

From: ██████████ (GROW)
Sent: vendredi 18 janvier 2019 17:20
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Subject: Notes - meeting with EUROFER

Please find below notes from a meeting with EUROFER.

██████████ and ██████████ (GROW F1) met EUROFER, the European Steel Association, on 15th January concerning the Strategic Forum and IPCEIs. EUROFER was represented by Axel Eggert (Director-General) and ██████████ ██████████ ██████████ ██████████ ██████████

EUROFER explained about the current steel manufacturing landscape: EU imports 30m tons of steel annually and the demand for steel is increasing. Companies understand the need for decarbonisation, but low-carbon manufacturing of steel in Europe depends on its competitiveness on the markets, including ETS impact. Carbon capture (and storage/use - CCx) is a well-known option in low-carbon manufacturing. Hydrogen has become a realistic option to decarbonise steel manufacturing only recently, and EUROFER is confident that it has big potential to decarbonise the sector.

EUROFER explained that recycled scrap metal makes up only 10% of the raw materials in steel manufacturing in EU. Large amounts of scrap metal is exported outside EU because its utilisation in EU is not economical. Using scrap metal reduces emissions with 75% compared to manufacturing of virgin steel, and therefore scrap metal exportation increases emissions in Europe. Technically the sector could use 25% scrap metal.

In addition to the ETS, EUROFER sees the IPCEIs as an important bridge between innovation and industrial deployment. Large-scale demonstrators require huge capital expenditures and IPCEIs could be used to launch the first hydrogen utilising or CCx pilot plants,. However, other framework conditions need to be addressed (e.g. competitive energy supply) to ensure markets for low-carbon manufacturing after the pilot phase. These potential IPCEI projects should ideally cover both infrastructure (for hydrogen and CO2) and associated applications (like steel, chemicals and concrete manufacturing). EUROFER advocates a technology-neutral approach with some MS preferring hydrogen and others CCx.

EUROFER shared its consideration about synergies and complementarities between the low-carbon steel value chain with the low-carbon industrial processes and CCx or with the hydrogen value chains in the Strategic Forum, reflecting on the benefits and drawbacks of such broadening of the scope, trying to find

a balance between best momentum and maintaining focus on the various specific issues for low-carbon steel.

In addition to cooperation between Member States, EUROFER underlined both the broader regional economic benefits of large-scale industrial hydrogen users and the potential of regional cooperation, and gave an example of North-Rhine Westphalia organising a seminar on 25 February in cooperation with other German steel regions and West Flanders. In this context, [REDACTED] drew their attention to the Smart Specialisation Platform on Industrial Modernisation and the potential of such inter-regional cooperation projects to complement the cooperation between Member States on strategic value chains.

[REDACTED] explained the possibilities to broaden the scope of the strategic value chains in the Strategic Forum. We explained also the next steps in the Strategic forum, laying out the impact of a potential broader scope on action plans and explaining the first steps of launching IPCEI projects.

Discussions also touched briefly upon the HIsarna case where EU-funded research results will be continued in a large-scale low-carbon steel demonstrator in India.