

EUROFER

THE EUROPEAN STEEL ASSOCIATION

Annual Report 2023

The European Steel Association
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Foreword by the President & Director General

As we look back on the past year, it is impressive to see the scale of the challenges the European steel industry has had to face, in addition to the already difficult COVID years. At the same time, we are proud of the equally impressive achievements and resilience displayed by our sector in these exceptional circumstances – the impact of a protracted war in Ukraine following Russia's aggression, the energy crisis, record inflation, a bleak economic outlook, just to mention a few. The U.S. Inflation Reduction Act has also been a wake-up call for the EU. However, the recent Net-zero Industry Act in its current form falls short to empower the EU with a similar encompassing industrial policy addressing the full clean tech value chain and making green investment in the EU an obvious business case.

The next months will be crucial to ensure that the future of green steel is and will be in Europe, which is the essential condition for the EU to achieve global leadership in net zero and secure its strategic autonomy.

The European steel industry has been the cornerstone of the European economy since the Schuman Declaration of 9 May 1950, providing peace and prosperity to millions of people across the continent. Today, steel is the backbone of clean tech value chains, from wind turbines to electric vehicles, and will be a crucial enabler for net zero and to reach the Green Deal objectives. Just to meet the EU renewables target, we estimate that an additional 74 million tonnes of steel will be needed. Once more, steel proves to be the solution: Europe's future of a resilient, climate-neutral, circular and competitive economy can only be built on steel.

However, in the past decade our industry has faced significant challenges, including unfair trade and lack of a level playing field with other regions, further exacerbated by very different ambitions in the transition towards a low-carbon economy. This has resulted in the loss of 26 million tonnes of steel production capacity, 25% of the workforce, and 30 million tonnes of exports. Therefore, it is paramount to avoid further carbon leakage and find a solution to ensure the competitiveness of EU steel exports before the Carbon Border Adjustment Mechanism kicks in, while keeping the EU safeguard in place as long as the global conditions require it. The EU-US Global Arrangement on Sustainable Steel and Aluminium is another momentous opportunity to tackle global excess capacity whilst incentivising decarbonisation worldwide.

Nonetheless, the European steel industry has continued to make progress in circularity and decarbonisation, further advancing on its 60 low-carbon projects and demonstrating the industry's commitment to reducing its environmental and carbon footprint. Already today the steel industry is the most circular sector worldwide and in Europe, with a collection rate close to 90%. It is also the first recycler in the EU in terms of recycling rate, tonnages and turnover with nearly 90 million tonnes of scrap reused for steel production. This amounts to slashing the EU's carbon footprint by 132 million tonnes of CO₂ per year, which is the equivalent of saving the direct emissions of 40% of all EU households. This trend is projected to intensify even more in the next years, as green steel production will require increasing quantities of recycled steel.

However, access to abundant and cost-competitive fossil-free electricity is critical for making steel completely circular. This is the biggest challenge we are facing across Europe and only EU-wide coordinated measures can provide a future-proof, sustainable solution to pre-empt new shocks in energy prices and ensure priority access to clean electricity for sectors such as steel that have the highest emissions abatement potential. Our 60 green steel projects alone will require 165 TWh of clean electricity per year by 2030, 90 TWh of which for the production of hydrogen. This is the equivalent of the double of Belgium's annual electricity consumption. At the same time, this will allow a further cut in CO2 emissions of 81.5 million tonnes per year by 2030, allowing the sector to cut its carbon footprint by another 30% in less than ten years from 2018 levels.

The upcoming months will be decisive to ensure that fundamental EU legislation such as the Gas & Hydrogen Package, the revision of the Electricity Market Design directive, the Hydrogen Bank and the Renewable Energy directive, sets the right conditions for a truly EU energy market system that delivers. Maximum priority must be given as well to European projects for hydrogen infrastructure, whose development is lagging behind.

Similarly, ensuring access to critical materials for the green transition such as ferrous scrap and nickel is vital, even more so in a world where over 40 countries are already applying restrictions to exports. The Critical Raw Materials Act and the Waste Shipment regulation should take this situation fully into account.

Facilitating investment in clean technologies, creating lead markets for green steel and promoting upskilling and adequate training opportunities for young steelmakers is also indispensable.

Be assured that, also this year, we will do our best to turn these challenges into opportunities for both the European steel industry and the EU. A strong and sustainable steel sector is the backbone of a healthy EU economy and its leadership in clean tech.

We trust that the reading of the EUROFER Annual Report 2023 will serve as a valuable resource for all those who are interested in the future of our industry and the role that it plays in the European economy.



Francesc Rubiralta Rubió
President
European Steel Association

A handwritten signature in black ink, appearing to read 'Rubiralta'.



Axel Eggert
Director General
European Steel Association

A handwritten signature in black ink, appearing to read 'Eggert'.

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Introduction



Axel Eggert

Director General

The European Steel Association (EUROFER)

Since the COVID pandemic began, the EU economy has been experiencing a drive on a rollercoaster. First, there was the steep downhill of the 2020 COVID-led recession (-5.7%), then the corresponding upward rebound of 2021 (+5.4%), and subsequently the negative impact of Russia's war in Ukraine, the energy crisis and a record-high inflation. However, the resilience of economic sectors including steel-using sectors proved to be stronger than expected and, despite the significant slow-down experienced in the second half of the year and in particular in the fourth quarter (-0.1%), a recession was avoided in 2022 (+3.5%).

The worst appears to be behind us, but the outlook for 2023 remains subdued and subject to high uncertainty, with the current downside risks (war, skyrocketing energy prices, inflation, supply chain disruptions) still weighing on the prospects of the upcoming months (+0.8%). Growth should gain some ground again only in 2024 (+1.6%). The performance of the steel sector in 2022, was a consequence of this context. Companies managed to offset the consequences of plant idling and temporary closures in the second half of the year thanks to the positive performance of the first six months, following the momentum of the post-COVID recovery. On one hand, steel-using sectors' output remained positive in 2022 (+3.1%) especially thanks to automotive and construction, but the negative effects of the current situation are projected to become visible in 2023 (only +0.3% growth). On the other hand, steel apparent consumption already collapsed in 2022 to 140 million tonnes (-7.2%) mirroring a shrunk in steel demand, and is expected to remain negative also in 2023 (-1.0%). The 2022 figures of EU crude steel production are telling: down to 136.2 million tonnes, a sharp contraction (-11%) compared to 2021.

At the same time, steel imports remained at historically high levels, with an impressive market share of 24% despite the slump in demand and the subsequent contraction in volumes to 37 million tonnes (-6.6%) compared to 2021, when a massive increase (+31%) was recorded.

Undeterred by the current situation, European steel companies are making significant investments in ground-breaking low-CO2 steelmaking technologies. This positions the sector as a key driver of the EU's transition to carbon neutrality and a circular economy. We observe here an encouraging development with substantial potential for both the steel industry and the EU, as it opens up new market possibilities - especially in the clean tech value chains with steel at their core - whilst paving the way for European leadership in the net-zero economy.

EUROFER has been following this evolution closely and will continue to do so across all policy areas - from trade to energy and climate - which play a role in ensuring the European steel industry's sustainability and transition to climate neutrality.

In particular, EUROFER supports the continuation of the EU steel safeguard, as the elements and data that justified the extension of the measures in 2021 still persist or have even worsened. Steel sanctions related to the war in Ukraine, as also recognised by the European Commission and concerned third parties, have not provoked a supply shortage in the EU as import flows were rapidly replaced.

As regards trade cases, new anti-dumping measures were imposed on imports of corrosion-resistant steel from Turkey and Russia and on imports of electrolytic chromium-coated steel from China and Brazil. Anti-dumping measures on imports of stainless hot-rolled flat products originating in Indonesia were also extended to imports from Turkey. Several expiry review investigations were also opened regarding different products from China, Russia, Belarus, Brazil and Iran.

Subsequently to the lessons learnt from Russia's war in Ukraine, EUROFER has also become increasingly wary of input materials dependency on third countries and started work to monitor availability and supply. Ferrous scrap – an essential ingredient for the decarbonisation of the steel sector – is of particular concern. In this regard, it is crucial that all EU provisions dealing with circular economy, in particular the Waste Shipment Regulation and the Critical Raw Materials Act, take this strategic concern into account.

Consistency of scope should also be ensured across all other EU files involving circularity and environment, such as the Eco-design for Sustainable Products Regulation (ESPR), the Construction Products Regulation (CPR) or the Waste Framework Directive (WFD), while the Industrial Emissions Directive (IED) must ensure both legal certainty and technological neutrality to support and accelerate the green transition of steel making in Europe.

