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Joint Statement

Safeguarding the European Steel Value Chain: A Call for a political Commitment from the European Commission to protect steel derivatives

Brussels, 8 December 2025 - Europe's **steel and electrical steels transformation value chain** stands at a **critical juncture**. Deindustrialization in steel production, distribution and downstream processing is accelerating to a level that threatens Europe's competitiveness, resilience and strategic autonomy. Global overcapacity and persistent unfair trading practices continue to displace production, investment and skilled jobs outside Europe undermining the foundations of the EU's green and digital transitions.

International market pressures are intensifying. Global excess capacity is expanding at its fastest pace since the 2009 financial crisis, set to exceed 720 million tons by 2027 (OECD 2025). Most new capacity is concentrated in Asia and the Middle East, while Chinese steel exports, already at record levels, and exports of steel and steel derivatives continue to grow, reshaping global trade flows and depressing market prices worldwide.

The impact of this overcapacity is being felt **now**, across Europe's steel and manufacturing sectors including in the **electrical steels value chain**, where rising imports of Electrical steel coils, laminations, rotor and stator cores, and transformer parts are severely squeezing capacity utilization rates and margins.

In this challenging environment, the **European Commission's proposal of 7 October 2025** is a **strong and timely response**. It **demonstrates clear leadership and determination** to defend Europe's industrial base and restore fair competition. As companies and associations representing the **entire steel value chain from producers to processors, distributors and downstream manufacturers** we **fully support this initiative** and **urge its adoption at the latest in early 2026** to ensure that it can

fully enter into force immediately and before the beginning of the second quarter, on 1 April 2026, without amendments that could weaken its effectiveness. Swift implementation is essential to prevent speculative stockpiling and to give industry the stability needed to plan and invest. This proposal is a critical first step to re-establish a fair and balanced market for the **28 steel product categories** of which Electrical Steels where the effects of global overcapacity and trade distortions are most visible. Yet the **same pressure** is already rapidly spreading to **steel derivatives and downstream components**, particularly in electrical steels and energy-transition technologies, as transformers, generators and electric motors.

Therefore, **steel product protection alone is not sufficient**. It could unintentionally expose downstream industries to intensified unfair competition and circumvention practices with the consequence of hollowing out the very industrial value chain it seeks to preserve. That is why **we strongly support a coordinated two-step approach** to strengthen Europe's entire industrial ecosystem:

1. **Step One – Immediate action:** Adoption and implementation of the European Commission's proposal covering the identified 28 steel product categories before 1 April 2026, to stabilize the market and restore fair competition.
2. **Step Two in parallel:** The European Commission should publicly commit to finding a solution for steel derivatives and already start working closely with downstream industries to **protect also** the strategically important **electrical steel derivatives** (as laminations for transformers ; laminations, stator and rotor cores for generators and electrical motors) and its equally strategic **electrical steel-intensive components** (as generators, transformers and electrical motors) for the Renewables energy generation, Distribution and e-Mobility, not yet covered by existing instruments **to ensure an equivalent level of protection of the full value chain**. This work should be **based on clear, objective and transparent criteria** and lead to a **first legislative proposal within six months from the entry into force of the steel measures**.

The Commission's proposal is a decisive first step to protect Europe's industrial base. However, for it to be fully effective and reach its ultimate goal, protection of the entire industrial value chain is also essential. Expanding such protection through a structured two-step approach will help keep the entire steel value chain in Europe, from primary production to advanced manufacturing, as a cornerstone of Europe's competitiveness, innovation and strategic autonomy.

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About ESN - Electromechanics Synergy Network

Founded in 2025, ESN is a collaborative alliance of European companies operating in the electromechanical sector. The European electromechanical industry is a world leader in manufacturing high-value semi-finished and finished products that are crucial for strategic sectors such as automotive, energy distribution, appliances, and industrial applications.