUCT CATEGORY

According to customs data, in the second quarter of 2025 imports of flat products into the EU market decreased (-9%), along with imports of long products (-2%). The share of long products out of total finished steel product imports was 23%. Overall, imports of finished products decreased (-7%).

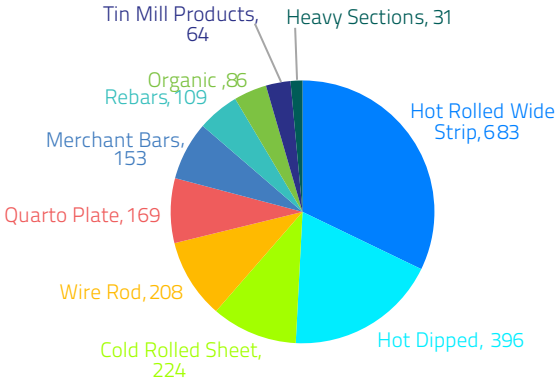
Within the flat product market segment, imports of all flat products decreased during the second quarter of 2025 compared to the same period of 2024, with the only exception of imports of organic (+5%). Imports of hot-rolled wide strip contracted (-3%), along with coated sheets (-9%), cold rolled sheets (-23%), hot dipped (-12%) and quarto plate (-9%).

In relation to long products, imports in the second quarter of 2025 decreased for wire rod (-11%), and rebars (-24%), whereas imports of heavy sections and merchant bars increased (+29% and +39%, respectively).

EU Finished Steel Imports by Country
Q2-2025,
(monthly '000 metric tonnes)



EU Finished Steel Imports by Product
Q2-2025,
(monthly '000 metric tonnes)

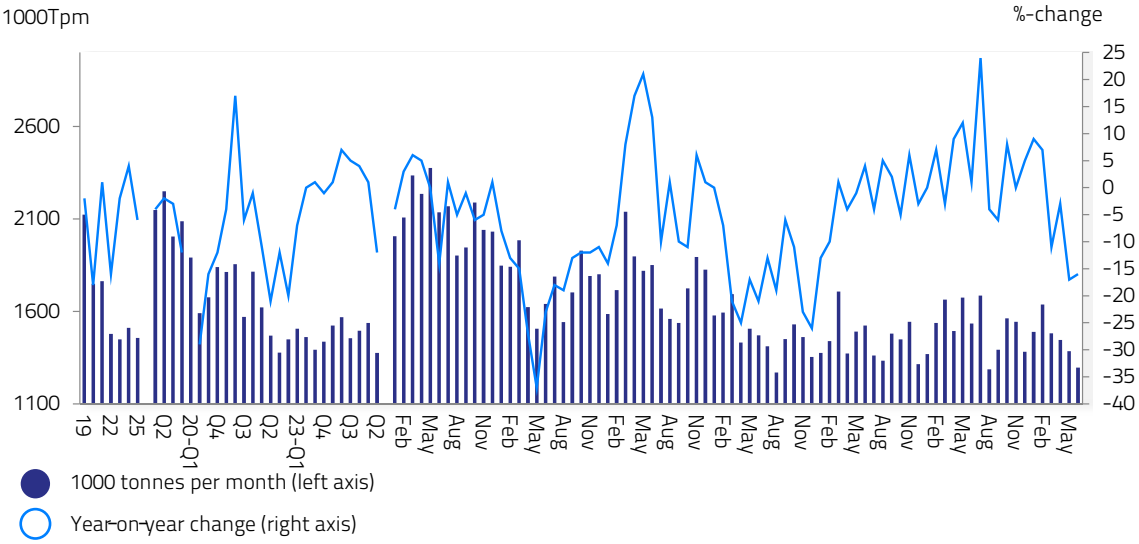


EXPORTS

In the second quarter of 2025, total EU exports of steel products to third countries decreased (-12%, after a small increase of +1% in the preceding quarter). Similarly, exports of finished steel products dropped (-10%), following another decrease in the first quarter (-2%). In particular, exports of flat products contracted (-5%) and so did exports of long products, but much more severely (-20%).

Throughout the entire year of 2024, exports of finished products rose (+4%), due to an increase in exports of both flat (+4%) and long products (+3%).

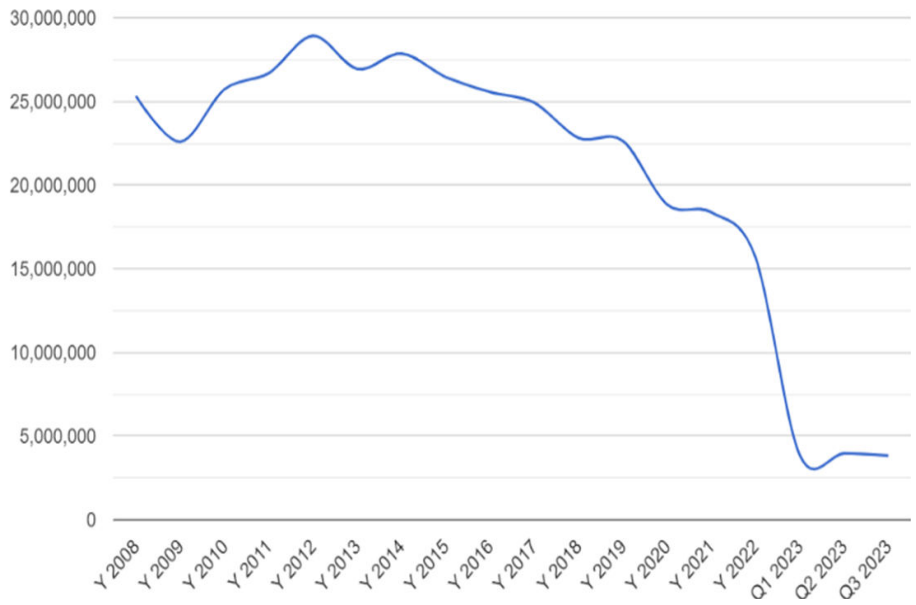
EU Total Steel Exports



Total Exports to Third Countries

Finished Steel Products

(metric tonnes)



EXPORTS BY COUNTRY

In the second quarter of 2025, the main destinations for EU steel exports were the United Kingdom, the United States, Turkey, Switzerland and Egypt. The first five destinations together accounted for 60% of total EU finished product exports.

Among the major export destinations, exports of finished products rose to the United Kingdom (+12%), Serbia (+4%) and Brazil (+1%). By contrast, exports to the United States contracted (-18%) along with exports to Switzerland (-4%), Turkey (-14%), China (-17%), Egypt (-41%) and Norway (-15%).

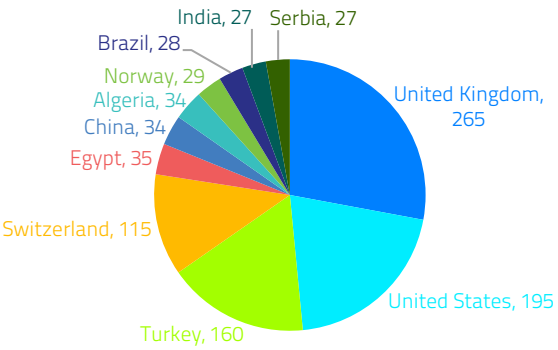
EXPORTS BY PRODUCT CATEGORY

In the second quarter of 2025, exports of finished products dropped (-10%) as a result of a decrease both in flat and long product exports (-5% and -20%, respectively). During the same period, flat products accounted for 68% of finished product exports overall. In 2024, exports of finished products increased (+4%), due to a rise in exports of both flat (+4%) and long products (+3%).

