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PRESS RELEASE

European steel production at stake

Poorly implemented climate policy, raw materials prices and protectionism jeopardize steel value chain in Europe

“We have now reached a decisive point as to whether steel production has a future in Europe,” warns Gordon Moffat, director general of EUROFER. “If steelmaking is forced to migrate from Europe, others will follow in its stream, such as huge parts of the automotive and machinery sectors, leading to a massive loss in European jobs and expertise. Keeping industrial activity in Europe is essential not only in itself but also for all the business services that industry requires, from R&D to logistics and marketing, which would also be de-located with our industry.”

The steel value chain is threatened by poorly implemented climate policy, increasing difficulties in accessing raw materials at competitive prices, and protectionism by third countries.

“If the EU wants to achieve its objectives for ‘smart, sustainable and inclusive growth’, as set out in its Europe 2020 strategy, it must take the right decisions now,” says Moffat. In particular, the Commission must ensure that implementation of the EU Emissions Trading Directive does not increase costs for the most CO₂ efficient steelmakers: best performers must receive 100% of their emissions allocations free in order to stay competitive in the global market and in the electric arc furnace sector steelmakers must be compensated for increases in electricity prices caused by the ETS.

EUROFER also repeats its appeal to the European authorities to investigate the pricing behaviour of the major iron ore suppliers, whose recent demands for price increases of around 100% are not justified by market fundamentals or the current global economic situation. The proposed joint venture between the iron ore suppliers BHP Billiton and Rio Tinto must be stopped in order to prevent an even greater degree of concentration in the raw materials market.

EUROFER understand the reasons for the demonstration being held today in Brussels by the unions EMF-EMCEF and shares their concerns on the imminent threats to the sustainability of steelmaking in Europe.

Represented by EUROFER, the European steel industry is a world leader in its sector with a turnover of EUR 190 billion and direct employment of 420 thousand people, producing 200 million tonnes of steel per year.

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