

Press release

Council's recognition of net-zero steel technologies boosts expectations for markets for green products and carbon capture momentum, says EUROFER

Brussels, 07 December 2023 – The inclusion of transformative industrial technologies for the decarbonisation of energy-intensive sectors, such as steel, in the list of net-zero technologies in the general approach adopted by the Council on the Net Zero Industry Act (NZIA), sends a positive signal during COP28. Parliament and Council should now seize the opportunity to reach an ambitious agreement to promote EU-made green products in public auctions of net-zero technologies and to relaunch Carbon Capture, Usage and Storage (CCUS) in Europe. Both lead markets and carbon capture are essential tools for sustaining the transition to low-carbon steelmaking, says the European Steel Association.

“We have 60 decarbonisation projects at industrial scale in the pipeline with the first set to roll out as soon as 2025 and 2026, confirming our commitment to cut emissions by 55% by 2030 and positioning the European steel industry as a global frontrunner while climate talks are under way at COP28 in Dubai. Most net-zero technologies, such as wind, solar, electrolysers, depend on steel, with an estimated need for more than 74 million tons of steel for the expansion of EU renewables alone. Net-zero technologies made in Europe can be stronger only with European low-carbon steel at the core”, said Axel Eggert, Director General of the European Steel Association (EUROFER).

The conversion of existing plants to hydrogen and electricity-based technologies for steel production is the first crucial step to reach climate-neutrality. However, despite their recognition as net-zero, the Council has not included their deployment in the Net Zero Industry Act. This means that the low-carbon steel technologies are excluded from the application of the new rules which facilitate permit granting procedures. A potential reassessment in five years after the Act's entry into force may come too late for the complex transition process of industries such as steel.

While progress has been made on Carbon Capture, Usage and Storage (CCUS) and market access, further work is needed in both areas. In particular, the upcoming negotiations between the EU institutions should aim to establish a well-functioning CCUS value chain, especially concerning the transport network and financing, while avoiding loopholes that could hinder its implementation from the first step, which is preparation of the fields for storage. The inclusion of non-price sustainability and resilience criteria in public procurement are also necessary

measures to support the industrial transition and align with the level of ambition of the EU's climate and environmental policies.

“The successful transition of our sector will also depend on the availability of markets that can pay a premium for low-carbon products. The Council and the European Parliament shall strive for ambitious sustainability criteria - notably on lower carbon footprint -, to reward environmentally sustainable manufacturing across the cleantech value chain with steel at the core”, concluded Mr. Eggert.

Notes for editors

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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 federation of Turkey and the United Kingdom 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 €130 billion and directly employs around 306,000 highly-skilled people, producing on average 152 million tonnes of steel per year. More than 500 steel production sites across 22 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.