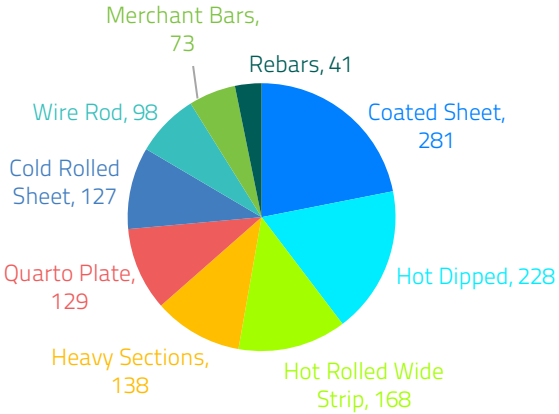
Among flat products, over the second quarter of 2025 exports of all main products decreased: cold rolled sheets (-16%), quarto plate (-9%), coated sheets and hot dipped (-5% each). The only exception were exports of hot rolled wide strip, which increased (+9%).

Exports of all individual long products contracted over the same period, particularly exports of rebars (-49%), followed by wire rod (-27%), heavy sections (-15%) and merchant bars (-14%).

EU Finished Steel Exports by Destination
Q2-2025,
(monthly '000 metric tonnes)



EU Finished Steel Exports by Product
Q2-2025,
(monthly '000 metric tonnes)



TRADE BALANCE

In the second quarter of 2025, total trade deficit (including semis) amounted to 1.7 million tonnes per month (1,747 kilotonnes). In 2024, the total trade deficit averaged 1.4 million tonnes per month (1,404 kilotonnes), very similar to the level recorded in 2023 (1,355 kilotonnes).

As for finished products, the trade deficit over the second quarter of 2025 was 976 kilotonnes per month. This resulted from the combination of a deficit of 876 kilotonnes per month for flat products and a deficit of 100 kilotonnes per month for long products.

In 2024, the deficit for finished products amounted to 892 kilotonnes per month, resulting from a deficit of 900 kilotonnes for flat products and a surplus of 7 kilotonnes for long products.

The largest trade deficits for finished products with individual trade partners over the second quarter of 2025 were with Turkey (294 kilotonnes), South Korea (259 kilotonnes), China (163 kilotonnes), India (158 kilotonnes), Ukraine (152 kilotonnes), Taiwan (150 kilotonnes), Indonesia (125 kilotonnes) and Vietnam (106 kilotonnes). The major destination countries for EU finished steel exports with a finished product trade surplus in the second quarter of 2025 were the United States (192 kilotonnes per month), the United Kingdom (142 kilotonnes) and Switzerland (74 kilotonnes).

THE EU STEEL MARKET: FINAL USE

OUTLOOK FOR STEEL-USING SECTORS

TOTAL ACTIVITY IN THE FIRST QUARTER OF 2025

In the first quarter of 2025, the Steel Weighted Industrial Production index (SWIP) sharply dropped for the fifth consecutive time (-3.2%, after -4.6% in the preceding quarter). Until the end of 2023, EU steel-using sectors' output continued to show resilience and grow, albeit at a slower pace, despite the prolonged impact of Russia's invasion of Ukraine, overall manufacturing weakness and global geopolitical tensions, - with trade-related issues growing more recently – weighing on industrial confidence and business investment.

The positive trend in overall SWIP, started after the pandemic, continued up to the fourth quarter of 2023, in spite of soaring energy prices impacting production costs, component shortages and lower output that began to take their toll on total production activity in steel-using sectors in the second half of 2022. The deterioration of the economic and industrial outlook in the EU – particularly due to high inflation and the subsequent interest rate hikes by the European Central Bank (ECB) – had only a limited impact on steel-using sectors' output up to the end of 2023, with the exception of the construction sector.

As the industrial and economic landscape in the EU turned even gloomier throughout 2024, the evolution of the SWIP index has reflected a continued downturn in the construction, mechanical engineering, domestic appliances and metalware sectors—and particularly in the automotive industry, is most exposed to volatility in global trade and supply chain disruptions.

Due to U.S. tariffs – both announced and implemented - ongoing economic uncertainty is likely to intensify, weighing on growth also in the coming quarters. This is expected despite monetary easing by the ECB, which implemented eight consecutive 25 bps policy rate cuts between 2024 and 2025, the effects of which will not be fully visible in the short-term.

TOTAL FORECAST 2025-2026

Despite persisting downside factors, steel-using sectors' output continued to grow in 2023 (+1.7%, revised from +1.6%), albeit with wide differences across individual European economies and sectors. This was largely driven by the better-than-expected performance of the construction sector in some EU countries. However, SWIP resilience came to an end in 2024, and steel-using sectors' output growth contracted on a yearly basis (-3.6%, revised from -3.7%). This was mainly driven by drops in construction and automotive output (by -2% and -9.8%, respectively). Due to growing uncertainty following U.S. tariff announcements, another recession—albeit a more moderate one— is anticipated in 2025 (-0.7%, formerly -0.5%), before a moderate rebound (+1.8%) in 2026.

Total steel-using sectors' output had increased more than expected (+2.8%) in 2022, following the rebound in 2021 (+8.2%), after the sharp decline recorded in 2020 (-9.8%) due to the impact of the pandemic.

EU Steel Using Sectors

Production Activity - Forecast from Q2 -2025

Year-on-Year %-Change in EU Steel Weighted Industrial Production (SWIP) Index

	% Share in total consumption	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26	Q2'26	Q3'26	Q4'26	2026
Construction	37	**-2.0**	0.2	-0.2	0.9	0.9	**0.4**	1.8	2.0	2.7	2.7	**2.3**
Mechanical engineering	12	**-5.1**	-2.9	-1.1	-1.4	-1.4	**-1.7**	0.0	0.7	2.7	2.5	**1.4**
Automotive	19	**-9.8**	-11.4	-5.3	0.8	0.3	**-4.2**	3.7	2.4	-0.3	-0.6	**1.3**
Domestic Appliances	5	**-4.9**	1.1	-0.3	1.3	1.6	**0.9**	0.6	0.6	1.1	2.0	**1.1**
Other Transport	3	**5.7**	0.5	-1.8	-1.0	0.0	**-0.6**	1.4	1.8	2.8	3.2	**2.3**
Tubes	6	**-2.5**	-3.0	0.0	2.7	1.1	**0.1**	2.7	-1.1	0.2	1.2	**0.7**
Metal Goods	16	**-3.2**	-1.9	-1.8	-1.2	0.6	**-1.1**	1.6	2.4	3.3	2.7	**2.5**
Miscellaneous	3	**-1.6**	0.0	1.9	3.3	3.3	**2.1**	1.8	2.5	-0.3	1.7	**1.4**
Total	100	**-3.6**	-3.2	-1.2	0.8	0.8	**-0.7**	2.1	1.6	1.8	1.7	**1.8**

CONSTRUCTION INDUSTRY

ACTIVITY IN THE FIRST QUARTER OF 2025

Construction output has been under pressure since the third quarter of 2022 due to several factors, including rising construction material prices, labour shortages in some EU countries, and increasing economic uncertainty, despite continued public support to civil engineering and various infrastructure projects linked to the implementation of the NEXTGEN EU package. Most notably, higher interest rates in 2022 and 2023, driven by monetary policy tightening, have also played a key role. Although the ECB has recently implemented eight policy rate cuts, their impact has yet to be fully seen—particularly in the housing market—as monetary policy effects typically materialise with a time lag.

