

# PRESS RELEASE

## EUROPEAN PARLIAMENT VOTE TO SET THE STAGE FOR THE FUTURE EMISSIONS TRADING SYSTEM

**Brussels, 13 February – On Wednesday the European Parliament plenary will vote on the revision of the EU Emissions Trading System (EU ETS). The highly ambitious Report adopted by the EP’s Environment Committee (ENVI) is the result of a broad political compromise. The European Steel Association (EUROFER) highlights the need for the final agreement to include the amendments which reflect the international pressures faced by the steel industry.**

“The European steel industry is not out of the woods yet as regards its economic situation. While steel demand in the EU is growing, this growth is being absorbed entirely by imports. These reached 25% of the market – a record share – in the second half of 2016. Historically, the share of imports has been around 17%. This shows the pressure the industry is facing given the degree of dumping and unfair trading practices by third country competitors”, said Axel Eggert, Director General of EUROFER.

“It is in this context that the EU ETS dossier has reached the EP plenary stage. More than ever we need a global level playing field, and the EU ETS needs to be a part of this,” added Mr Eggert.

EUROFER maintains that at least at the level of the 10% best performing steel installations, there must be no direct or indirect costs resulting from the system. This was also the clear recommendation of Heads of State and government.

The ENVI report significantly strengthens the carbon market, whilst trying to limit the impact upon industrial competitiveness. In this sense, it increases the free allocation volume for industry by up to 5%, and exempts those sectors most exposed to carbon leakage from the Cross Sectoral Correction Factor (CSCF), such as steel. With the ENVI package it becomes more unlikely that the CSCF would apply before 2030. These elements of the ENVI approach are sensible, taking account of the extreme exposure of the EU steel industry to global competition. Hundreds of thousands of jobs depend on this careful deliberation.”

“We support these changes, and further, we call on MEPs to recognise the environmental benefits of the use of waste gases in the production of electricity”, said Mr Eggert. “However, other elements, such as the benchmark flat rates and indirect costs will need further work in subsequent stages of the legislative process.”

“The vote in the Plenary sets the stage for the future of the EU ETS. A workable system is urgently needed in order to preserve the vital steel industry’s global competitiveness at a time when unfairly traded imports from global players are eating away at its market and its ability to invest in innovation”, concluded Mr Eggert. “We trust that MEPs will now take the necessary decisions to ensure that the final agreement adopted in Plenary underpins environmental progress, but also keeps jobs, growth and innovation in mind”.

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## **Notes for Editors**

*\*\*\*Please check against website version\*\*\**

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## **About the European steel industry**

The European steel industry is a world leader in innovation and environmental sustainability. It has a turnover of around €170 billion and directly employs 330,000 highly-skilled people, producing on average 170 million tonnes of steel per year. More than 500 steel production sites across 24 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.