

Thursday, 18 October 2019

Mr Frans Timmermans
First Vice-President
European Commission

Dear Vice-President, Dear Mr Timmermans,

The European steel industry has examined, with profound interest, the Commission President-elect's Political Guidelines and the hearings in the European Parliament for the upcoming European Commission 2019-2024. We wish to support your objectives to the greatest possible extent. Our industry has been, is and must remain, at the heart of Europe. It is the foundation of many important European value chains and is at the core of the circular economy. Steel is the most recycled material in the world and the thousands of innovations EU steel contributes to are a resource for both current and future generations of European citizens.

The EU steel industry has been brought low by the extremely challenging economic situation. Our present circumstances are the result of other region's state support, export-oriented overcapacity build up, and low environmental ambitions. EU steel imports are at record levels – about 30 million tonnes of 'finished' products – and this is a direct consequence of these unfair practices abroad.

Your proposal for a *European Green Deal* gives us hope that we will be able to emerge strongly from the current steel crisis. The proposals, such as that for a European Climate Bank and for Carbon Border Adjustment as part of a broader improvement of the regulatory framework, receive our full support. Working together, we could transform the climate challenge into an opportunity for our industry, and for Europe, to lead the way.

With the right conditions in place, notably including a supportive regulatory framework and a reliable supply of CO₂-lean and CO₂-neutral energy and infrastructure available at affordable rates, the European steel industry would be empowered and would be fully committed to contributing to the achievement of the EU's climate objectives. We would be able to develop, upscale and roll-out technologies that could reduce our sector's CO₂ emissions by at least 80-95% by 2050. We have the ambition to build several industrial scale demonstrators in the 2020 to 2030 period, some of which could be accomplished during the upcoming Commission's term.

To make this happen, we need a **European Green Deal on Steel** that establishes a just transition and the right conditions, such that CO₂-lean and CO₂-neutral steel can find its place in the market despite the higher capital investment and operational costs. If the EU demonstrates that the decarbonisation of the sector is possible without risking its competitiveness or market share as a result of CO₂ abatement costs, other regions of the world will follow our path.

We need to act now. In supporting a *European Green Deal* and create a policy for a *stronger Europe in the world*, we would like to take this opportunity to propose a meeting between you and European steel industry CEOs, to take place at your earliest convenience.

I include the EUROFER's discussion paper on 'A Regulatory Framework for CO₂-Lean Steel Produced in Europe'. This paper highlights some of our ambitions and key policy objectives

We thank you for your kind consideration of our meeting request and remain at your disposal for any further information you may require.

Yours sincerely,