Research and innovation remain indispensable for a successful transition towards green steel. EU funding programmes for breakthrough technologies, in particular the Research Fund for Coal and Steel (RFCS), need to be better tailored to match industrial transformation lifecycles and project timelines. Notably, the RFCS should offer more flexibility in terms of budget allocation, while the Clean Steel Partnership calls should allow a higher EU contribution per projects, giving the sheer size of the efforts required to revolutionise steelmaking processes. EUROFER has also expressed its concerns about the Innovation Fund, as none of the decarbonisation projects submitted last year by the steel industry was selected for grants in the second call for large-scale projects.

This is even more important considering the fundamental climate and energy legislation which was either adopted or discussed throughout the past 12 months, in particular the 'Fit for 55' package, the EU measures to address the energy crisis and accelerate the transition to non-fossil sources, and the reform of the EU electricity market.

The core building blocks of the 'Fit for 55' package, notably the EU Emissions Trading System (EU ETS) and the Carbon Border Adjustment Mechanism (CBAM), were finalised in December 2022. As this set of rules will shape the carbon market until 2030 – a critical period for the uptake of low-carbon technologies in the steel sector –, a smoother transition in the phase out of free allocation has been introduced in the first years of the CBAM application. This change reflects as well the steel industry's need for a gradual transition to low-carbon technologies and avoids the abrupt reduction of support to transitioning plants. Unfortunately, the final text does not include a concrete solution for the competitiveness of EU exports subject to the CBAM. However, the Commission will have to reassess this issue before 2026, while the work to define the detailed rules on the CBAM functioning is now underway. EUROFER is following it closely.

As concerns energy, the key objective for the European steel sector is to get priority access to cost-competitive and abundant fossil-free electricity, which is essential for green steelmaking. Together with the Renewable Energy Directive and the Energy Efficiency Directive, the Gas & Hydrogen Package is paramount in this regard. EUROFER considers crucial the principle introduced by the Industry, Transport, Research and Energy Committee of the European Parliament to prioritise the use of hydrogen in those sectors such as steel that have the highest emissions abatement potential. As regards the revision of the Electricity Market Design, unfortunately the Commission proposal does not go far enough and falls short of offering immediate relief in the form of affordable prices and costs for energy-intensive industries.

There is no industry transition without energy transition. EUROFER will advocate that the right conditions are put in place to make this happen: it is a make-or-break moment in clean tech leadership, as clearly demonstrated by the U.S. Inflation Reduction Act. More than ever, the European steel industry is determined to show its leading role in achieving climate neutrality and lay the basis for the EU's net-zero society.

1. Economic and market situation



Alessandro Sciamarelli

Director

Market Analysis and Economic Studies

Economic performance overview

After the strong rebound in macroeconomic performance in 2021, driven by the recovery of the industrial sector, economic growth in the EU slowed down considerably in 2022, particularly in the second half of the year. This was due to various downside factors and external shocks, such as the continued supply-side issues, Russia's invasion of Ukraine in February 2022, and the unprecedented rise in energy prices over the summer. Those conditions affected industrial output, which proved somewhat resilient, but its contribution to GDP growth slowed down considerably. On the other hand, the contribution of services to GDP growth, which was comparatively much higher, could partially offset the situation. As a result, the EU economy, after rebounding strongly in 2021 (+5.4%) following the COVID-led recession in 2020 (-5.7%), achieved growth also in 2022 (+3.5%), despite the impact of the above-mentioned downside factors.

The soaring energy prices, especially natural gas which peaked in August 2022 with a 20-fold increase compared to the historical average, have led to inflation rates in EU member states reaching levels unseen since 1985. Another driver behind these inflation dynamics, albeit to a lower extent, was the continued supply chain issues and lack of components for the industry, particularly the automotive sector. As a result, the inflation rate in the EU reached 9.2% in 2022, compared to 2.9% in 2021 and only 0.7% in 2020. The European Central Bank (ECB) responded by reversing its monetary policy and raised its policy rates seven times up to May 2023 in an attempt to bring the inflation rate closer to its 2% target.

Detailed 2022 economic performance

Despite Russia's invasion of Ukraine and the protracted supply chain issues, the EU continued to experience economic growth in the first half of 2022, although at a slower pace than in 2021. As the post-COVID positive economic trend lost speed, hampered by the war in Ukraine and the energy crisis, in the fourth quarter of 2022 real GDP growth in the EU dropped marginally quarter-on-quarter (-0.1% after +0.4% in the third quarter) but grew year-on-year (+1.7%, after +2.6% in the third quarter). Economic activity showed stronger-than-expected conditions in the first two months of 2023, while the fourth quarter of 2022 is considered to be the trough of the current war-struck economic cycle.

However, the outlook for 2023 remains exposed to many downside factors and economic growth appears to be weak and fragile. In 2023, domestic demand in the EU economies, especially private consumption, is expected to provide very modest contribution to GDP growth, due to persistently high inflation which reduces household disposable income.

Economic growth expectations

Following recent short-term improvements, in 2023 the EU economy is expected to moderately expand (+ 0.8%), although growth rates will be marginal in major EU member states. In 2024, the EU's GDP growth is projected to pick up (+1.6%), assuming a stabilisation in the energy supply outlook and easing of geopolitical tensions, primarily due to the ongoing conflict in Ukraine. However, as long as current uncertainty continues, economic conditions in the EU are set to remain weak with a modest GDP growth (below +1%) and subject to downside risks. Amidst the present uncertainty, the global economic landscape is not expected to stabilise before the second half of 2023 in the best-case scenario, and even in the event of a relatively rapid resolution, it is unlikely that the current economic sanctions against Russia will be lifted. This will inevitably result in lower economic growth as well as trade and supply-chain disruptions.

Once normalcy returns, EU economies will have to grapple with persistently high inflation which will erode households' income and purchasing power, and the destruction of production capacity. EU governments have limited room for manoeuvre at this point, as the ECB's pandemic support policies such as PEPP and the one-off COVID-linked purchase of government bonds have been reversed. As a result, the cost of borrowing money on financial markets is expected to increase. Nonetheless, the NextGenerationEU programme will offer additional resources to supportive economic policies until 2026.



Steel-using sectors

Steel-using sectors had seen a considerable rebound in output in 2021 (+6.7%), after the severe slump in 2020 (-10.1%) due to the impact of COVID-19 on the industry. Despite Russia's invasion of Ukraine and rising energy prices, EU steel-using sector's output has continued to grow, showing unexpected resilience up to the fourth quarter of 2022, with the Steel Weighted Industrial Production index (SWIP) increasing (+2.5% after +4.4% in the third quarter).

In particular, the automotive sector recorded its third consecutive output increase (+6.8%), after a double-digit one-off increase (+20.7%) in the third quarter (a rebound subsequent to very low output volumes seen one year before). The sector is set to continue achieving moderate growth after recording very low output volumes for several quarters, but absolute output volumes are expected to remain well below the levels seen in 2018 (the peak of the previous cycle) even in 2024. After the modest rebound seen in 2021 (+3.3%), output in the automotive sector increased at the same rate in 2022 and is projected to mildly grow (+1.2%) in 2023, thanks to moderately positive developments on both the supply and demand side. However, output is expected to drop again (-1.8%) in 2024.

Output in the construction sector steadily increased in 2022 (+4.8%, after a buoyant +6.7% in 2021), thanks to EU and national supporting schemes both for repair and maintenance as well as for civil engineering. However, the increasing shortage combined with higher prices of construction materials, together with lower residential construction demand due to monetary tightening and higher mortgage rates, are expected to lead to recession in 2023 (-1.6%). A moderate recovery (+1.3%) is foreseen in 2024.

The continued uncertainty on the industrial outlook and the fragility of the economic environment are set to continue taking their toll on growth over the next few quarters. However, the toughest period for the EU industry appears to be over (notably, the last quarter of 2022 and the first of 2023). Nonetheless, the combination of historically high energy prices, low demand and economic uncertainty is expected to weigh on the rest of 2023.

Growth in steel-using sectors' output is projected to slow down over the course of 2023 and notably drop in the second quarter, resulting in an overall marginal annual increase (+0.3%). These are slightly better forecasts compared to initial expectations of a limited recession (-0.6%) also for 2023, although with wide differences among individual European economies. Steel-using sectors' output is expected to pick up some speed again in 2024 (+2.3%).

