

## **Europe's Steel Industry: A future only with sustainability and fairer competition**

Europe's steel industry is in crisis. All over Europe steel plants are closing down. Jobs are lost. It impacts the livelihoods of a great many European citizens. We Greens at all levels are deeply concerned about these developments. The steel sector is of strategic importance to the European economy and it's indispensable for a green industrial transformation. Without steel there are no wind turbines, less resource and energy efficient buildings, no low-carbon transport infrastructure.

At the heart of the crisis we see two problems: an overcapacity of steel combined with Chinese dumping practices and a lacking European modernisation drive. We strongly oppose and will fight efforts by parts of the European steel industry to brand climate and renewable energy policies as responsible for the sector's woes. Eco-dumping and social dumping can never be the answer. And we also oppose indiscriminate injections of public funds into the steel sector.

To the contrary, we European Greens want ambitious energy and climate policies, in the framework of a Green New deal to drive a sustainable infrastructure construction. We want a surge in renewable energies, building renovations, public mobility, and other sustainable infrastructure. This will require a lot of steel and will bring relief to the industry, reducing European overcapacities. For example, a single wind turbine needs as much steel as about 500 cars. Moreover, steel is particularly fit for recycling which must be emphasised.

We want to safeguard Europe's steel sector from harmful trading practices. Europe needs effective trade defence tools to protect its industries and counter dumping. As European Greens we therefore fully support the reform of the EU's trade defence instruments and, for example, the removal of the "lesser duty rule". We criticise the blockade by the EU Member States in the European Council and call for renewed efforts and determination to establish an EU anti-dumping system and anti-subsidy system fit to counter dumping imports. We European Greens in this context oppose a blanket *de facto* granting of a market economy status to China, which would exacerbate the situation the steel sector finds itself in, and call on the European Commission and EU Member States to organise a serious public debate on this issue, which they have so far shied away from. We deplore the limitations of the European Commission's public consultation in this vein, as it has been structured in a straitjacket that gives no room for open public debate and alternative trade defence instruments.

Considering Europe's own present overcapacity in steel production must also be dealt with. Environmental and health issues must be addressed as a priority at every location. In specific cases, that may include some conversion projects.

We want to keep the steel industry in Europe and not have it withdraw to other shores. For this, we call for an innovation-centred modernisation strategy for Europe's steel industry, which puts it on a sustainable basis. Only on such a basis can the European steel industry remain competitive.

Specifically, we call for an ambitious European circular economy package circular economy package that reduces our consumption of natural resources, including metals, and that ensures high rates and that ensures high rates of recycling and tackles the problem of illegal exports of scrap metal, which would provide the steel industry with low-cost material input. We urge the modernisation of steel plants to the most technologically advanced and CO<sub>2</sub>-efficient levels with energy and resource savings and ask for state aid and other supporting funds, such as the European Investment Plan, to be tied to such modernisation criteria. We support R&D endeavours for ultra-low CO<sub>2</sub> steelmaking and encourage the steel industry to move forward into higher value-added steelmaking segments. We encourage efforts by the steel industry

to increase CO<sub>2</sub> reduction capacity through cross-sector cooperation with other industrial sectors like chemicals. As European Greens we will fight efforts by parts of the steel industry to undermine the emissions trading system, which we want to see reformed in order to make it more effective. The EU ETS is one important pillar of the EU's climate framework, which the steel industry has actually benefitted from by way of free allocation of certificates, which have been sold at a profit and national CO<sub>2</sub>-cost compensation schemes have also mitigated any effects on energy prices, which currently are at a great low.

Rather than endlessly subsidising the steel industry regardless, we want an ambitious sustainable modernisation strategy that will protect and provide competitive dynamism to the European steel industry allowing it to face tomorrow's challenges with confidence. We urge the steel industry to confront this reality, embrace reform and modernisation on the basis of sustainability, and grab the opportunity that a green industrial transformation holds.