EUROFER
The European Steel Association

# PRESS RELEASE

## STEEL INDUSTRY PRESENTS LOW-CARBON PROJECTS FOR AMBITIOUS EU CLIMATE TARGETS

**Brussels/Strasbourg, 19 January 2017 – Speakers from the European steel industry presented low-carbon steel projects yesterday evening to Members of the European Parliament at a debate entitled, "*Revision of the EU Emission trading system – Unlocking low carbon investments in the steel sector*". MEPs Ivo Belet and Jo Leinen hosted the event.**

Short presentations were given by Salzgitter AG, ArcelorMittal, Arvedi, Tata Steel, ThyssenKrupp, SSAB, and Voestalpine on breakthrough projects, in fields such as use of hydrogen in steel production, Carbon Capture and Use and the HISarna project. The benefits and latest innovations in Electric Arc Furnace steelmaking were also explored.

"We all have a common goal: Securing the global competitiveness of steel made in Europe in the context of ambitious EU carbon emission reduction targets", said keynote speaker Prof Dr-Ing Heinz Jörg Fuhrmann, CEO of Salzgitter AG and Vice-President of EUROFER.

"In Europe, we are today close to the physical limits of conventional steelmaking technology. Only breakthrough technologies can deliver emissions reductions at the rate necessary to achieve the EU's climate objectives. Significant longer-term CO2 emission reductions in the EU steel industry as a whole will entirely depend on the general deployment these new technologies on the market – meaning definitely not before 2030, which after all is just 13 years away", said Prof Fuhrmann.

"To meet both objectives - maintaining steel production in Europe and meeting the reduction targets - Europe needs a steel industry that is competitive and able to generate the necessary revenues and profits for investment into R&D, demonstration plants, and the deployment and operation of new technologies at a large scale. The creation of a stable framework facilitating the economic feasibility of breakthrough projects is therefore of paramount importance. This holds for all CO2 emissions reduction projects. Besides the necessity of public funding for the considerable investment needed, the greatest challenge will be to ensure a continuous supply of 'green' electrical power at internationally competitive prices. Capital investment and possible additional operational costs must not lead to a decline in competitiveness - this makes bridging support also from governments necessary. "

The event came at a crucial moment as the legislative process on the fourth reform of the EU's Emissions Trading System (EU ETS) is approaching its conclusive phase. The amendments of the Parliament's Environment Committee, adopted in December 2016, improved the Commission proposal significantly. But the steel sector as a whole would still have a shortage of around 25% in free allowances during the emissions trading period from 2021 to 2030. In particular, EUROFER asked the Parliament to adopt an amendment that secures achievable benchmarks for steel. For this, all CO2 in the waste gases from the steelmaking process will have to receive allocation at the benchmark level.

"The ETS target must be achievable for steel. Therefore, at least the most efficient steel plants should have no cost disadvantage vis-à-vis their global competitors. Free allocation and compensation for indirect costs should be set at the efficiency level of these best performers", concluded Prof Fuhrmann.

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# Notes for Editors

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

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**About steel and the Circular Economy**

Steel is a 100% recyclable, 'permanent' material, which loses none of its unique properties when properly processed. The European steel industry works hard to ensure that the steel it produces can be reused, recovered, and recycled. It also ensures that steel production's by-products, such as slags and process, gases are put to the best possible uses.

This EUROFER brochure provides recommendations to policy makers dealing with issues arising in the circular economy for the steel industry. It shows that steel can help mitigate CO2 emissions and help reduce product lifecycle emissions. Steel's characteristic as a 'permanent' material means it can be easily reused and subsequently recycled in a constant loop.

To this end, the brochure proposes that the recycling definition in the EU's waste legislation be adapted to properly meet the aspirations of the circular economy. Finally, it demonstrates the large degree to which steel production retains as much of the material created during steel production and is able to make use of its by-products.

The Steel and the Circular Economy brochure is available at: www.eurofer.eu

**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.