In the first quarter of 2025, output in the sector marginally recovered after four consecutive slumps (+0.2%, following -1.6% in the preceding quarter). Uncertainty on the performance of the sector is expected to persist until the third quarter of 2025, driven primarily by the lagged effects of lower interest rates. While further monetary policy easing cannot be ruled out, it largely depends on future price developments. In line with real production volumes, the weakness in the sector has been confirmed also by the latest quarterly developments in investment in construction, which showed subdued year-on-year developments for the fifth consecutive time in the first quarter of 2025 (a mere growth of +0.2%, after -1.7% in the preceding quarter).

As expected, residential investment—which is highly sensitive to interest rates—declined for the tenth consecutive quarter, reflecting the delayed impact of monetary easing on mortgage interest rates (-1.5%, after -4.2% in the fourth quarter of 2024). Conversely, relatively more positive trends were observed in recent quarters in 'other construction' investment, particularly in civil engineering (+1.8%, after +0.9%). Public construction is projected to continue expanding throughout 2025 and 2026, albeit at a moderate pace, supported by the accelerated implementation of NextGenerationEU-related public investment schemes—which must be completed before 2026. Some additional support is expected from greater flexibility in EU fiscal rules, despite the application of the revised Stability and Growth Pact.

FORECAST 2025-2026

Governments have been using public construction spending as a countercyclical tool since the COVID-led recession of 2020 to bolster recovery. While overall construction activity is expected to continue benefitting to a limited extent from governmental housing support and public construction schemes, the impact of these publicly-funded projects eased somewhat during 2024. However, the implementation of public construction projects linked to the NextGenerationEU scheme is likely to gain momentum in 2025 and 2026, as the deadline for utilising its funding approaches at the end of 2026.

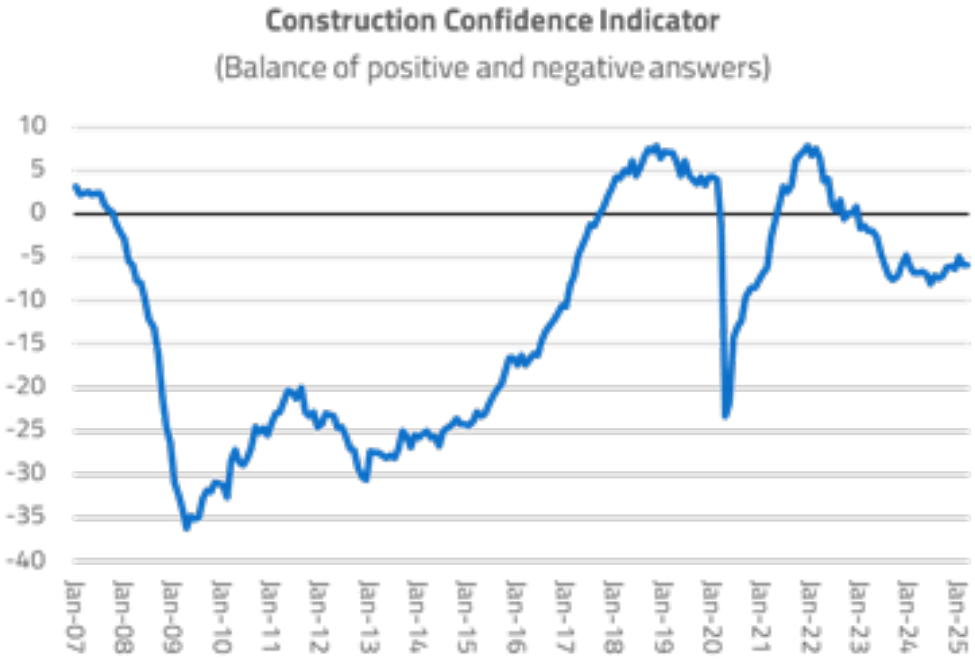
Construction confidence has been declining since March 2022 and has remained in negative territory ever since, as confirmed by the latest available data (July 2025).

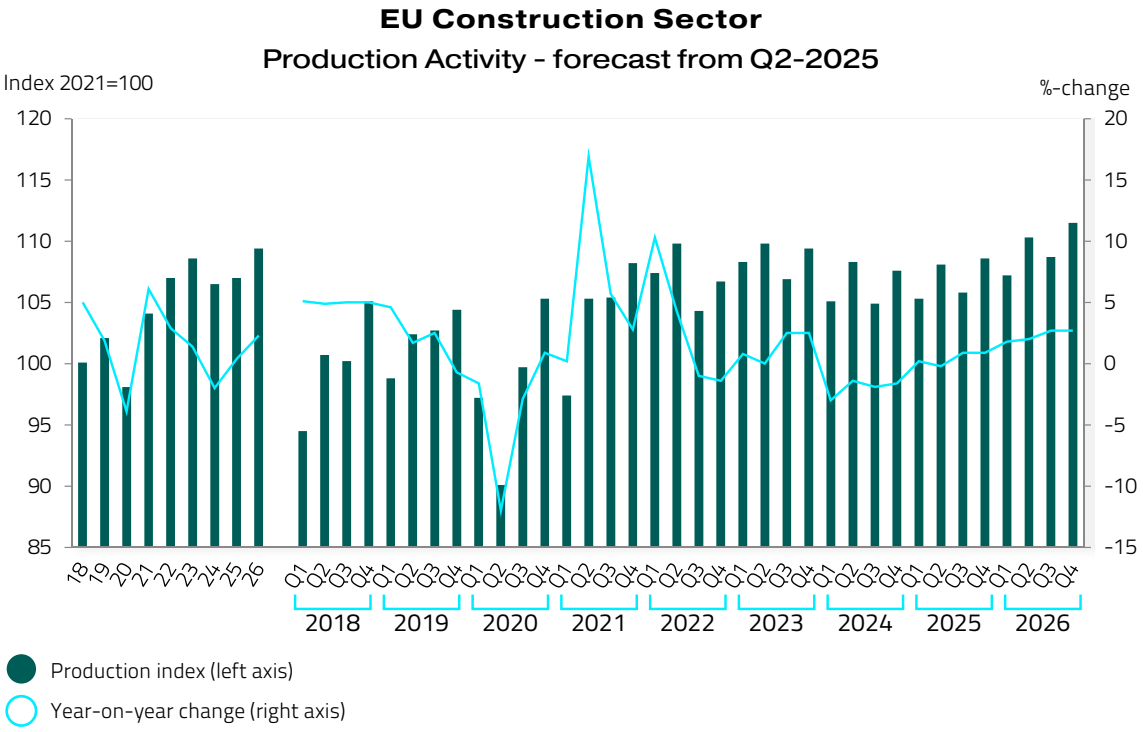
As a result, the construction sector—after showing resilience in 2023 (+1.4%), albeit with significant differences across Member States—experienced a contraction in output in 2024 (-2%). The sector is anticipated to experience minimal growth in 2025 (+0.4%, formerly flat) due to persistently weak housing demand, and a stronger recovery in 2026 (+2.3%, revised from +0.8%), primarily driven by the anticipated effects of monetary easing.

