

Press release

Emergency EU measures immediately needed to overcome life-threatening energy crisis for European steel industry

Brussels, 09 September 2022 – On the occasion of the extraordinary Energy Council, the European steel industry calls on EU policymakers to provide immediate relief against high energy prices also for energy-intensive industries exposed to international competition. Inaction would seriously put these sectors, which are the backbone of the EU’s value chains, at risk of survival.

“The current gas and electricity prices threaten the viability of steelmaking in Europe. We are witnessing steel plant closures, production curtailments and layoff programmes. These will only intensify as companies’ price-hedging positions gradually expire, unless emergency action is taken to revert the trend in the energy markets. At the same time, the EU’s steel trade partners continue to export lower-cost steel to the EU in significant volumes allowed by generous tariff-free safeguard quota irreversibly eroding EU steel producers’ home market shares”, said Axel Eggert, Director General of the European Steel Association (EUROFER). “This situation undermines the business model of several energy intensive industries, which are the backbone of entire industrial value chains. This means concrete risks for high value jobs, investments and know-how in Europe to the advantage of third countries that benefit from far lower energy prices and do not share the same level of climate ambition”, he added.

An EU-wide response is necessary for Europe to overcome the emergency, while pursuing further integration of the national energy markets. Given the severity of the crisis, a package of different solutions is needed, and no option should be left off the table.

If EU institutions do not take urgent measures also for energy intensive industries exposed to global competition, their survival is highly uncertain. However, preliminary Commission proposals fall short in this regard. “The European steel industry is ready to contribute to the efforts of European policymakers in developing concrete solutions to overcome the crisis and deliver a more united and prosperous EU”, concluded Mr. Eggert.

Notes for editors

Contact

Lucia Sali, Spokesperson and Head of Communications,
+32 2 738 79 35, (l.sali@eurofer.eu)

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 the United Kingdom 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 €125 billion and directly employs around 310,000 highly-skilled people, producing on average 153 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.