2. Steel Market



Alessandro Sciamarelli

Director

Market Analysis and Economic Studies

Matteo Rigamonti

Director

Stainless and specialty steels

Crude steel production

In 2022, crude steel production in the EU amounted to 136.2 million tonnes, a sharp contraction (-11%) compared to 2021, when production rebounded considerably (+16%) after the lows seen in 2020 due to the impact of the pandemic. The upturn seen in 2021 was subsequent to a strong recovery in demand from steel-using sectors after the end of the COVID-19 measures. This upward trend ended in the first half of 2022 as a consequence of multiples shocks (war in Ukraine, supply-chain disruptions, rising energy prices), mirroring the slowdown in demand from steel-using industries.

EU steel consumption and trade balance

In 2022, apparent steel consumption in the EU amounted to 140 million tonnes, a drop (-7.2%) compared to the rebound of 2021 (+16.3%) from the very low levels of 2020 following the pandemic. Imports dropped to 37 million tonnes (-6.6%) reflecting weak demand but still held a 24% share of the market, further to a marked increase (+32%) in 2021 due to the rebound in demand.

The positive trend in apparent steel consumption seen throughout 2021 came to an end in the second quarter of 2022. It was impacted by ongoing war-related disruptions, a poor demand outlook, and significant rises in energy prices and production costs. These downside factors have had an even more severe impact over the second half of 2022, and are expected to continue until the second quarter of 2023, due to the prolonged effects of the war in Ukraine. As a result, in the fourth quarter of 2022, apparent steel consumption fell dramatically (-19.3%, after -4.8% in the third quarter), totalling a volume of 29.6 million tonnes. This was the second-lowest level ever seen after the second quarter of 2020 (28.6 million tonnes), when mills and industrial plants were shut down due to the COVID-19 pandemic.

This resulted in a more severe recession (-7.2%) in 2022 than previously forecasted (-4.6%), due to quarterly drops over the second, third and fourth quarters of 2022. Ongoing downside factors such as the war, high energy prices and inflation, coupled with a worsened economic outlook for 2023, point to another drop in apparent steel consumption in 2023, albeit milder (-1%, formerly -1.6%). This would represent the fourth annual recession out of the last five years. In 2024, if there are more favourable developments in the industrial outlook and improvement in steel demand, then apparent steel consumption is set to recover at a faster rate than previously forecasted (+5.4% vs. +1.6%).

The overall evolution of steel demand remains subject to very high uncertainty, which is likely to continue to undermine demand from steel-using sectors, at least for the first half of 2023. Quarterly positive developments in apparent steel consumption are only expected to begin from the third quarter of 2023.

During the fourth quarter of 2022, domestic steel deliveries continued to reflect weak demand and significantly dropped (-15.2%). This was the third consecutive decrease, steeper than the decline recorded in the previous quarter (-10.5%). Deliveries had rebounded noticeably in 2021 (+11.9%), following the sharp drop in 2020 (-9.6%) that marked the second consecutive yearly decline after 2019 (-4.2%). Due to negative developments in the last two quarters of the year, domestic deliveries fell markedly (-8%) in 2022.

In line with the continued and quick deterioration in steel demand, imports into the EU including semi-finished products also shrunk in the fourth quarter of 2022 (-32.5%), following a drop in the previous quarter (-17.2%) and resulting in an overall annual decrease (-6.6%). However, it is worth noting that the drops in imports over the last two quarters of 2022 essentially mirrored weak demand conditions. Therefore, the import penetration rate (i.e., the share of imports out of apparent consumption) remained considerably high in historical terms, even in the fourth quarter of 2022 (23.5%).

Imports into the EU

In 2022, total imports of steel products into the EU – including semi-finished products – decreased (-7%), after a sharp increase in 2021 (+32%).

Imports of finished products dropped (-5%) in 2022 (+35% in 2021; -15% in 2020), due to a decline in imports of flat products (-9%; +40% in 2021) and a rise in imports of long products (+11%; +21% in 2021).

The main countries of origin for flat product imports into the EU in 2022 were Turkey, India, South Korea, Taiwan, Vietnam and China. Together, they accounted for 63% of total flat product imports into the EU.

At individual product group level, imports of organic coated sheet, hot-rolled wide strip, hot-dipped galvanised sheet and quarto plate all decreased throughout 2022 compared to 2021.

The main countries of origin for long product imports into the EU in 2022 were Turkey, China, the United Kingdom, Switzerland and India. These countries accounted for a share of 48% of total long products imports into the EU. All long product imports were higher in 2022 than in 2021.

Following the robust rebound in demand in the second half of 2020, steel demand started to slow down due to increasing disruptions along the supply chain and weakened considerably towards the end of 2021.

Russia's war against Ukraine that began in February 2022 and all its related disruptions significantly slashed the outlook for EU apparent steel consumption, and demand has been faltering considerably since the second quarter of 2022. The outlook remains uncertain also for 2023. Meanwhile, the global steel market continues to suffer from overcapacity and numerous trade distortions. This risk of distortions threatening the fragile balance between supply and demand on the EU steel market is likely to remain, even in case of a relative normalisation of the situation in Ukraine and of the global economic landscape.

In this context, the EU steel safeguard remains an essential tool to prevent damaging import-led disruptions to the internal market.

Exports from the EU

Total EU steel product exports to third countries sharply fell in 2022 (-16%), after a marginal increase in 2021 (+1%).

Exports of finished steel decreased (-14%). Underlying data for both flat and long product exports recorded drops in 2022 (-10% and -22%, respectively).

The main destinations for EU steel exports in 2022 were the United Kingdom, the United States, Turkey, Switzerland and Egypt, followed by China, Brazil and India. The first five destinations together accounted for 58% of total EU finished product exports. During 2022, exports of finished products to China fell (-35%), as well as to Turkey (-16%), the United Kingdom (-13%), Egypt (-7%), Switzerland (-9%) and India (-9%). By contrast, exports to Brazil increased considerably (+50%) and, to a much lower extent, exports to the United States (+6%).

The total EU trade deficit, including semis, amounted to 1.6 million tonnes per month (1,582 kilotonnes), an increase compared to 1.5 million tonnes (1,517 kilotonnes) in 2021. Finished products recorded a deficit of 1 million tonnes (1,020 kilotonnes), further to a deficit of 907 kilotonnes in 2021.

Contrary to 2021, when there was a deficit for flat products and a surplus for long products, in 2022 both flat and long products recorded a trade deficit. In detail, net deficit in flat products decreased from 924 million tonnes per month in 2021 to 862 kilotonnes per month in 2022. Long products, after recording a surplus of 17 kilotonnes per month in 2021, recorded a deficit of 158 kilotonnes per month in 2022.

As regards trade deficit with individual trade partners, the largest trade deficit in finished products in 2022 was recorded with South Korea (239 kilotonnes per month), followed by India (192 kilotonnes), Taiwan (177 kilotonnes), Turkey (154 kilotonnes), Vietnam (127 kilotonnes) and Japan (119 kilotonnes).

The major destination countries for EU finished steel exports with a trade surplus in 2022 remained the United States, the United Kingdom and Switzerland.

Developments in the trade balance of the EU with third countries broadly reflected the ever-increasing competition in the global steel market seen in recent years. This mirrors the adverse combination of many negative factors that remain in place, in particular global overcapacity, which has continued to grow even after the pandemic and despite global supply chain issues and war-related disruptions. This has led to the continuation of a situation of distortion of competitiveness through steel sector subsidisation by national authorities and increasing protectionism.

These conditions were in place already before COVID, but the pandemic has further fuelled tensions, and even more so did disruptions along the global supply chain and the war in Ukraine. This trend is not expected to change in the foreseeable future. On the contrary, bearish projections are expected for global steel consumption in the years ahead, mostly due to widespread uncertainty linked to the ongoing conflict in Ukraine as well as continued uncertainty for the global economic and industrial outlook.

Deliveries of steel (all qualities except stainless steel)

Total deliveries of finished products in 2022 decreased (-9.4%) compared to one year earlier, after the rebound (+9.6%) recorded in 2021. This resulted from drops both in domestic deliveries into the EU market (-8.5%), and in export deliveries to third countries (-16%).

Total steel deliveries (million tonnes)

	2021	2022	% change 22/21
EU 27+Export	129.8	117.6	-9.4%
EU 27	114.2	104.5	-8.5%
Third Out EU 27	15.6	13.1	-16.0%

In 2022, total flat product deliveries dropped (-8.6%) compared to the tonnage delivered in 2021, after the increase (+8.8%) recorded in the previous year. Both EU domestic deliveries and deliveries to export markets outside the EU decreased (-8.1% and -12.5%, respectively).