PAST TRENDS

The positive trend in construction output observed since the fourth quarter of 2020 (eight consecutive quarters of growth) came to an end already in the third quarter of 2022 (-0.6%) and the downturn has continued since, as reflected in the data of the last two quarters (drops in oput of -2.1% and -1.6%, respectively).

The sector had experienced a vigorous rebound in 2021 (+6.3%), largely boosted by generous governmental support schemes at EU and national level, primarily construction projects linked to NextGenerationEU that will be available until 2026 and benefitting the private residential and civil engineering sub-sectors, after the decline in 2020 (-4.8%) due to the pandemic.





AUTOMOTIVE INDUSTRY

ACTIVITY IN THE FIRST QUARTER OF 2025

In the first quarter of 2025, the automotive sector's output sharply decreased for the fifth consecutive quarter (-11.4%, following -12.1% in the preceding quarter). The positive cycle observed from the second quarter of 2022 to the fourth quarter of 2023 – a rebound stemming from comparison with the very low output volumes experienced in 2021 and 2022 – came to an end by late 2023. This shift was driven by a deeply worsening outlook for the sector, with growing supply-side uncertainty over EV production standards and infrastructure on the way to 2025 targets, along with demand-side challenges from declining household real income and high inflation in 2023 and part of 2024. However, output in the sector has always remained well below the levels seen before the pandemic and even below those seen before the pre-COVID recession in 2019. During 2025, this negative trend has been exacerbated by continued trade tensions, particularly the announcement of U.S. tariffs on EU car exports, which are likely to further dampen European carmakers' investment decisions and output.

EU PASSENGER CAR VEHICLE DEMAND

Continued supply chain issues causing order delays, war-related disruptions, low consumer confidence and low growth in disposable incomes and economic uncertainty, have continued to weigh on EU car demand.

In July 2025, new passenger car registrations dropped (-0.7% on a year-to-date basis), although in the same month registrations rose by +7.4%. The battery-electric car market share reached 15.6% (YTD), up from 12.5% in July 2024, but still well below expectations for progress towards the 2035 target of a full phase-out of petrol car sales. Sales of hybrid-electric models continued to expand, remaining the most popular powertrain among buyers (34.7% of the market). By contrast, petrol car registrations dropped by -20% in the same month, with all major national markets posting declines. Consequently, the combined market share of petrol and diesel cars fell to 37.7%, down from 47.9% a year earlier.

FORECAST 2025-2026

In 2023, despite the overall subdued investment outlook, automotive output rebounded more robustly than expected (+9%). However, output levels have remained low in historical terms, far below the levels seen in 2018 and 2019. Due to the protracted weakness of the manufacturing sector, overall EV standards uncertainty and lacklustre consumer confidence, the sector experienced a sharp contraction in output in 2024 (-9.8%, revised from -9.7%). Output in the automotive sector is now set to suffer from increasing global uncertainty, continued trade tensions and very low confidence, resulting in another annual drop (-4.2%, steeper than the previously estimated -2.6%). A modest recovery is expected in 2026 (+1.3%), with absolute output volumes far below 2019 levels.

Demand is projected to remain weak until the macroeconomic picture and consumer disposable income substantially improve, given the rather unpredictable economic outlook and uncertain economic growth perspectives. Demand had shown resilience against uncertainties around the implementation of EVs and delays in the launch of new models - most are hybrid or fully electric, preparing the ground for the ban of petrol cars by 2035 – which have proven unsupportive factors of consumer demand. Coupled with the lack of facilities such as recharging points, they have also delayed investment decisions by carmakers.

A full recovery in global trade and external demand from major markets—particularly the

United States and China—now appears to be unlikely, given escalating global trade tensions, especially in light of recently announced U.S. tariffs (15% on EU car exports). Major challenges are expected to persist, notably concerning Chinese EV export volumes to EU markets but also as regards the U.S., where – in addition – the Inflation Reduction Act (IRA) is expected to further stimulate domestic EV production.

PAST TRENDS

Automotive was hit more than any other steel-using sectors during the pandemic in 2020, resulting in a very severe slump (-18.7%). Subsequently, output modestly rebounded (+2.6%) in 2021. In 2022, the sector grew robustly (+5.3%) thanks to a very positive performance in the first half of the year, despite the impact of war-related disruptions and the very severe energy shock in the EU, also due to the very low output levels seen for several quarters since 2021.

EU Automotive Sector

Production Activity - forecast from Q2-2025

MECHANICAL ENGINEERING

ACTIVITY IN THE FIRST QUARTER OF 2025

In the first quarter of 2025, output in the mechanical engineering sector fell for the sixth consecutive time (-2.9%, after -4.3%). Driven by the post-COVID industrial recovery, the rebound seen in previous quarters during 2022 and 2023 had brought output back to absolute high levels, even above those recorded before 2019.

However, the sector's growth had remained exposed to ongoing downside risks, including the prolonged impact of Russia's invasion of Ukraine, increasing global geopolitical tensions and the continued deterioration of the industrial outlook, as observed throughout 2023 and 2024. Consequently, the sector's output began to shrink in the fourth quarter of 2023 and — amid growing international trade tensions and uncertainty—is expected to continue on a downward path also throughout the remainder of 2025. A return to growth is projected only in the second quarter of 2026, albeit subject to uncertainty.

FORECAST 2025-2026

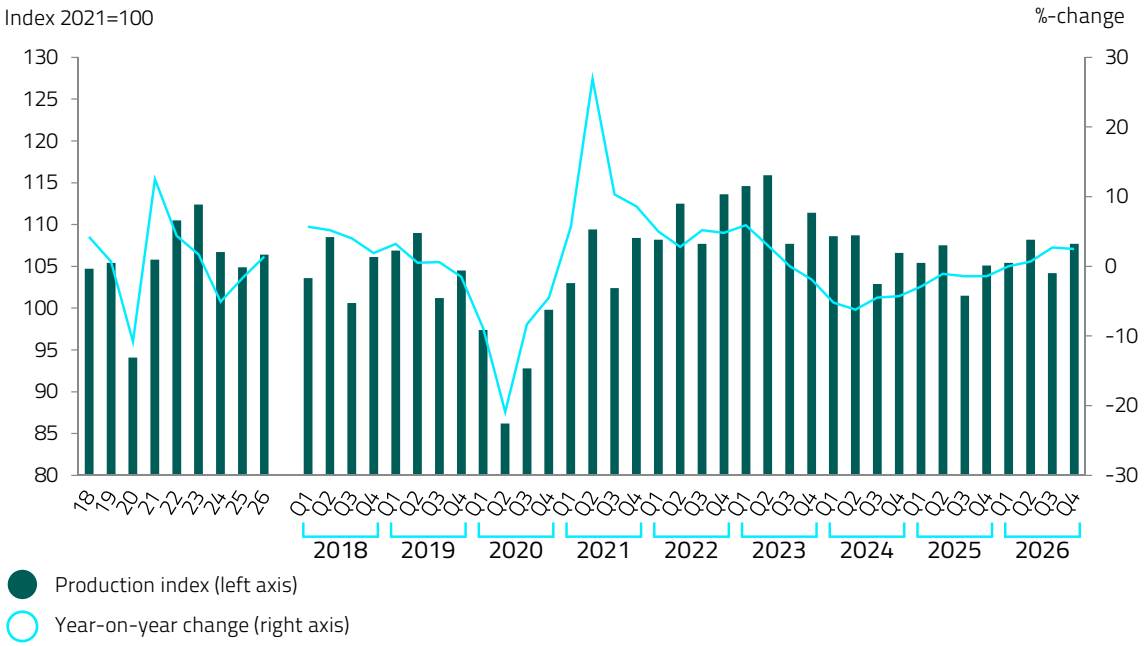
Despite the aforementioned challenges, mechanical engineering output grew in 2023 (+1.7%). However, the sector experienced a pronounced contraction in output in 2024 (-5.1%). Another recession, albeit more moderate, is anticipated in 2025 (-1.7%), with a modest recovery projected only in 2026 (+1.4%, revised from +1.1%).

