

PRESS RELEASE

EUROFER WELCOMES STATE OF THE UNION ADDRESS; WARNS OF RISKS FROM OTHER POLICIES

Brussels, 14 September 2016 – The European Steel Association (EUROFER) today welcomed the steel focused elements of President Juncker’s speech but warned that the achievements in shoring up the industry thus far are still at risk from other policy areas.

“It is very positive that the Commission is taking a stand on steel and is making the right noises regarding defending the industry against unfair trade,” said Axel Eggert, Director General of EUROFER. “President Juncker’s emphasis on not being 'naive free traders' hits the nail on the head: Free trade is rules-based, and it is the duty of the players in the game to either play by those internationally recognised rules or face the trade defence consequences.”

President Juncker was addressing the European Parliament in the annual State of the Union speech. Among other things, he called on member states to support the implementation of stronger trade defence measures, comparable to those in the US.

Mr Eggert added, “We echo his call for member state policy makers to move on Trade Defence Instrument modernisation to ensure that we can levy efficient, effective and fair anti-dumping and anti-subsidy duties.”

The European steel industry is still under pressure and has lost thousands of jobs in the last few years, and requires this ongoing support. However, there are other EU policies that may undo recent efforts to stabilise the industry.

Mr Eggert stated, “Despite the supportive intentions of the speech, we hope that any forthcoming proposal on Market Economy Status for China does not gift disproportionate and unfair access to dumped imports of Chinese steel resulting from the massive overcapacity in that country.”

“Our sector's competitiveness is further jeopardised by unilateral EU measures. The Commission proposal on the Emissions Trading System (EU ETS) threatens the steel industry’s future. The European steel industry supports an ambitious EU climate policy. We deliver innovative steel products that reduce CO2 emissions in the society, and we are at the forefront of R&D into breakthrough technologies, including through new projects that have been recently initiated.”

“However, the EU ETS proposal, as it stands, sets targets that are not achievable and that would cost the industry up to €34 billion in the period from 2021 to 2030. At least at the level of the most efficient steel installations, no costs should arise from EU ETS. Otherwise the climate target will be met through closures, lost investment opportunities, and steel imports with much higher carbon footprints,” stressed Mr Eggert.

“EUROFER hopes that the European Commission will further take into account the cumulative impact of its policies, even as it continues to support the industry on the issues raised in the State of the Union address”, concluded Mr Eggert.

Notes for Editors

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About the European Steel Association (EUROFER)

EUROFER is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in Switzerland and Turkey are associate members.

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 320,000 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.