

Flash note meeting between Commissioner Schmit and ArcelorMittal Europe on the risks of the steel industry in Europe (23.07.2024)

The meeting took place at the request of ArcelorMittal Europe.

Participants:

From ArcelorMittal Europe (AME)

From the European Commission (EC)

Nicolas Schmit, Commissioner (Ccsr Schmit)

CAB Schmit: Antoine Kasel, Head of CAB (HoC Kasel) ; Santina Bertulesi, Deputy Head of CAB (D/HoC)

EMPL C3 – Social Dialogue unit: [REDACTED]

- AME outlined the current crisis of the steel industry in Europe, reminding the most recent events (Liberty Steel, Tata). Many direct and indirect jobs are at risk. Overall, the steel supply chain is in peril and the production as well. In their view, reversing the crisis is possible via concrete actions and effective support from the EU. The leading example is the ETS as applied to steel industry. AME advocates for a level playing field and believes that CBAM is the last lifeline of the European steel industry. EU was an exporter, now importer from China, India, Türkiye. This trend is accelerating, and competitors are building new plants at our borders. Green low-carbon steel is needed, and AME welcomed the Clean Transition Dialogues and the Green Deal Industrial Plan. Steel industries are concentrating in the finished products: this is not enough for business. Global Arrangements in Steel (EU-US) could be part of the solution and supporting Green Lead Markets as well.
- Ccsr Schmit acknowledged the risks for the steel industry and mentioned that there is a need for more strategic thinking and long-term planning, while stressing the need of a balanced enforcement of WTO rules. CBAM is a good defensive measure but it not enough. The US also strives to keep their own industrial basis, and this could be influenced by their next elections. The EU needs a grand industrial strategy, in line with the strategic autonomy and fair transition. The green lead markets represent an opportunity. The EC should update the EU procurement rules and have a tougher approach on TDIs.
- AME pleaded for less taxes and less funding. They reported on exchanges with CAB EVPs Dombrovskis and Sefcovic, and on contradictory approaches on fiscal rules concerning industry in some MS (ES, BE, FR, DE). HoC Kasel reported on the ongoing liaising work with CABs Breton, Sefcovic, Vestager, aimed at gathering a meeting in September.
- Ccsr Schmit hoped for more clarity on industrial policies for ensuring survival of steel industries. AME recalled the European superiority in R&D on green technology: EU must maintain its role as a global leader. Stopping green steel would be detrimental for climate actions.
- Ccsr Schmit reflected on the possibility of pushing private investments. HoC Kasel emphasized the need of a more sector-targeted approach, e.g. the steel agreements before WTO. AME agreed that these are a good approach and recalled the challenging role of Indian steel industry with fast huge investments, Gross Domestic Product growing, and significant over-capacity. The EU is the victim of this progress. A disruption in the steel supply chain would also affect manufactures that are crucial for green transition, such as automotive.
- Ccsr Schmit closed the meeting by underlining the importance of the steel sector and a consistent EU approach.