PAST TRENDS

In 2022, the sector grew robustly (+5.2%) thanks to a positive performance in the first half of the year, despite the impact of war-related disruptions and a severe energy shock. It followed a sharp rebound (+11.7%) in 2021 after the sharp decline (-10%) in 2020 due to the pandemic.

EU Mechanical Engineering Sector

Production Activity - forecast from Q2-2025



STEEL TUBE INDUSTRY

ACTIVITY IN THE FIRST QUARTER OF 2025

In the first quarter of 2025, output in the steel tube sector dropped for the fifth consecutive time (-3%, after -1.8% in the preceding quarter). The positive trend in the sector, driven by the post-pandemic recovery in 2021, was abruptly interrupted by war-related disruptions and supply chain issues in the second half of 2022, and this situation has persisted to date. Uncertainty about energy prices following the 2022 summer energy shock —despite a continued decrease in gas and oil prices driven by weak global growth prospects and subdued energy demand— has persisted over the past three years. Together with broader economic uncertainty, this has significantly affected investment in the sector, including pipeline projects in the EU.

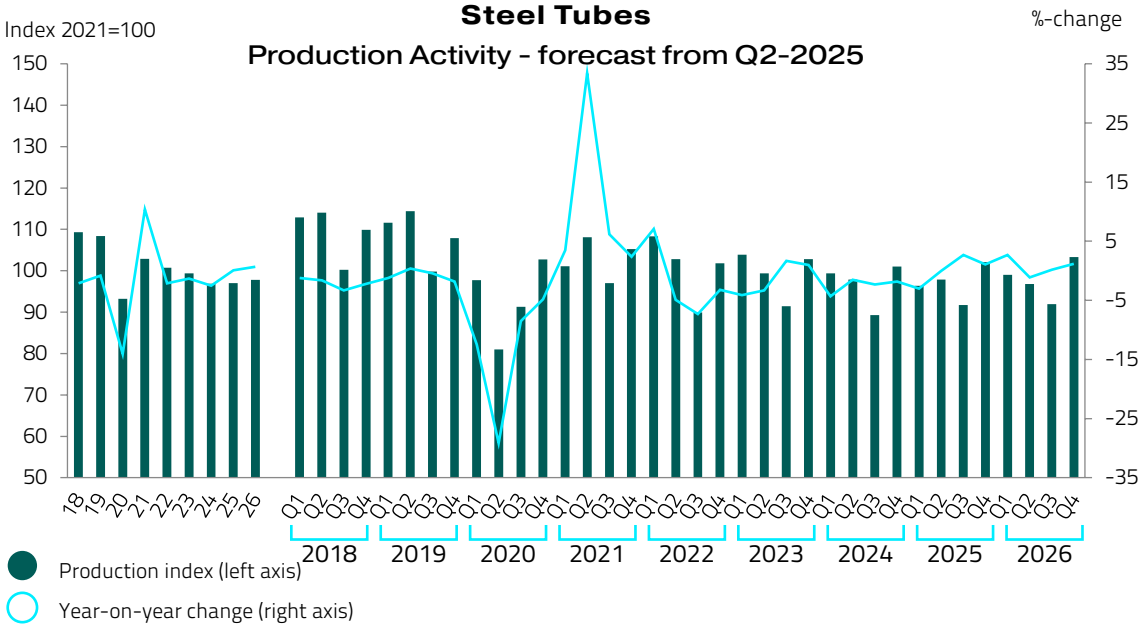
FORECAST 2025-2026

In 2023, output in the EU steel tube sector experienced a mild recession (-1.3%), followed by another, slightly more severe drop (-2.5%, revised from -3.2%) in 2024. Marginal recovery is expected in 2025 (+0.1%, down from previously projected +0.9%) as well as in 2026 (+0.7%). In the longer term, demand for large welded tubes from the oil and gas sector is not expected to improve substantially as the EU has accelerated its transition towards LNG shipping for its energy needs, thereby reducing its reliance on gas transported via pipelines.

On one hand, global oil demand is not expected to boost the launch or the implementation of new pipelines in the short-term, due to high geopolitical uncertainty and a poor global economic outlook. Oil demand is expected to keep declining throughout the rest of 2025 in the EU, aligning with low economic growth expectations. On the other hand, demand from the construction sector is also set to ease and thus provide a modest contribution to growth in output, whereas tube demand from the automotive and engineering sectors is forecast to remain relatively stronger.

PAST TRENDS

In 2022 the sector's output grew only moderately (+0.8%), after the rebound seen in 2021 (+12%). In 2020, output in the EU steel tube industry was heavily impacted by the industrial shutdown due to the pandemic. Likewise for other steel-using sectors, the rebound seen during 2021 eased considerably throughout 2022 and turned into recession in 2023 as a result of severe global supply chain issues and the disruptions linked to Russia's war in Ukraine. These factors have further delayed ongoing projects and impacted the availability of materials.



ELECTRIC DOMESTIC APPLIANCES

ACTIVITY IN THE FIRST QUARTER OF 2025

In the first quarter of 2025, output in the electrical domestic appliances finally rebounded, albeit moderately (+1.1%), after four consecutive quarterly contractions. Output figures in the last three years have essentially shown a declining trend started in the second quarter of 2021, which marked the end of a bigger-than-expected post-COVID recovery in output. With the exception of another marginal drop which is expected in the second quarter of 2025, this negative trend is expected to reverse in the coming quarters.

