

## EUROFER WELCOMES THE EU RECOVERY PLAN

**Brussels, 26 May 2020 – The European Commission will tomorrow, following the request by the European Council, present its EU Recovery Plan to support a climate-neutral, digitalised and resilient EU economy, helping to rebuild after the COVID-19 pandemic.**

The European Steel Association (EUROFER) welcomes the Recovery Plan proposal and has proposed a *Green Deal on Steel* and matching support measures for the steel industry and its value chains such as automotive, construction and mechanical engineering. This reflects the focus on the EU Green Deal in the EU Recovery Plan itself. Alongside, EUROFER believes the ongoing review of the EU steel safeguards should fully reflect how the pandemic has collapsed the European steel market in order to offer immediate support to the sector.

“We welcome the EU’s efforts to mitigate the impact of the COVID-19 pandemic on EU society, the economy and on European business”, said Axel Eggert, Director General of EUROFER. “We further welcome the focus on the green transition and digital transformation as essential parts of the Recovery Plan”.

The European steel industry has made comprehensive proposals for a *Green Deal on Steel*, keeping the EU on track to meet its climate and circular economy objectives while securing the global competitiveness of this strategic sector.

“The European steel industry could be the spearhead of a decarbonised EU industry, providing green and perfectly circular steel to the EU’s and global manufacturing value chains”, said Mr Eggert. “This will require significant investment in new technologies from 2021 to 2030 and beyond. The sector will also have higher capital and operational costs as a result of using green energy and matching input materials.”

“These extra costs will need to be balanced by a well-coordinated combination of financing support schemes and regulatory pull-and-push measures”, added Mr Eggert. “With the right approach – and provided we can recover from the current crisis – our industry may be empowered to reduce its direct and indirect CO<sub>2</sub> emissions by up to 30% by 2030 on top of around 25% emission reductions already achieved between 1990 and 2018”.

“We have the ambition, under the right conditions, to reduce emissions by at least 80% to 95% by 2050, strengthening existing production and value chains, building and supporting new industrial eco-systems based on hydrogen, carbon feedstock and circularity”, said Mr Eggert.

As designed, the positive effects of the Recovery Plan will only materialise in the medium term, from one to five years or more from now. However, the economic challenge is very real today, with severe and immediate downturns in the main steel value chains, such as the automotive, construction and mechanical engineering sectors. The idling of EU steelmaking facilities and the collapse of steel prices on the EU market under pressure from third-country stockpiles of steel stemming from overcapacity in other regions has put the EU steel industry in an unprecedentedly precarious position.

“Accordingly, we reiterate the need to immediately implement emergency measures to pull back our industry from the brink and stabilise our downstream value chains. Only by ensuring European industry is secured today can it contribute to the green transformation tomorrow”. concluded Mr Eggert. “One immediate step EU policymakers can take is to ensure the ongoing review of the steel safeguards fully reflects the unparalleled implosion of the European steel market. The tariff free import quota needs to be reduced significantly. This would help in the immediate term, whilst also providing a means of supporting the industry as we move into the recovery phase”.

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## Notes for Editors

### Contact

Charles de Lusignan, Spokesman & Head of Communications, +32 2 738 79 35, [charles@eurofer.be](mailto:charles@eurofer.be)

### PDF

A PDF of this Press Release is available: [here](#)

### A Green Deal on Steel

Priorities for Transitioning the EU to Carbon Neutrality and Circularity: [here](#)

### About the European Steel Association (EUROFER)

EUROFER AISBL 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.

The European Steel Association is recorded in the EU transparency register: 93038071152-83.

### 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 160 million tonnes of steel per year. More than 500 steel production sites across 21 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, CO<sub>2</sub>-mitigating technologies, improving resource efficiency and fostering sustainable development in Europe.