

Press release

Emergency EU measures immediately needed to overcome life-threatening energy crisis for European steel industry

Brussels, 09 September 2022 – On the occasion of the extraordinary Energy Council, the European steel industry calls on EU policymakers to provide immediate relief against high energy prices and costs also for energy-intensive industries exposed to international competition. Conventional trade and energy policy measures are clearly insufficient and would seriously put at risk of survival these sectors, which are the backbone of the EU’s value chains.

“The current gas and electricity prices threaten the viability of steelmaking in Europe, while third country producers not subject to such constraints or whose governments do not take similar action against the Russian aggression take advantage of the situation by exporting massively to the EU at distorted prices. As a consequence, in Europe we are witnessing steel plant closures, production curtailments and layoff programmes. The war in Ukraine and the subsequent, necessary EU sanctions against Russia have thrown the EU into an exceptional crisis which requires exceptional and immediate measures by EU policymakers to prevent the destruction of Europe’s industrial base, going beyond the EU’s usual ‘rule book’, including swift trade emergency measures”, said Axel Eggert, Director General of the European Steel Association (EUROFER). “The current crisis undermines the business model of several energy intensive industries, which are the backbone of entire industrial value chains. This means concrete risks for high value jobs, investments and know-how in Europe to the advantage of third countries that benefit from far lower energy prices and do not share the same level of climate ambition”, he added.

An EU-wide response is necessary for Europe to overcome the emergency, while pursuing further integration of the national energy markets. Given the severity of the crisis, a package of different solutions is needed, and no option should be left off the table.

If EU institutions do not take urgent measures also for energy intensive industries exposed to global competition, their survival is highly uncertain. However, preliminary Commission proposals fall short in this regard. “The European steel industry is ready to contribute to the efforts of European policymakers in developing concrete solutions to overcome the crisis and deliver a more united and prosperous EU”, concluded 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.