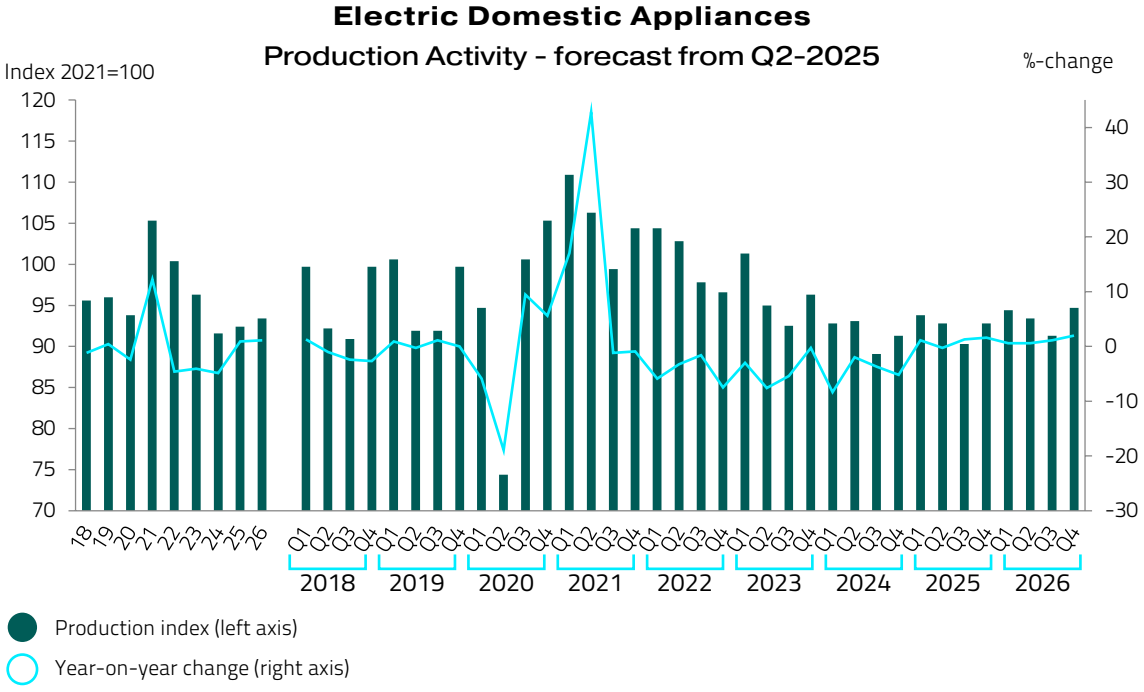
FORECAST 2025-2026

Output in the domestic appliances sector recorded three consecutive recessions in 2022 (-4.6%), 2023 (-4.1%), and 2024 (-4.9%). Moderate recovery is foreseen in 2025 and 2026 (+0.9% and +1.1%, respectively). Continued growth in output is expected from the third quarter of 2025 to end-2026.

The protracted weakness of the manufacturing sectors and the subdued economic outlook have continued to hinder industrial activity and dampen consumer demand throughout 2024, and are expected also to do so in the first half of 2025. In the longer-term, however, some supportive factors are likely to partly offset these downside factors and provide incentives for growth. Remote working will remain widely practiced across the EU in the next years, albeit to a much lesser extent than during the pandemic. Developments linked to the so-called 'Internet of Things' (smart applications that enable the connection of home appliances and devices) should also benefit the sector, although their impact is not likely to be visible before end-2025.

PAST TRENDS

Widespread remote working across the EU boosted demand for home appliances and other related goods over the second half of 2020 and the first half of 2021, but afterwards the sector cycle has considerably eased. This was due to multiple downside factors such as gradual return to offices after the pandemic, supply chain issues, rising energy costs, the war in Ukraine and the deterioration in the EU industrial outlook that has been seen since the first half of 2023.



EU ECONOMIC OUTLOOK 2025-2026

GDP GROWTH

TThanks to a higher-than-expected resilience of the economy and positive contribution from the services sector, the EU economy avoided recession in 2023 and 2024, albeit achieving much lower growth than in 2022 (+0.6% in 2023 and +0.9% in 2024, vs. +3.6% in 2022). This resulted from multiple downside factors, namely historically high inflation (albeit on a downwards path since 2023) and subsequent monetary tightening up to mid-2024, war-related uncertainty and geopolitical tensions, high energy and commodity prices, all factors weighing on business investment. EUROFER's EU GDP growth forecasts for 2025 have been upped marginally compared to the previous outlook (+1.1%, from +1%) while slightly revised downwards for 2026 (+1.3%, formerly +1.4%).

Overall uncertainty has dominated the economic landscape throughout 2024 and 2025, largely driven by high-risk factors, particularly overall trade tensions and recent U.S. tariffs (announced or already implemented). As a result of uncertainty-driven low business and manufacturing activity and confidence – despite substantial monetary easing implemented by the ECB with eight consecutive policy rate cuts since June 2024 - EU economic growth continues to be primarily driven by the services sector, whereas the contribution to GDP growth from industrial sectors remains very low. Growth remains uneven across EU countries and continues to face multiple downside risks. The ongoing war in Ukraine, uncertainty surrounding inflation – albeit slowing down almost to the 2% target - and conflicts in the Middle East, are likely to weigh on economic confidence, along with growing concerns related to the impact of U.S. tariffs. However, a so-called 'soft landing' - a combination of low inflation and no economic recession - has materialised in the whole EU in both 2023 and 2024, and is likely to repeat in 2025.

The impact of the above downside factors has proven asymmetrical across EU individual economies. Germany experienced a mild recession in 2023 (-0.3%) and in 2024 (-0.2%), due to protracted weakness of its manufacturing sector, and marginal GDP growth is projected for 2025 (+0.2%) before a moderate recovery in 2026 (+0.8%). Austria, Estonia, Latvia and Finland also faced recession in 2024 (-1%, -0.3%, -0.4%, and -0.1%, respectively), but are all set to recover in 2025, and to achieve stronger growth in 2026. As for France and Italy, real GDP growth in 2024 was above the EU average for the former (+1.1%) and below for the latter (+0.7%), and their economies are set to grow also in 2025 (+0.6% each) before both gaining some speed in 2026 (+0.7% and +0.8%, respectively). Spain has recorded a more pronounced GDP growth than the EU average in 2023 and 2024 (+2.7% and +3%), which is also expected to be seen in 2025 and 2026 (+2.5% and +1.8%, respectively).

The latest European Commission forecasts (May 2025) foresee real GDP growth (+1.1%) for the EU in 2025, 0.4 p.p. lower than the previous ones released in November 2024, before the new U.S. tariff policy, and therefore do not yet factor in the impact of new US tariffs and escalating global trade tensions. Growth is then set to gain some speed in 2026 (+1.5%). Germany is expected to

achieve flat growth in 2025 before going back to growth in 2026 (+1.1%). Despite continued global tariff-related tensions, the latest IMF World Economic Outlook (July 2025) has slightly upped its growth predictions, forecasting global GDP growth at +3% in 2025 (previous outlook +2.5%) and +3.1% in 2026 (formerly +3%). For the euro area, growth is projected at +1% and +1.2% respectively. As regards Germany, the IMF predicts tiny growth in 2025 (+0.1%, formerly flat) and +0.9% in 2026. The OECD, in its latest Economic Outlook (July 2025), estimates euro area GDP growth to be +1% in 2025 and +1.2% in 2026. It also forecasts for Germany a GDP growth of +0.4% in 2025 (0.3 percentage points higher than the previous outlook) and +0.9% in 2026 (formerly +1.2%).

As in the past years, services are expected to continue to provide the primary contribution to GDP growth also in 2025, whereas manufacturing is expected to remain weak, contrary to the post-pandemic rebound experienced in 2021 and up to the first quarter of 2022. Trade disruptions are expected to persist as a result of the Trump Administration's tariff policy, which has fuelled global uncertainty and weighed on global GDP growth prospects. Available estimates by the ECB suggest that the full implementation of the announced U.S. tariff measures may subtract 0.3 p.p. from euro area GDP growth in 2025.

MAJOR EU ECONOMIES

In the second quarter of 2025, the EU economy continued to follow the weak growth trend observed in the first quarter (+0.5%) with a quarter-on-quarter increase of +0.2% in real GDP. On a year-on-year basis, the EU's real GDP growth was +1.5% (+1.6% in the first quarter).

