

# Press release

## Clean Transition Dialogue on Steel: urgent action needed to preserve EU steel production and millions of quality jobs while fostering decarbonisation, calls for industry

**Brussels, 22 March 2024 – The future of a strong and resilient EU can only be forged with steel made in Europe. Europe-made low-carbon steel has a strategic role as it enables a net-zero economy, but today it faces strong headwinds from high energy prices, unfair competition, global overcapacity and growing unilateral carbon costs. The year 2023 has recorded the lowest European crude steel production levels ever, with a number of idled plants and dire impact on workers. Ensuring the enabling conditions for the short-term viability and the decarbonisation of the steel sector urgently needs to be at the top of the EU agenda. This is the message delivered by the European Steel Association together with a number of high-level representatives of the sector on the occasion of the Clean Transition Dialogue on Steel in the presence of the Executive Vice Presidents of the European Commission, Maroš Šefčovič and Margrethe Vestager.**

“The EU and its member states have launched a number of initiatives over the past few years to incentivise and support the European industrial transition towards carbon neutrality. However, the real bottlenecks have not been solved. These include the supply of internationally competitively priced low-carbon energy, the establishment of lead-markets for European green steel, and measures to address the massive, highly CO<sub>2</sub>-intensive excess capacity in the global steel market. We therefore urge policymakers to take swift action to preserve EU steel production during its decarbonisation process and the millions of high-quality jobs connected to it”, said Axel Eggert, Director General of the European Steel Association (EUROFER), at the EU industrial dialogue.

“The Green Deal needs to deliver on ambitious climate goals while ensuring continued prosperity. European economic integration was built with steel, the backbone of Europe’s manufacturing value chains. We firmly believe that also the future of Europe and its cleantech sector can only be forged with European green steel. This EU Dialogue is the first significant initiative going in this direction, and we hope that it will be continued and followed by concrete steps. We have been advocating for a Green Deal on Steel since 2020. The time has now come to make it happen”, he added.

The European steel sector, as acknowledged by the Commission, is the frontrunner in decarbonisation at global level, with about 60 low-carbon projects out of 80 planned worldwide.

However, capital investment needs amount to €31 billion and operational expenditures to €54 billion, totalling €85 billion. But the EU steel industry's leadership in the race to net-zero is jeopardised by energy prices that are 4 to 6 times higher than those paid by Europe's competitors, a global non-market excess capacity of more 600 million tonnes with an additional 150 million tonnes planned in the next three years alone, governmental subsidies, unfair trade practices distorting the international playing field, and with uneven climate ambition compared to attractive decarbonisation incentives across different world regions.

There are five strands of action EU policies should tackle, as highlighted in the sector's [Manifesto 2024-2029](#): streamline across all policy areas a joint green industrial policy that spurs investments including by creating lead markets for European green steel; promote access to affordable fossil-free energy, whilst prioritising the use of hydrogen in sectors that deliver the most CO2 reductions; enforce a robust trade policy based on reciprocity against unfair practices while implementing an effective Carbon Border Adjustment Mechanism (CBAM) to restore a level playing field and propose a solution to maintain EU steel's competitive edge on export markets; secure access to critical raw materials including scrap for the transition while boosting circularity and reducing emissions; provide adequate training and academic opportunities for young talents whilst upskilling and reskilling the workforce.

"We call on the Commission and EU policymakers to pursue the path of dialogue with the steel industry and urgently set up the right conditions enabling the transition. It is in the strategic interest of the EU to ensure that low-carbon steel is made in Europe, fulfilling the words of President von der Leyen", concluded Mr. Eggert.

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## 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 full members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in the Turkey, Ukraine and the United Kingdom are 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.