Total flat product deliveries (million tonnes)

	2021	2022	% change 22/21
EU 27+Export	75.4	68.9	-8.6%
EU 27	65.8	60.5	-8.1%
Third Out EU 27	9.6	8.4	-12.5%

Total long product deliveries fell (-10.5%) in 2022 compared to the previous year, after the rebound (+10.8%) in 2021. This resulted from a drop in EU domestic deliveries (-9.1%) as well as in export deliveries (-21.7%).

Total long product deliveries (million tonnes)

	2021	2022	% change 22/21
EU 27+Export	54.4	48.7	-10.5%
EU 27	48.4	44.0	-9.1%
Third Out EU 27	6.0	4.7	-21.7%

Stainless steel market

In 2022, global production of stainless crude steel amounted to 55.3 million metric tonnes, marking a decrease (-5.2%) compared to 2021.

Following the recovery of demand in 2021 after the slump due to the COVID-19 pandemic in 2020, the year 2022 saw a progressive deterioration of the global macroeconomic environment. The consequences of the war in Ukraine, the energy crisis and high inflation rates had a massive impact on consumption and industrial activity, especially in Europe. Consequently, the stainless steel melting production in the EU experienced a significant decrease (-12.3% year-on-year), plummeting again to the record-low levels of 2020, at around 6.1 million metric tonnes.

In 2022, the market supply of stainless steel finished products in the EU remained similar to 2021. However, real consumption declined due to the high uncertainty following Russia's invasion of Ukraine, which undermined consumer demand. At the same time new record-high import volumes of stainless products, mainly from Asia, contributed to higher-than-average stock levels.

Total deliveries of finished stainless steel products by European producers on the EU market sharply decreased (-9.2% year-on-year), while third countries further increased their exports to the Union market (+29.6%).

	2021 <i>In thousand tonnes</i>	2022 <i>In thousand tonnes</i>	% change 22/21
Total stainless steel market supply	6,211	6,258	+0.8%
Off which EU mills	4,618	4,193	-9.2%
Off which imports	1,593	2,065	+29.6%

In the stainless steel flat product segment, EU apparent consumption slightly increased (+0.8%) in 2022 compared to 2021. However, domestic deliveries by EU producers dropped (-9.5% year-on-year), while imports increased substantially (+34.5%), with cold-rolled flat products imports experiencing a significant boom (+45%).

	2021 <i>In thousand tonnes</i>	2022 <i>In thousand tonnes</i>	% change 22/21
Stainless steel flat products market supply	5,159	5,202	+0.8%
Off which EU mills	3,946	3,570	-9.5%
Off which imports	1,213	1,632	+34.5%

Regarding stainless steel long products, market supply in the EU remained broadly stable compared to the previous year (+0.4% year-on-year). However, a sharp decline was recorded for domestic supplies (-7.3%), while imports from third countries increased significantly, replacing domestic supply (+13.9%).

	2021 <i>In thousand tonnes</i>	2022 <i>In thousand tonnes</i>	% change 22/21
Stainless steel long products market supply	1,052	1,056	+0.4%
Off which EU mills	672	623	-7.3%
Off which imports	380	433	+13.9%

Alloy special steel (other than stainless)

Regarding stainless steel long products, market supply in the EU declined (-3.8% year-on-year) and so did domestic supplies (-13.9%). Conversely, imports from third countries increased in a specular manner (+13.9%).

	2021 <i>In thousand tonnes</i>	2022 <i>In thousand tonnes</i>	% change 22/21
Stainless steel long products market supply	1,052	1,011	-3.8%
Off which EU mills	672	578	-13.9%
Off which imports	380	433	+13.9%



3. Trade and external relations



Karl Tachelet

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Trade actions

EU steel safeguard measures

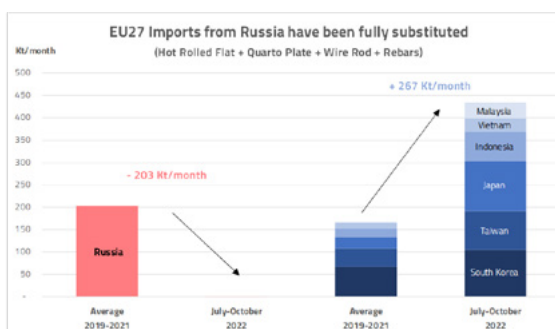
In June 2022, the functional review of the EU steel safeguard measures primarily addressed the consequences of the war in Ukraine on Ukraine’s exports of certain product categories. On that occasion, the European Commission increased the annual liberalisation rate from +3% to +4% and globalised quotas for certain products. At the same time, the Commission concluded that the safeguard measures did not impact the price evolution in the EU as the price increase took place in an overall inflationary context that also affected raw materials and energy. The Commission also found that the very existence of steel sanctions cannot question the validity or necessity of the safeguard measures, and none of the interested parties demonstrated a supply shortage risk.

In December 2022, the European Commission launched another review to determine whether the safeguard measures should be terminated earlier than foreseen on 30 June 2023. EUROFER’s position is that the elements that justified the extension of the measures in 2021 still persist or have even worsened, particularly the increasing overcapacities and exposure to injurious imports. Hence, the measures continue to be necessary to prevent or remedy serious injury, especially when the Union industry is adjusting while facing uniquely challenging conditions of cost-price squeeze and high energy prices.

Russia’s invasion of Ukraine: sanctions and import substitution

Following Russia’s invasion of Ukraine, the EU imposed import prohibitions on finished steel from the Russian Federation and the Republic of Belarus, with full effect as from June 2022. In October 2022, the 8th package of sanctions further strengthened the ban by including semi-finished steel products. This package also introduced a regime sanctioning steel products processed in third countries and incorporating Russian steel. Grace periods and or quota systems are foreseen until October 2024. Firstly, EU imports of finished steel products processed out of finished Russian steel products in a third country will be banned as from 30 September 2023. Secondly, EU imports of finished steel products processed from Russia-origin billets and slabs will be banned as of April and October 2024, respectively.

While historically, Russia accounted for 13% of EU imports of finished steel products, the import ban did not cause shortages of steel products on the EU market. Given the massive global overcapacities, other third countries have promptly increased their exports to the EU.



EU Trade actions

In 2022, expiry review investigations were opened on imports of hot-rolled flat products from China, Russia, Brazil and Iran, as well as on imports of rebars from Belarus. Already existing duties were renewed for another five years on cold-rolled flat products from China and Russia in November 2022. In March 2023, the Commission also proposed to renew the duties on imports of heavy plates from China as a result of the expiry review investigation started in 2021. In February 2023, the Commission opened the expiry review investigation on imports of corrosion-resistant steel from China, which is currently ongoing.

New, final anti-dumping measures were imposed on imports of corrosion-resistant steel from Turkey and Russia in August 2022 and on imports of electrolytic chromium-coated steel from China and Brazil in November 2022. In April 2023, following an anti-circumvention investigation, anti-dumping measures on imports of stainless hot-rolled flat products originating in Indonesia were extended to imports from Turkey with retroactive effect since July 2022.

EUROFER works closely with the European Commission and OLAF to monitor import flows and prevent circumvention of existing duties.

International Trade Diplomacy

Global Agreement on Sustainable Steel

In October 2021, the United States and the EU announced their intention to negotiate a Global Arrangement on Sustainable Steel and Aluminium to address non-market excess capacity and emissions intensity in these two sectors worldwide. By the end of 2022, the U.S. had outlined its concept for the agreement:

- setting out membership criteria related to emissions intensity and non-market excess capacity for an economy to join the arrangement;
- using tariffs to restrict market access for both non-members and higher-emissions steel and aluminium imports of members.

Both trade partners aim at concluding negotiations by October 2023.

Input Materials Dependency

In recent years, export restrictions imposed by third countries and the conflict in Ukraine have highlighted the EU's dependence and vulnerability regarding the supply of both raw materials and energy. In response, in 2022 EUROFER began analysing and monitoring the situation of input materials supply and availability for EU steel producers. The analysis focuses on third market situations and the EU's import dependency with the goal of improving the EU's security of supply and competitive supply conditions. In early 2023, EUROFER established cooperation with the OECD and the EIT (European Institute of Innovation and Technologies) RawMaterials to further this effort.