Despite the weakness of its manufacturing sector, the German economy avoided a technical recession between the first and the second quarters of 2025, but in the second quarter of 2025 real GDP contracted quarter-on-quarter (-0.3%, after +0.3% in the preceding quarter), albeit resulting in an increase of +0.4% year-on-year, signalling persistently subdued conditions. These low GDP figures stem from continued uncertainty over trade and rising global tensions, which are affecting its manufacturing sector, especially the automotive industry.

As seen in previous quarters, other major euro area economies had diverging developments in the second quarter of 2025. Spain achieved higher-than-average GDP growth (+0.7% quarter-on-quarter, and +2.8% year-on-year). France recorded minimal real GDP growth (+0.3%), bringing year-on-year growth to +0.7%, whereas Italy's real GDP contracted slightly (-0.1%), resulting in year-on-year growth of +0.4%. In line with the latest leading indicators, which continue to signal weakness in the manufacturing sector (see confidence indicators on page 26), it appears unlikely that EU economies will see growth gaining speed in the second half of 2025, as the economic outlook remains very uncertain with a fragile growth conditional upon several downside factors. Among them, energy prices, war-led uncertainty (Ukraine, Middle East), the implementation of U.S. tariffs and the related trade disruptions.

ENERGY PRICES

During 2025, energy prices have generally been cooling, particularly the Dutch TTF gas price index, which had reached a three-year peak in January, exceeding the threshold of €50 per MWh, before stabilising around €30 per MWh since April. This decline has largely reflected weak energy demand due to subdued manufacturing activity and overall economic uncertainty. Earlier rises in the gas price index were driven by higher demand expectations following a colder-than-expected winter, despite reduced industrial consumption amid the economic slowdown and lower electricity generation from wind power and other renewables. The ongoing transition from Russian pipeline gas to shipborne liquefied natural gas (LNG) from other suppliers, mainly the U.S., continues. The ongoing war in Ukraine

and the tensions in the Middle East, along with other global geopolitical downside factors, have not so far triggered increases in gas and oil prices, due to weak energy demand and subdued global economic activity. However, uncertainty over future developments in energy prices remains.

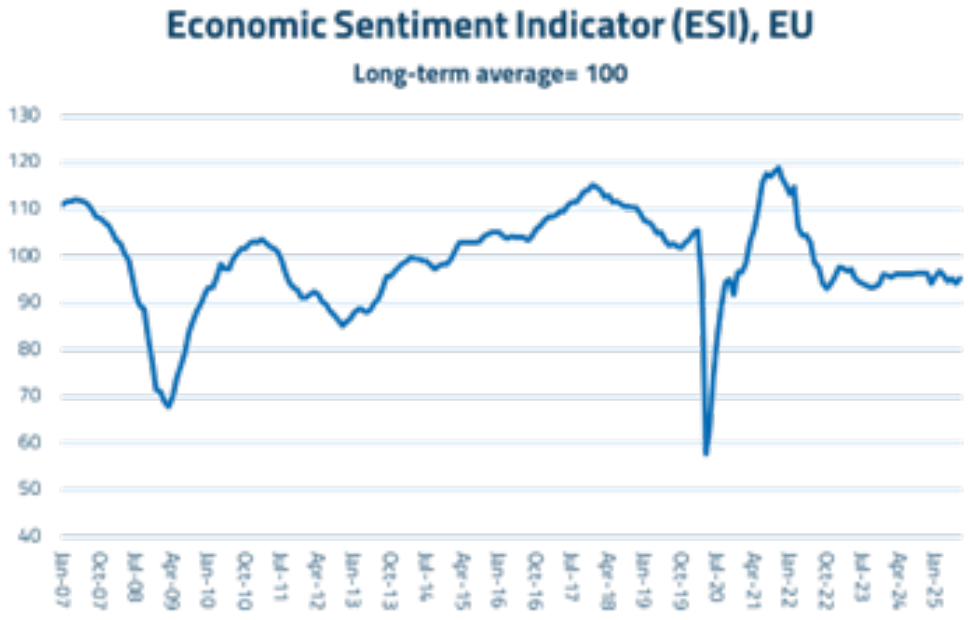
INFLATION

Inflation reached highs unseen since 1985 in the EU in October 2022, peaking at 11.5%, before easing considerably since then (2.3% in June 2025; 2% in the euro area in July). Among major EU economies, in July 2025 inflation stood below the 2% ECB target in Germany (1.8%), France (0.9%) and Italy (1.7%), but was accelerating in Spain (2.7%). In the rest of the EU, it remained below the 2% target – in addition to the largest EU economies - only in Ireland.

Since the energy shock in the summer of 2022, energy inflation has slowed down remarkably (from 41% in June 2022 to -1.8% in June 2025). Yet, core inflation remains relatively high (2.5% in June 2025). Prices are expected to see moderate developments also in 2025, despite potential inflation-igniting factors still on the background. EUROFER estimates an inflation rate of 2% in 2025 (2.3% in 2024) before reaching 1.7% in 2026, below the 2% ECB inflation target (the European Commission's May 2025 forecast predicts 2.3% and 1.9% in 2025 and 2026, respectively).

MONETARY POLICY

Due to the highest inflation rate over the last 35 years, the ECB raised its policy rate from zero up to 4.50% from July 2022 to September 2023. This has inevitably reduced the room for supportive fiscal policies, in particular government spending by EU member states, as borrowing costs increased, especially for highly-indebted economies. Thanks to continued moderation in inflation in the course of 2023 and 2024, the ECB has implemented eight - broadly expected - 25 basis points cuts in between September 2024 and June 2025, bringing its policy rate (i.e. the deposit facility rate) to 2.00%. Further reductions are possible depending on price developments, as part of efforts to provide expansionary stimulus to the economy. However, these remain largely unpredictable, since key price-driving factors (primarily energy prices and rising trade tensions) are likely to pass through higher import costs to consumers and cannot be ruled out.



CONFIDENCE AND LEADING INDICATORS

ECONOMIC SENTIMENT INDICATOR (ESI)

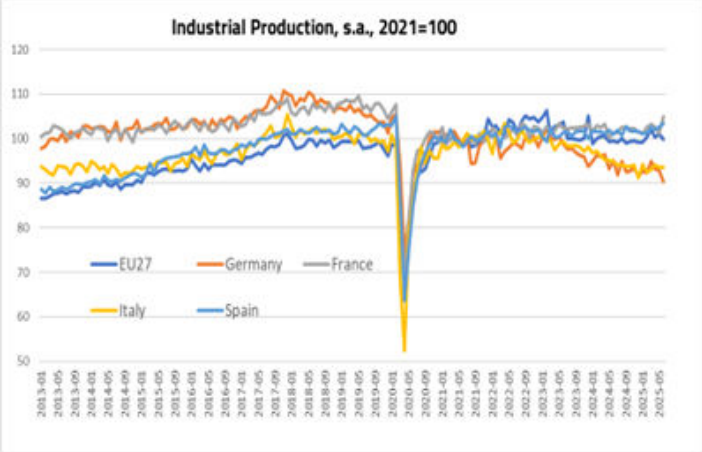
Overall economic confidence in the EU, measured by the Economic Sentiment Indicator (ESI), has been on a downward path since early 2022 due to widespread concerns over war-related issues, high inflation and deteriorating economic outlook. In July 2022, it reached the lowest level since October 2013 at 92.6, and has consistently been lingering near the lowest levels observed since the second half of 2013, standing at 95.3 in July 2025.

