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From left to right: Edwin Eichler (ThyssenKrupp), Kirby Adams (Corus), Wolfgang Eder (voestalpine), Commission President Barroso, António José Cabral (Cabinet of the President), Gordon Moffat (EUROFER), Michel Wurth (ArcelorMittal); not in the picture: Johannes Nonn (Salzgitter) and Francisco Rubiralta (Celsa).

EUROFER president and vice presidents meet President José Manuel Barroso

On 4 February 2010, the EUROFER president and vice-presidents met Commission President José Manuel Barroso on the competitive situation of the European steel industry and its role for the European economy. Particular reference was made to subsidisation in China, protectionism, the BHP-Rio Tinto joint venture, and the implementation of the European Emissions Trading Directive.



Commission President Barroso and EUROFER president Dr. Eder

Barroso referred to the Steel Industry Manifesto prepared by EUROFER saying that it demonstrated much common ground with the Commission’s “EUROPE 2020” strategy. He underlined that he wanted a strong industrial sector in Europe and a strong steel industry at its heart. EU goals on climate reduction would have to be balanced. On trade issues he indicated that the Commission was open to the use of Trade Defence Instruments (TDI) where necessary. This had already been affirmed by the new trade commissioner, Karel de Gucht, in a meeting earlier the day.

Barroso was also interested in visiting a major steel plant in Europe still this year, at the occasion of the launch of the new European Industrial Policy.

EUROFER response to the “EUROPE 2020” strategy

On 3 March 2010, the European Commission adopted its roadmap for the period 2010 to 2020: *EUROPE 2020 - A strategy for smart, sustainable and inclusive growth* (COM (2010)2020). The strategy aims at a Union coming out stronger from the financial and economic crisis delivering high levels of employment, productivity and social cohesion. Clear targets for 2020 are defined:

- 75% of the population aged 20-64 should be employed.
- 3% of the EU’s GDP should be invested in R&D.
- “20/20/20” targets for 2020, which means at least 20% reduction of EU greenhouse gas emissions compared to 1990 levels, a 20% share of renewables in final energy consumption, and a 20% increase in energy efficiency.
- At least 40% of the younger generation should have a tertiary degree.
- 20 million less people should be at risk of poverty.

For achieving these targets the Commission will put forward seven “flagship initiatives” which are all important but four are crucial for the future of the steel industry in Europe:

- “An industrial policy for the globalization era”
- “Innovation Union”
- “Resource efficient Europe”
- “An agenda for new skills and jobs”

In its strategy, the Commission has taken account of some essential elements of EUROFER’s comments to the Commission stakeholder consultation, in particular the objectives to reinforcing competitiveness of the primary and manufacturing industries, support for R&D, access to raw materials, better regulation, and the acknowledgement of the importance of “a strong, competitive and diversified industrial base in Europe”.

The “EUROPE 2020” strategy can be downloaded on <http://ec.europa.eu/eu2020/>, the EUROFER position paper on the Commission consultation on www.eurofer.eu <http://www.eurofer.eu/index.php/en>

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European Commission to open AD and AS investigations on SSCFB from India

At the request of EUROFER, the European Commission is expected to open anti-dumping (AD) and anti-subsidy (AS) investigations on imports of stainless steel cold finished bars (SSCFB) from India at the end of March.

SSCFB, commonly known as “bright bars”, are obtained by either cold drawing, peeling, turning or grinding of hot rolled bars and wire rods. It is widely used in a variety of applications including in the chemical and building industries, domestic appliances and automotive industry. India is by far the largest SSCFB exporter to the EU exporting over 30.000 tonnes to the EU in 2008.

India has developed several export oriented programmes in order to increase the export activity of the Indian industry. In addition to nationwide subsidy schemes, Indian exporters also benefit from a number of regional subsidies. SSCFB imports from India increased massively over the past few years despite the temporary drop in 2009 driven by the slump in the EU consumption. Their share of total imports increased from 39 % in 2005 to 57,9 % in 2008 and 59,3 % in 2009. Crucially, EU imports of Indian SSCFB are at low and fast-decreasing prices and the EU steel industry finds it to be impossible to fight against unfairly-priced Indian SSCFB imports, undercutting its prices by up to 40 %.