4. Environment



Danny Croon

Director, Environment and research
Overall leadership on environmental policy

Circular economy



Nicholas Avery

Senior Advisor
Life-cycle assessment

Lubor Kalafus

Manager
Circular economy

Overview

The European Commission has launched a number of initiatives under the Circular Economy Action Plan, aiming to make sustainable products the norm in the EU, enhance the circularity of materials and reduce waste. The EUROFER secretariat is closely monitoring these initiatives and actively participating to safeguard the competitiveness of the steel industry, while promoting the circular properties of steel. Meeting high environmental, health, safety and social standards is essential for making products even more sustainable.

Waste Framework Directive

The Commission launched an open public consultation to collect additional evidence for a targeted revision of the Waste Framework Directive (WFD), focused on limiting waste generation. EUROFER's contribution was mainly on packaging waste. In the call for evidence reply, the European steel sector clarified essential aspects of waste management for the efficient recycling of valuable materials, while highlighting the need for harmonised and coherent waste legislation, including on by-products and relevant chemicals.

The European Commission is expected to finalise its impact assessment based on previous consultations in the first quarter of 2023. The Commission proposal for a revised WFD is expected to be published on 7 June 2023.

Waste Shipment Regulation

Following the release of the Waste Shipment Regulation proposal (WSR), the European Commission solicited feedback from stakeholders. EUROFER provided its reply and published its position paper, with the aim of securing an adequate supply of secondary raw materials for the steel sector in the future as well as preventing exports of EU waste challenges to third countries.

EUROFER focused its work on the following areas:

1. OECD and non-OECD countries: establishing a level playing field for both;
2. Audits: providing more effective, reliable and transparent procedures for checking adequate and well-defined environmental sound management criteria;
3. Anti-circumvention provisions: making full use of the objectives of the Regulation;
4. Sanctions and inspections: tackling illegal waste shipment;

5. Transition and implementation: setting up necessary time frames and ensuring effectiveness;
6. Intra-EU shipment: easing procedures and supporting R&D within the EU.

The goal is to protect environmental, health and social standards in the destination countries of waste shipments. The European Parliament adopted several amendments in line with EUROFER's position, while the Council is expected to adopt its position in the coming months. The negotiations between co-legislators with the related final legislative act are expected in the second half of 2023.

In this regard, EUROFER fostered collaboration and raised awareness among stakeholders about the need for effective legislation to address waste shipment challenges, including through joint statements and meetings with like-minded organisations.

End-of-Life Vehicles Directive

The European Commission officially confirmed that the revision of the ELV Directive and the 3R Type-Approval Directive will be presented under a single legislative initiative.

EUROFER had several meetings with the Commission representatives on specific topics such as circularity, recycling and decarbonisation in order to provide additionally requested information for the impact assessment.

The Commission proposal for a revised End-of-Life Vehicles & 3R Type-Approval Directive is expected in the first semester of 2023.

EU product policy

At the end of March 2022, the European Commission released its proposal on Eco-design for Sustainable Products Regulation (ESPR) as part of the Circular Economy Action Plan legislation package. The ENVI Committee is responsible for the ESPR dossier with IMCO and ITRE committees for an opinion.

EUROFER drafted a position paper and focused its work on the following areas:

1. Digital product passport: providing necessary sustainability information using relevant means, while protecting trade secrets and intellectual properties;
2. Alignment/coherence with current valid legislation: utilising already available information and avoiding possible double regulation or over-regulation;
3. Relevant performance requirements within eco-design: ensuring promotion of the most significant and relevant properties and avoiding excessive administrative burden;
4. Substances of concern (SoC): promoting risk-based assessment for SoC and avoiding unnecessary restrictions in usage of SoC while they are not hampering products safe use and recycling;
5. Recyclability and by-products: promoting requirements and benefits connected to quality and utilisation of resources positively affecting the environment;
6. Green public procurement: promoting unique properties of steel as a material and the decarbonisation efforts of the steel industry.

In this regard, EUROFER carefully observes the utilisation of PEF (Product Environmental Method based on LCA approach), the implementation of social criteria and the possibility of self-regulation measures with efficient enforcement. EUROFER is also currently assessing the recently published amendments to the ESPR proposal tabled by ENVI, IMCO and ITRE committees.

On 22 March 2023, the European Commission also released the Substantiation of Green Claims Directive proposal.

Green Steel(*)

The debate about defining 'what is green steel?' has intensified over the past year, as several organisations have published their own proposals, each with the shared vision of having a common assessment method. Whilst many initiatives have similarities, there are still ongoing discussions about the different purposes of a definition on green steel i.e.:

1. How will a definition recognise decarbonisation efforts of steel producers and the extent to which they are transitioning towards a goal of near-zero CO₂ emissions by 2050.
2. How will a definition recognise the absolute CO₂ emissions of steel products, and being able to differentiate products in the market on the basis of their carbon footprint.

These two purposes can result in the use of different approaches for defining performance thresholds, and the scope of processes that are included. One key aspect is the role of steel scrap, which is used as a low-CO₂ input material in differing amounts in steelmaking technologies and products, but has limited availability.

Besides the discussion on approaches for measuring CO₂ emissions and developing performance thresholds against which to benchmark producers, there are also ongoing discussions on how a definition might support the concept of lead markets. Such 'lead markets' would increase the demand for low-carbon steel as well as the willingness to pay for steel that will surely be more costly to produce. Many European producers face the prospect of massively invest in low-CO₂ steelmaking technologies as well as having higher OPEX production costs due to the demand for large quantities of fossil-free electricity and hydrogen, and scrap. These higher input costs will come at a time of intense competition from imports. Therefore, it is imperative that the transition can occur on a level playing field as regards decarbonisation. The policies around sustainable products, green claims, CBAM and trade will therefore be critical in support of the green transition.

The EUROFER secretariat worked on the definition of 'green steel' in 2022 and will continue to do so in 2023 in order to settle on a sound and future-proof definition. The project entails technological, environmental and circularity factors, involving different EUROFER departments.

(*) EUROFER Staff: Jean-Theo Ghenda, Nicholas Avery, Hans Regtuit, Danny Croon and Lubor Kalafus



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Stainless steel, health and environment

Chemicals Strategy for Sustainability (CSS)

It has been three years since the European Commission published the Chemicals Strategy for Sustainability (CSS) with the objective of creating a toxic-free environment and facilitating the transition towards green and digital technologies.

In this context, EUROFER is working alongside other leading associations, such as Eurometaux, the REACH Alliance and the Nickel Institute to address critical concerns, notably the Essential Use Concept (EUC). EUROFER and the Nickel Institute have successfully established the Alliance for Sustainable Management of Chemical Risk (ASMoR) to promote a targeted application of the EUC and limit its scope of applicability. Furthermore, ASMoR is actively advocating for the Reform of the Risk Management proposed by the Commission whilst also addressing the hazard-based approach in the EU regulatory framework.

Over the past few years, ASMoR members have made significant efforts to persuade regulators about the need for:

- a thorough assessment of the EUC and its more targeted use to avoid regrettable substitutions that may occur when using the alternative broad application of generic restrictions;
- caution concerning the possible premature development of complex concepts in the Taxonomy and Green Claims.

The EUC is part of the CSS Action Plan, together with the proposal to revise the REACH Authorisation and Restriction processes. To safeguard steel from unintended consequences, the EUROFER secretariat is actively engaging in discussions with ASMoR and other industry associations, and in meetings with DG ENV, DG GROW and the Commission Secretariat-General. As a result of these efforts, the Commission has acknowledged exemptions for safe uses. EUROFER's next aim is to have the exemption for safe use included in the Commission proposal of the REACH revision.

Metals Environmental Exposure Data (MEED)

In January 2022, Eurometaux launched the Metals Environmental Exposure Data (MEED) programme to collect comprehensive environmental exposure data for metals. The initiative was designed to address the need to demonstrate "no harm" under the Zero Pollution Action Plan (ZPAP)/Zero Pollution Ambition, as well as to respond to the regulatory challenges posed by the mixture toxicity assessment (MAF).

This three-year integrated programme was designed in close cooperation with consortia, commodities, associations and companies. EUROFER has joined forces with the Iron Platform and Boron Consortia. The list of metals covered by sponsors is highly representative, including Aluminium, Arsenic, Boron, Cadmium, Cobalt, Copper, Copper Compounds, Germanium, Gold, Indium, Iron, Lead, Molybdenum, Nickel, PGMs, Rhenium, Selenium, Silver, Tellurium, Titanium Dioxide, Tungsten, Vanadium, and Zinc.

The MEED programme consists of six projects in total. At the beginning of the year, the project structure was established, and subsequently, six workshops for sponsors were organised.

