EUROFER
THE EUROPEAN STEEL ASSOCIATION

Press release

Council's recognition of net-zero steel technologies boosts expectations for green markets in Europe, says EUROFER

Brussels, 07 December 2023 – The inclusion of transformative industrial technologies for the decarbonisation of energy-intensive sectors, such as steel, in the list of net-zero technologies in the general approach adopted by the Council on the Net Zero Industry Act (NZIA), sends a positive signal at a crucial time when governments are deliberating urgent measures to protect the climate at COP28 in Dubai. Parliament and Council should now seize the opportunity to reach an ambitious agreement to promote EU-made green products in public auctions of net-zero technologies and to drive Carbon Capture, Usage and Storage (CCUS) in Europe. Promoting lead markets and CCUS are essential tools for sustaining the transition to low-carbon steelmaking, says the European Steel Association.

"The EU steel industry is currently working on over 60 industrial scale decarbonisation projects which are aiming at mass low-CO2 production as soon as 2025/26. This confirms the European steel industry's commitment to cut emissions by 55% by 2030, positioning us as a global frontrunner at a time when critical climate talks are under way at COP28. All net-zero technologies, such as wind, solar and hydrogen electrolysers, depend on steel, with an estimated need for more than 74 million tons of steel for the expansion of EU renewables alone. Net-zero technologies made in Europe will be stronger with European low-carbon steel at the core", said Axel Eggert, Director General of the European Steel Association (EUROFER).

The conversion of existing steel plants to hydrogen and electricity-based technologies is the first crucial step to reach climate-neutrality. However, despite their recognition as net-zero technologies, the Council has not included their deployment in the Net Zero Industry Act. This means that low-carbon steel technologies will be excluded from the new rules facilitating permit-granting procedures. A potential reassessment five years after the Act's entry into force will be too late for the first wave of the steel sector's transition process and likely result in significant implementation delays.

While progress has been made on CCUS and lead market access, further work is needed in both areas. In particular, the upcoming negotiations between the EU institutions should aim to establish a well-functioning CCUS value chain, especially concerning the preparation of the fields for storage, transport network and financing.

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"The successful transition of our sector will also depend on the availability of markets that are willing to pay a premium for low-carbon products. The EU should support green markets with ambitious sustainability criteria to reward environmentally sustainable manufacturing across the cleantech value chain", 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 members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federation of Turkey and the United Kingdom 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 €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.

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