The EU industry is suffering material injury as a result of such dumped and subsidised imports. Employment in the EU's SSCFB industry has deteriorated. Many temporary jobs and limited duration contracts have been discontinued in 2009. Everywhere in this segment, short-time work has been introduced and is still implemented in 2010. More job losses may be inevitable if Indian dumping or export-subsidisation of SSCFB is permitted to continue.

EUROFER therefore expects the Commission to restore fair competition. Contact: Jeanlouis.Moray@eurofer.be

Commission opens infringement procedure on JV between BHP Billiton and Rio Tinto

Upon complaint by EUROFER, the European Commission on 25 January 2010 opened an infringement procedure against the proposed joint venture (JV) between mining companies BHP Billiton and Rio Tinto. In 2009, the two companies agreed to combine all their current and future iron ore assets (exploration interests, leases, mines, rail, ports and ancillaries) and liabilities in Western Australia.

EUROFER is of the opinion that the JV would be an unacceptable concentration which will significantly restrict competition in the seaborne iron ore market. Article 101 of the Treaty on the Functioning of the European Union (TFEU) “prohibits as incompatible with the internal market all agreements between undertakings, decisions by associations of undertakings and concerted practise which may affect trade between Member States and which have as their

object or effect the prevention, restriction or distortion of competition within the internal market”.

BHP Billiton and Rio Tinto have market shares of seaborne iron ore of 17 % and 19 % respectively, while Vale, the third mining giant, controls 33 % (2008).

Report proposes SO₂/NO_x emissions trading

The European Commission has published a draft report of its consultant *Entec* on the “Assessment of the Possible Development of an EU-wide NO_x and SO₂ Trading Scheme for IPPC Installations” (February 2010). The report recommends the introduction of trading schemes in the EU. Moreover, “under an eventual EU SO₂/NO_x trading scheme, local air quality limit values would continue to apply, which may require competent authorities to impose Emission Limit Values (ELVs) to ensure that these are adhered to, therefore reducing the air quality risks of banking”.

EUROFER is strongly opposing the way in which the report was established as well as any SO₂/NO_x trading on top of existing legislation (IPPC directive). The study does not properly address air quality issues. It lacks both reflection on the need of emission limit values (ELVs) to be respected on top of a trading system, and an assessment of the local impact (e.g. risk of hotspots proliferation). As a result, the steel industry would be confronted with uncertainties and considerable additional costs further contributing to the erosion of its international competitiveness through EU legislation. EUROFER has asked the Commission and *Entec* to correct the study and provide accurate data on which the report's findings on the steel industry must be based.

The report and other related documents can be downloaded from the data base CIRCA: <http://circa.europa.eu>. http://circa.europa.eu/Public/irc/env/ippc_rev/library?l=/emissions_trading/stakeholder_february&vm=detailed&sb=Title Further information: b.bravo@eurofer.eu

Publications

In January 2010, EUROFER published a *Manifesto of the European Steel Industry for the new European Commission 2010 to 2014*. The brochure summarizes the fundamental framework that the EU needs to provide for a sustainable development of the steel industry in Europe, which is reflected by the slogan “Securing employment and prosperity in Europe through R&D and an international level playing field for its primary industries”. The Manifesto is available on the EUROFER website www.eurofer.eu. <http://www.eurofer.eu/index.php/eng/News-Publications/Publications>

Staff News

Cristina Moro Marcos, responsible for air, soil, waste and water issues at the EUROFER environment department for more than three years, has returned to ArcelorMittal where she will be working in Luxembourg. Her responsibilities at EUROFER have been taken over by **Belen Bravo** from ArcelorMittal R&D Corporate at Liège who joined EUROFER on 18th January 2010 (b.bravo@eurofer.be).

Anne Vander Straeten has left EUROFER on 28 February 2010 after more than three years in order to continue her

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original professional career. Her secretarial responsibilities in EUROFER's Public Affairs and Speciality Steels departments have been taken over by **Mia Callanta**. Mia has joined EUROFER on 1st March 2010 (m.callanta@eurofer.be).

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