Each project commences with an extensive literature search, and within a year of work, significant milestones have already been achieved:

1. Identifying which metals matter the most;
2. Reviewing existing knowledge on the regional background for metals, as well as their interaction with each other and with organics;
3. Beginning to design the test phase for mixture interaction.

All deliverables are expected to be finalised by the end of 2024.

Lead (Pb)

In June 2018, lead was included into the ECHA Candidate List as Toxic for reproduction (Art. 57(c)). Since then, there has been an ongoing discussion about whether lead should be included in Annex XIV substances, subject to authorisation.

It should be noted that lead plays a crucial role in metals recycling in Europe and is also used as an alloying element. In February 2022, lead was added to the 11th ECHA recommendation, and a public consultation was launched. This proposal was the first to include a metal in metallic form. On 14 December 2022, the ECHA Member State Committee reviewed the analysis ECHA had prepared in response to comments received during the public consultation.

Subsequently, the Commission released the 21st Adaptation to Technical Progress draft proposal for discussion and review by the competent authorities for Reach and CLP (CARACAL) by the end of March 2023. The draft proposes a separate entry for the classification of the massive form of lead, but the classification appears to be excessively strict. An advocacy campaign is under way.

Classification, Labelling and Packaging (CLP)

The ongoing revision of the Classification, Labelling and Packaging (CLP) Regulation, which is running in parallel with the revision of REACH, presents an opportunity for the steel sector to transition towards a modern and more sustainable EU regulatory system. This system should be further based on non-animal testing and recognize the specific properties and assessment techniques for metals, as well as allow for the classification of complex inorganic materials such as ores and concentrates, complex intermediates, alloys and UVCBs.

One of the major changes introduced in the revision is the inclusion of new hazard classes for endocrine disruptors (ED), PBT/vPvB and PMT/vPvM substances via delegated acts. However, EUROFER believes that hazard classes are the core element of the CLP Regulation (the 'C'), as per Art. 290 TFEU. As such, major changes to the classification rules make delegated acts an unsuitable tool for introducing new hazard classes in the CLP.

Restriction of Hazardous Substances Directive (RoHS)

In 2020, EUROFER requested an extension of the existing exemption in Annex III of the Restriction of Hazardous Substances Directive (RoHS) concerning 'Exemption 6(a)/6(a)-I' for alloying element in steel for machining purposes containing up to 0.35% lead by weight and in batch hot-dip galvanised steel components containing up to 0.2% lead by weight. The dossier evaluation, carried out by the Oeko Institute – the consultant appointed by the European Commission – concluded in January 2022 and proposed to split the exemption 6(a)-I into separate categories for machining steels and batch galvanized steels.

The EUROFER secretariat has set up a Technical Working Group 6a/6al to focus on this topic. The draft delegated legislation is expected to be available in the second quarter of 2023 for a commenting period of four weeks before its official publication.



Water

Zero Pollution Action Plan

The EU Action Plan 'Towards Zero Pollution for Air, Water and Soil' aims at reducing pollution to levels that are no longer harmful to health and natural ecosystems by 2050. In this framework, relevant EU legislation such as the Water Framework Directive (WFD), the Environmental Quality Standards Directive (EQSD) and the Groundwater Directive (GWD), are being revised. On 26 October 2022, a zero-pollution legislative package was tabled, including the revision of the lists of surface and groundwater pollutants under EU water legislation, and the directive on urban wastewater treatment, for which a public consultation was opened.

However, the package highlights implementation deficiencies and suggests replacing the independent Scientific Committee on Health, Environmental and Emerging Risks (SCHEER) with the European Chemicals Agency (ECHA) in providing scientific opinions on draft environmental quality standards for priority substances under the Water Framework Directive. To address these issues, the EUROFER secretariat is actively participating in the Eurometaux JAM, Water and Advocacy Task Forces, with the aim of improving the EU Council and Parliament proposals, as well as all the technical and legislative work associated with this context.

Additionally, the Commission is assessing the application of the 'Polluter Pays Principle' as part of the zero-pollution action plan, with a public consultation in the first quarter of this year.

Environmental Quality Standards (EQS)

Iron

EUROFER has been actively involved in a study aimed at developing Multiple Linear Regression Models for Predicting Iron and Aluminium Toxicity to Freshwater Aquatic Life.

The goal is to develop a reliable model acceptable to by European authorities demonstrating iron's limited toxicity due to its low bio-availability, thus requiring less stringent Environmental Quality Standards (EQS). This is a proactive initiative of the steel industry. The project will be completed with the publication of the study. To this end, ARCHE Consulting is evaluating whether and how to use the study results for future updates of the REACH dossier and/or MEED programme.

Nickel

The Joint Research Centre (JRC) has finalised the prioritisation process for the EQS dossier. However, the Nickel Institute and EUROFER are concerned about the revised EQS values for nickel, as the JRC did not consider all the new ecotoxicity data and advances in bioavailability modelling since 2013. They raised this issue by responding to the public consultation on the revised lists of surface and groundwater pollutants under the Integrated Water Management in mid-March.



Best Available Techniques (BATs) Reference Documents (BREFs)

After seven years of intensive work, the review of the BREF for the Ferrous Metal Processing (FMP) industry was finalised in 2022. A description of the technique ‘use of electricity generated from fossil-free energy sources’ in heating processes, including useful indications on the applicability of the technique, was developed at a late stage of the process. Following the green light of Member States in the IED Article 75 Committee, the FMP BREF BAT conclusions were published in the EU Official Journal on 4 November 2022, marking the beginning of the four-year implementation period, after which FMP installations will have to comply with the BAT conclusions. The entire BREF document was subsequently published on 12 December 2022. In early 2023, EUROFER made available a continuously updated guidance document to assist operators throughout the implementation process.

During 2022, EUROFER extensively examined the review of the surface treatment of metals (STM) and the drafting of the large volume inorganic chemicals (LVIC) BREFs, advancing through several critical steps, including the expression of Technical Working Group (TWG) members’ initial positions as well as kick-off meetings. These stages showed the early impact of the ongoing revision of the Industrial Emissions Directive (IED). In relation to the STM BREF, the European IPPC Bureau (EIPPCB) aims at tightening the regulation of process chemical consumption and encourage substitution through the IED/BREFs. With regards to the LVIC BREF, the EIPPCB seeks to provide more systematic descriptions of emerging techniques and breakthrough innovations, in particularly those related to hydrogen production, as well as industrial symbiosis strategies adopted by operators. EUROFER is actively cooperating with the EIPPCB and TWG members whilst ensuring the boundaries of the current IED are not crossed.

Industrial Emissions Directive (IED) revision

On 4 April 2022, the European Commission released its proposal for the revision of the Industrial Emissions Directive (IED). To operate, steel companies require permits, which should be promptly and efficiently delivered. Therefore, the revised IED must ensure both legal certainty and technological neutrality to support and accelerate the green transition of steel making in Europe.

EUROFER key messages and requests include:

- a) Safeguarding the integrated approach;
- b) Ensuring that BAT-AEPLs (raw material, water and energy) remain non-binding;
- c) Acknowledging that IED 2.0 supports decarbonisation but needs specific provisions for sectors such as steel under deep transformation;
- d) Accompanying the transformation without overloading or micromanaging;
- e) Maintaining Transformation Plans as indicative;
- f) Providing legal certainty to operators;
- g) Protecting sensitive data;
- h) Excluding sectors of lower environmental relevance;
- i) Apply the principle of proportionality in general.

The ENVI Committee is leading the revision of the IED in the European Parliament, with around 1,800 amendments tabled. The ITRE Committee has produced approximately 300 amendments. EUROFER, after a thorough analysis, has engaged in further advocacy. A plenary vote is expected in May or June 2023. In February 2023, EUROFER released a position paper on the revision of the IED, and organised a well-attended workshop for EU and national policymakers at expert level.

