

EUROMETAL MEMBER COMMUNICATION 23 MARCH 2016

BDS and EUROMETAL at CRU World Steel Conference,

Düsseldorf, 18.March 2016

BDS and EUROMETAL participated at CRU World Steel Conference in Düsseldorf, last 18. March 2016.

This conference is attended mainly by upstream steel industry stakeholders.

Thus, the conference represented a unique opportunity to outline the systemic role of steel distribution as an intelligent matchmaker between upstream steel producing sector and downstream steel end use segments.

In their respective presentations, Oliver Ellermann, Managing Director of BDS, and Georges Kirps, Director General EUROMETAL passed the following key messages to the participants at CRU World Steel Conference:

- ❖ EU Steel Distribution accounts for 5 000 companies, mostly SMEs.
- ❖ Giving jobs to a workforce of 110 000 people
- ❖ Delivering 77 million tons of steel
- ❖ To a EU customer base of 1 million steel end users.

Due to the diversity of their customer base, steel distribution has developed a great variety of business models.

Long steel products, tubular products and stainless steels are predominantly procured by steel end use segments from EU steel distribution.

EUROMETAL
European Federation of Steel, Tubes and Metals Distribution & Trading

Federation registered in Switzerland
Federation Seat: Güterstrasse 78, CH-4010 Basel
Federation Office: 202b, rue de Hamm, L-1713 Luxembourg

P +352 26 25 90 26 F +352 26 45 92 05
W eurometal.net E office@eurometal.net

Only in the channels to the market of plates and strip mill products, direct procurement from the mills plays a significant role, besides steel distribution flat SSC and processing centers

As opposed to US steel distribution, EU steel distribution is characterized by a significant share of mill tied steel distribution companies.

Overcapacities will further prevail in steel distribution, calling for consolidation, acquisitions and mergers in order to streamline and optimize steel distribution's offer to their customer base.

Linking with mills or mill-tied SSC has shown in the past years to be a rather frequently used avenue for consolidation in EU SSC distribution.

But also Chinese and Russian steel producers made efforts over past years to gain footprints in EU steel distribution and trading.

Contact: **Georges Kirps**, Director General

Email: kirps@eurometal.net

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