The HCOB Eurozone PMI index for the entire economy rose to 50.9 in July, from 50.6 in June, signalling an accelerated expansion in output, although the rate of growth was only marginal.

In particular, the HCOB Eurozone Manufacturing PMI, a measure of the overall health of euro area manufacturers, rose to a three-year high of 49.8 in July, from 49.5 in June, indicating a near-stabilisation of operating conditions across the euro area goods-producing sectors.

GLOBAL SUPPLY CHAIN PRESSURE INDEX (GSCPI)

In 2024, global supply chain conditions, which largely affect trade and transportation costs, have continued to reflect softening global demand and uncertain economic growth. The Global Supply Chain Pressure Index (GSCPI), which had peaked to 4.35 in July 2021 due to global supply chain disruptions, dropped to 0.07 in July, further down from 0.14 in June. Concerns about freight accessibility due to the ongoing conflicts and tensions in the Middle East have had relatively little impact so far, but escalating trade tensions and its possible repercussions on the global supply chain of goods (mainly due to higher production and transport costs) may reverse this trend in the coming months.



EU INDUSTRIAL PRODUCTION

EU industrial production showed signs of weakness throughout 2024 and into the most recent 2025 monthly data. This trend persisted in most individual economies up to the second quarter of 2025. Across the EU as a whole, however, manufacturing output grew year-on-year for the second consecutive quarter (+1.1%, after +1% in the preceding quarter). Among major EU economies, Spain saw a recovery in manufacturing output (+1%), following a decline in the previous quarter (-0.8%, the first drop since the fourth quarter of 2023). Germany continued to experience severe industrial recession (-2.4%, unchanged from the first quarter of 2025). Similarly, Italy recorded its ninth consecutive quarterly decrease (-2.3%, after -2.9% in the preceding quarter) whereas France posted marginal growth (+0.2%) after three consecutive quarterly declines (-1% in the preceding quarter).

The latest available monthly data (up to June 2025) indicates that output levels still remain below the all-time highs recorded before the pandemic in some major EU economies. Industrial output in Spain and France has returned back to pre-pandemic level, but this is not yet the case for Germany and Italy. Industrial output is expected to remain affected by a combination of factors. These include the uncertainty associated with escalating trade tensions related to the U.S. tariff policy, ongoing conflicts and geopolitical tensions, future developments in inflation and interest rates as well as in energy prices, which are still not entirely predictable.

The EU experienced a pronounced drop in industrial production (-8.1%) in 2020, followed by a vigorous rebound in 2021 (+8.2%), and achieved more moderate but resilient growth in 2022 (+1.5%). However, in 2023 industrial output dropped (-1.7%) due to continued downside factors, especially high production costs and overall manufacturing weakness. Subsequently, another drop was recorded in 2024 (-2.2%), expected to be followed by almost flat growth in 2025 (+0.1%, formerly +0.3%), before gaining some ground in 2026 (+1.4%).

EUROFER Macroeconomic data, EU

Annual % change, unless otherwise indicated

	2022	2023	2024	2025	2026
GDP	3.6	0.5	0.9	1.1	1.3
Private Consumption	5.1	0.6	1.1	1.4	1.6
Government Consumption	1.8	1.7	2.9	2.0	1.1
Investment	2.5	1.7	-0.5	0.7	1.3
Investment in mach. equip.	2.9	2.6	-1.9	-0.1	1.6
Investment in construction	0.6	1.3	-0.9	0.7	1.5
Exports	7.3	-0.3	0.2	0.5	1.4
Imports	8.6	-1.7	0.0	1.6	2.0
Unemployment rate (level)	6.5	6.3	6.2	5.9	5.9
Inflation	8.3	6.4	2.3	2.0	1.7
Industrial Production	1.5	-1.7	-2.2	0.1	1.4

GLOSSARY OF TERMS

SECTOR DEFINITIONS ACCORDING TO NACE REV.2

BUILDING AND CIVIL ENGINEERING

41 Construction of buildings

42 Civil engineering

43 Specialised construction activities

25.1 Manufacture of metal structures and parts of structures

25.2 Manufacture of tanks, generators, radiators, boilers

MECHANICAL ENGINEERING

28 Manufacture of machinery and equipment

27.1 Manufacture of electric motors, generators, transformers

25.3 Manufacture of steam generators, except central heating hot water boilers

AUTOMOTIVE

29 Manufacture of motor vehicles and trailers

DOMESTIC APPLIANCES

27.51 Manufacture of electric domestic appliances

OTHER TRANSPORT EQUIPMENT

30 Manufacture of other transport equipment

30.1 Building and repair of ships

25.3 Manufacture of railway locomotives and rolling stock

30.91 Manufacture of motorcycles

STEEL TUBES

24.2 Manufacture of steel tubes

METAL GOODS

25 Manufacture of fabricated metal products excluding 25.1-25.2-25.3

OTHER SECTORS

26 Manufacture of computer, electronic and optical products

27 Manufacture of electric motors, generators, transformers, electricity distribution and control apparatus excluding 27.1 and 27.5

EU STEEL MARKET DEFINITIONS

SWIP: abbreviation for Steel Weighted Industrial Production index. It is used as a proxy for real steel consumption. Activity in the steel-using sectors is weighted with the relative share of each sector in total steel consumed by all sectors.

Real steel consumption: Real consumption is the use of all steel products used by steel-using sectors in their production processes, also referred to as the 'final use' of steel products, adjusted for the stock cycle.

Apparent steel consumption: Apparent consumption is also referred to as 'steel demand'. It is total deliveries of all steel products and qualities by EU producers plus imports less 'receipts' into the EU, minus exports to third countries. In other words, apparent consumption is deliveries by EU producers plus imports minus receipts (that is, imports by EU producers themselves of material that is further processed), minus exports to third countries. EUROFER's definition of apparent consumption includes all qualities, including stainless, and all finished products and semi-finished products.

If apparent consumption exceeds real steel consumption, the surplus is stocked in the distribution chain. If apparent consumption is less than real steel consumption, inventories are being withdrawn.

Steel industry receipts: In both the apparent consumption and market supply statistics, the imports component of the calculation is written, in the EUROFER definition, as 'imports less receipts'.

The 'receipts' in this instance mean imports by EU producers themselves of finished or semi-finished steel products that are further processed by the producer and transformed into other products. In the publicly available EUROFER figures, only finished products are shown and thus impacted by the receipts calculation.

This correction is important because it prevents double-counting that would artificially inflate the size of the market. If an EU producer imports a tonne of hot rolled strip that it further processes into a tonne of cold rolled which it then delivers to the EU market - in an uncorrected calculation the import of one tonne would then become one imported tonne plus one EU-processed and delivered tonne. The imported tonne is thus corrected out in the import side of the market supply and apparent consumption figures.

Narrow definition: EUROFER applies the so-called "narrow definition" which excludes steel tubes and first transformation products from the product scope used for calculating steel consumption. Hence, the steel tube sector is a steel-using sector under this definition.

Steel intensity: the ratio of real steel consumption to steel weighted production in the steel-using sectors. This reflects the usually slightly negative impact on consumption of innovation in steel products, inter-material substitution, improvements in process efficiency and design, etc.

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 Turkey, 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 €215 billion and directly employs 298,000 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.

EUROFER
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