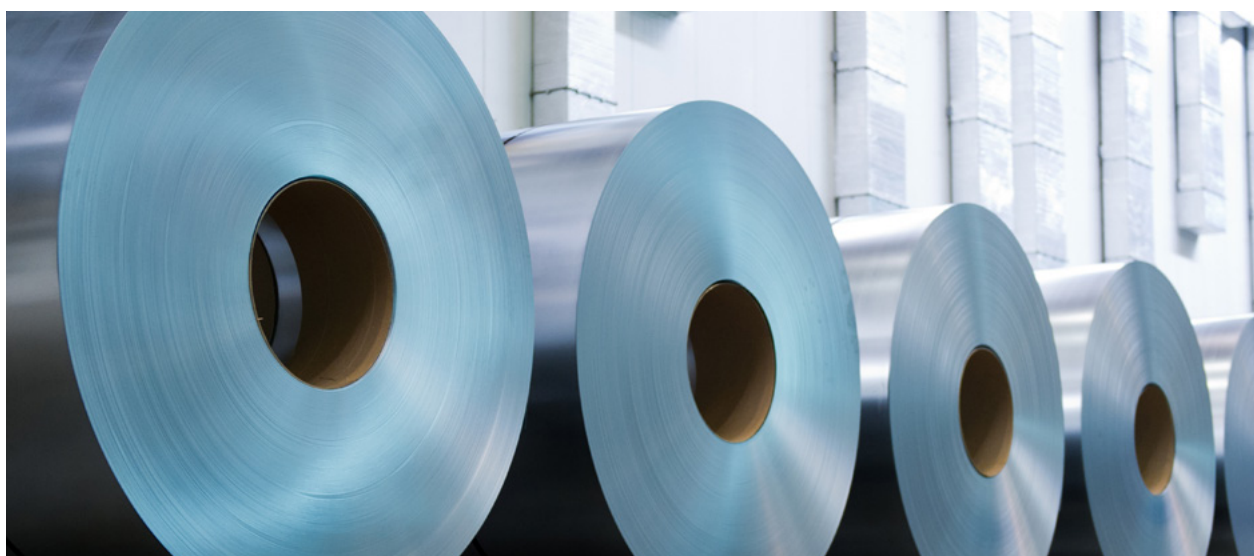
The Environment Council adopted its general approach on 16 March 2023, which was preceded by intensive advocacy activity by EUROFER. However, the Council's text shows little progress on the key issues for the steel sector. Notably, it does not foresee any provisions for sectors undergoing deep industrial transformation and, despite the lack of a clear favourable relationship between social benefits and economic costs, there is only limited improvement in the scope for the processing of ferrous metals. A first reading agreement is expected among the EU institutions, leading to the final adoption of the revised IED in the second half of 2023.

Repeal of the E-PRTR Regulation and establishment of an Industrial Emissions Portal (IEP)

On 5 April 2022, the European Commission published a proposal for an Industrial Emissions Portal (IEP) Regulation, which will repeal and replace the existing E-PRTR Regulation. The proposed provisions include more frequent updates of the list of pollutants subject to reporting requirements via delegated acts, reporting of additional parameters such as consumptions of energy, water, materials, and more granular reporting.

At the same time, co-legislators are considering to allow the public to assess compliance and benchmark the installations' performance via the IEP. However, this replicates the work already carried out by competent authorities and technical experts in the BREF process in Seville.

Throughout 2022, EUROFER also advocated to safeguard the original objective of a Pollutant Release and Transfer Register (PRTR), which is to provide clear, simple and comparable information to the public. A final agreement between co-legislators is expected towards the end of 2023, making it a decisive year for this dossier.



Air policy review

The first half of 2022 saw the finalisation of the impact assessment activities related to the revision of the ambient air quality rules. This led to the publication of a revised Ambient Air Quality Directive on 26 October 2022, which merges the last directives still in force (2004/107/EC and 2008/50/EC) as part of a broader package of measures, the so-called 'Zero Pollution Package'. The new rules align ambient air quality standards more closely with the WHO guidelines, which were updated in September 2021, and strengthens rules on monitoring, modelling and air quality plans.

The steel industry has significantly reduced its emissions in the past decades, giving a substantial contribution to air quality improvement. While the necessity of strengthening emissions standards is undisputedly acknowledged, meaningful progress can only happen if provisions are proportional and equitably distributed among all parties responsible for air pollution. Additionally, it would not be reasonable to require further investments in infrastructure that will become soon obsolete due to the green transition which is underway. EUROFER will continue to promote these messages throughout 2023.



Nicholas Avery

Senior Advisor

Life-cycle assessment

Product related environmental issues

Several new and revised product policies under discussion during 2022 are now fully embracing life-cycle thinking through the use of life cycle assessment (LCA). EUROFER will continue to support the methodological developments as focus now shifts towards implementation.

Vehicle CO₂ emissions

In 2022, co-legislators agreed to amend Regulation (EU) 2019/631 to strengthen the CO₂ emission performance standards for new passenger cars and light commercial vehicles, in line with the Union's increased climate ambition for 2030.

Given that passenger cars will now have zero tailpipe emissions by 2035, it was positive to see the text on lifecycle emissions strengthened after years of joint advocacy with WorldAutoSteel. By 31st December 2025, the Commission will supplement the regulation with a delegated act that will lay down a common Union methodology for the assessment and consistent data reporting of the full life-cycle CO₂ emissions. Vehicle manufacturers would then be able to report emissions on a voluntary basis.

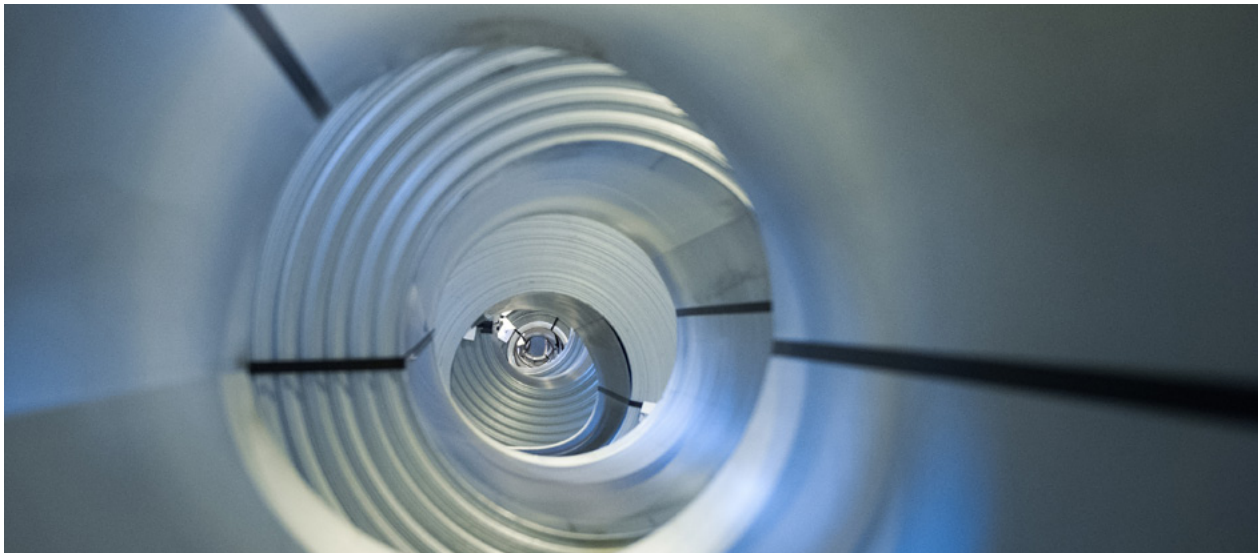
This significant step forward will help manufacturers design vehicles that are not only clean during the use phase, but also over the entire life cycle. The automotive sector could be one of the first lead markets to incentivise demand for low-CO₂ steel products. In turn, this can help steel producers gain confidence in making low-CO₂ steelmaking investments, as well as reducing emissions in the automotive supply chain.

Sustainability in construction

EUROFER continues to be active in the sustainable construction standardisation work of TC 350, especially on draft standards for building assessment, as well as the development of complimentary Product Category Rules (cPCR) for Environmental Product Declarations (EPD), including for steel and aluminium structures through TC 135.

EUROFER, along with Metals for Buildings, continues to advocate for better integration of end-of-life recycling aspects (so-called Module D), and closer alignment of voluntary European Committee for Standardisation (CEN) standards with PEF. This alignment will ensure a consistent approach in product regulations that supports circular economy practices, including design for reuse and recycling, high-quality recycling and waste reduction.

EUROFER has also responded to the Commission proposal for a revision of Construction Products Regulation (CPR). In line with the proposal for a regulation on Eco-design for Sustainable Products, the CPR will integrate environmental sustainability requirements on construction products, either via standardisation request or through delegated acts. This positive step will help steel differentiate itself on environmental sustainability grounds. The Commission-led CPR Acquis process is already underway for structural metallic products and reinforcing steel to define requirements in future standardisation requests. A horizontal sub-group is also looking into the life-cycle assessment requirements, using the EPD standard EN 15804 as a basis. The CPR Acquis process takes place in parallel to the CPR co-decision procedure and will have to accommodate to any eventual changes to the legislation.



