

Thursday, 13 October 2016

Open letter by 58 CEOs of the European steel industry
to
Heads of State and government

We, the undersigned CEOs of the EU steel industry, are writing to you ahead of the European Council meeting on 20-21 October.

During this meeting, you will be taking decisions that could help preserve an innovative, sustainable, and globally competitive steel industry in Europe. Making the right choices should ensure that our sector and its value chains flourish, investment continues, and the jobs of the men and women who work in our sector are sustained.

We urgently ask for your support on a number of issues:

- **Market Economy Status of China: Alignment with the US**

A revised EU anti-dumping regulation which includes the EU's five market economy criteria, with the burden of proof in dumping cases staying with exporters to the EU. The EU's anti-dumping methodology should be closely aligned with the non-standard methodology applied by the US.

- **Trade Defence: More effective, faster measures to re-establish fair trade**

EU Trade Defence Instruments are very slow to deploy compared to our trade partners. In addition, the effectiveness of the EU anti-dumping instrument is uncertain, producing measures which are significantly below the calculated size of the dumping, often not even a tenth of US measures.

The EU is the only major region to systematically apply the Lesser Duty Rule (LDR). Under certain conditions it must be possible to lift the LDR. These conditions must be achievable and workable, accompanied by a duty calculation based on improved injury margins.

- **Emissions Trading: No cost burden beyond economic and technological feasibility**

The EU ETS is the largest and most ambitious carbon market in the world. The European steel industry is committed to CO₂ reductions and works hard on low carbon technologies.

However, the Commission proposal creates an overall shortage in free allowances for our sector of almost 50% in 2030. About 65% of indirect carbon costs will not be compensated for. There will be no global level playing field for steel if free allocation and compensation for indirect costs are at lower than technically and economically feasible levels. Large added EU ETS costs would make EU steel uncompetitive, ultimately leading to the import of higher CO₂-footprint steel into the EU.

We need your support in this final phase of the EU ETS negotiations, as this legislation has the potential to make or break the European steel industry.

We trust that you can make progress on the above issues so that steel will be able to contribute to the transition to a competitive, low carbon European economy.

Yours faithfully,

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