

Press release

Upcoming trilogue negotiations must enable progress in industry's decarbonisation, says EUROFER

Brussels, 29 June 2022 – The trilogue negotiations on the EU Emissions Trading System and the Carbon Border Adjustment Mechanism I need to enable industry's decarbonisation and make the green transition a true success story. EUROFER, which represents the EU steel industry providing 310,000 direct jobs and 2,5 million indirect jobs, calls upon the EU institutions to work for a balanced compromise in the final text.

The EU Environment Council reached today an agreement on the revision of the EU ETS. Following this step, trilogue negotiations will be lunched with other EU institutions. "The final text needs to ensure that higher climate ambition is achieved cost effectively and with strengthened carbon leakage protection. For that, we need a cautious transition from existing carbon leakage measures to CBAM with a structural solution for exports, benchmark rules reflecting the gradual transition to new technologies and the recognition of upstream emissions from ferro alloys in stainless steel imports. Moreover, additional costs for EU industry and society from rebasing and Market Stability Reserve should be avoided", said Axel Eggert, Director General of the European Steel Association (EUROFER). "The upcoming negotiations between the Council, the Commission and the Parliament must prevent carbon leakage and job losses, as well as even higher inflationary pressures on consumers and businesses", he added.

The positions adopted by the European Parliament and by the Council, while acknowledging only partially some crucial issues for the successful decarbonisation of the steel industry, still fall short of securing the necessary progress on the ETS and CBAM files to safely land the green transition.

"For our 60 green steel projects to be deployed, we need to take investment decisions now. We still don't have nor will have enough availability of renewables and green hydrogen any time soon, as no adequate infrastructure exists yet in the EU. In this very volatile economic, energetic and geopolitical situation, the steel industry needs to rely on an enabling regulatory framework to accelerate the green transition", stressed Mr. Eggert.

The 60 low carbon projects of the steel industry have a CO2 emissions potential abatement of 81.5 million tonnes per year by 2030, equal to around a 2% cut of the overall EU emissions. For the steel sector, this represents a 55% cut compared to 1990 levels, in line with the EU Fit for 55 target. They require a capital investment of €31 billion and at least €54 billion in operational expenditure.

“The upcoming trilogues will be the last chance to get things right, EU policy makers cannot ignore it or we will all lose, climate, EU citizens and industry alike”, warned 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 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.