5. Research and innovation



Danny Croon
Director
Environment and research

Implementation of the Research Fund for Coal and Steel (RFCS)

As outlined in the 2022 Annual Report, the activities for implementing the Research Fund for Coal and Steel (RFCS) have been transferred from the Commission Unit Low Emission Future Industries (DG RTD C3) to the European Research Executive Agency (REA) Unit B1 (Future Low Emission Industries). This has led to a significant increase in the activity of the EUROFER Refocus Working Group, enabling timely anticipation of the different forms of Steel Advisory Group (SAG) meetings organised by REA B1. In December 2022, Directorate B of REA received a document subscribed by 13 SAG members (all members of the EUROFER Refocus WG), which contained advice gathered over 2022 on different areas of the programme management. These areas include the SAG, the ranking list, the Steel Technical Groups (TGAs), the recommendations in the observers report for 2022 and on the evaluation process.

In particular, the SAG has repeatedly requested a ranking list to assess interest and success rates in TGA areas. Furthermore, according to the legal basis of the RFCS programme, any changes made to the workings of the TGAs should be consulted with the SAG. The essential character of the TGAs is to provide technical input and advice on running projects from the best technical experts in the field, which REA B1 should emphasise. It is also crucial to ensure transparency so that the TGA members know who the Project Monitor for a project is and/or which Project Officers are responsible for which projects within the TGA.

REA recently issued a call for applications for Coal & Steel Technical Groups members, who will be served from 2023 to 2028. EUROFER requested to send the SAG the first assessment of the applications for TGA membership as soon as possible in 2023 for an open discussion meeting focusing on the size, balance of competences and organisation of the TGAs. When selecting TGA experts, EUROFER recommends managing conflicts of interest in a practical way, as agreed in the January 2022 SAG meeting, to ensure that the monitoring process includes extensive knowledge of the steel sector. Since TGA experts are bound by professional secrecy, this should not be an issue. It is also suggested to integrate the monitoring system for the Clean Steel Partnership into the TGA's operations.

EUROFER recommends against allocating separate budgets to Research and Pilot & Demonstration (PDP) projects, as the number of PDP projects may vary from year to year, making a rigid budget impractical. Instead, this situation requires budgets to be flexible and subject to adjustment according to needs. At the same time, EUROFER shares REA's view that each submission is evaluated independently, without any reference to past history. However, it is crucial to appoint experts who possess relevant technical expertise related to the proposals being evaluated.

The co-programmed European Partnership on Clean Steel (EU CSP)

The Clean Steel Partnership, led by ESTEP with the support of EUROFER from the private sector, has been established with two funding sources, one from Horizon Europe (HEU, Cluster 4) and another from the RFCS. Public funding of €700 million in total is expected to be raised over seven years, with €50 million per year from each financing programme, and complemented with funding from the private sector and in-kind contributions from the industry.

The CSP HEU 2022 featured two calls addressing the following Clean Steel topics:

- Raw material preparation for clean steel production;
- Modular and hybrid heating technologies in steel production.

A total of five projects with an overall budget of €26.5 million were selected for funding, of which the EU contributed €20.3 million.

The CSP HEU 2023/2024 work programme includes four CSP topics with six areas of technological interest, allocated an overall budget of €65 million:

For 2023:

- Low carbon-dioxide emission technologies for melting iron-bearing feed materials **or** smart carbon usage and improved energy and resource efficiency via process integration (indicative budget: €23 million; EU contribution per project: €4 million to €6 million; innovative action: 60% funding; technology readiness level: start at 5 and achieve 6 to 7);
- Circular economy solutions for the valorisation of low-quality scrap streams, materials recirculation with high recycling rate and residue valorisation for long term goal towards zero waste (indicative budget: €12 million; EU contribution per project: €3 to €6 million; research and innovative action; technology readiness level: start at 4 and achieve 5 to 6).

For 2024:

- CO₂-neutral steel production with hydrogen, secondary carbon carriers and electricity **or** innovative steel applications for low CO₂ emissions (indicative budget: €20 million; EU contribution per project: €3 million to €5 million; research and innovative action; technology readiness level: start at 4 and achieve 5 to 6);
- Digital transformation and ensuring a better use of industrial data, which can optimise steel supply chains (indicative budget: €10 million; EU contribution per project: €3 million to €5 million/lump sums; innovative action; technology readiness level: start at 5 and achieve 6 to 7).

The proposal submission deadline is 20 April 2023. These topics complement the large CSP call funded by RFCS in 2022, which combined the funding envelopes of both 2021 and 2022 for a total of €104 million. The RFCS CSP call 2022 was a single call with the following four objectives:

- preparation of steel CO/CO₂ gases for carbon capture, use and storage;
- process integration in steel plants to reduce the use of fossil carbon and associated CO₂ emissions;
- CO₂-neutral iron ore reduction;
- developing technologies to reduce the specific energy required to produce steel.

Nine proposals were submitted, but only four passed the evaluation for a cumulative recommended funding of only €25.4 million. As €79 million remained unused from the 2022 budget, the overall available CSP RFCS funding for 2023 includes this year's annual budget earmarked at €52 million plus the leftover from last year, totalling €131 million.

It would be appropriate to increase the EU funding contribution per project to €5 million – €11 million, and exceptionally up to €25 million. Activities are expected to start at TRL 4-6 and achieve TRL 7-8 by the end of the project. The CSP RFCS 2023 call was opened in February, with a deadline of 4 May. The concept of having one single RFCS call with a larger amount of funding available is still being applied. In the 2022 CSP RFCS call, four call objectives were addressed, while in 2023 circular economy is added as a fifth one.

On 30 January, REA B1 organised the "RFCS Infodays Big Tickets Call 2023", which included presentations on application preparation and RFCS evaluation. Proposals will be evaluated between May and July, and information on the evaluation results will be available in September – October 2023. The grant agreement signature is scheduled for October – December 2023.

An analysis of the call topics and current CSP projects shows that the budget distribution aligns with the estimate of the CSP strategic research innovation agenda. As of November 2022, CSP has 14 projects in total. CSP is well-established and fully recognised among the 49 EU partnerships, as well as within Horizon Europe. Additionally, there are plans to increase the political visibility of the RFCS programme in the coming months.



6. Technologies



Jean-Theo Ghenda

Director

Technologies

Innovation Fund (IF)

Call for proposal for large-scale projects

The Innovation Fund (IF) is open to both large-scale projects (total capital expenditure above €7.5 million) and small-scale projects (total capital expenditure below €7.5 million). Regular calls for proposals are planned until 2030.

After the first call in 2020, the [second call for large-scale projects](#) opened on 26 October 2021 and closed on 3 March 2022, with an increased budget of €1.5 billion¹. The European Commission received 139 applications, representing €12.1 billion of funding requests for projects with the potential of reducing CO₂ emissions by 721 million tonnes across all eligible categories: renewable energy, energy-intensive industries, energy storage, and carbon capture and storage (CCS). Applicants were informed about the results of the evaluation on 11 July 2022.

Overall, 17 projects were selected for grant agreement preparation², for a total funding of more than €1.8 billion, destined to help bring breakthrough technologies to the market in energy-intensive industries. They were split among the following sectors: four projects for cement, three projects for chemicals, three projects for hydrogen, two projects for refineries, one project for renewable energy, one project for carbon capture and storage infrastructure, and three projects for manufacturing of key components for energy storage and renewables. Together, the selected projects have the potential to save the equivalent of 136 million tonnes of CO₂ emissions over their first decade of operation.

In addition, project development assistance (PDA) by the European Investment Bank has been offered to rejected proposals which met minimum requirements and have the strongest potential to improve their maturity (20 projects).

Despite the extensive efforts put into preparing the applications, none of the projects submitted by the steel industry were selected for grant awards. EUROFER has expressed its concern to the Innovation Fund, emphasizing the need for more positive outcome in future calls, as funding supports are crucial for the development of innovative technologies in the steel sector.

The [third call for large-scale projects](#) was launched on 3 November 2022 and closed on 16 March 2023. The Innovation Fund plays a crucial role in the framework of the REPowerEU Plan, which sets the contribution of the Innovation Fund as key to further support the EU's independence from Russian fossil fuels and accelerate Europe's green transition. With a budget doubled to €3 billion thanks to increased revenues from the auctioning of [EU Emissions Trading System \(ETS\)](#) allowances, this third call counts four categories, three of which are part of REPowerEU:

- Innovative electrification in industry and hydrogen (budget: €1 billion);
- Clean tech manufacturing, supporting manufacturing of components and final equipment such as electrolyzers and fuel cells, innovative renewable equipment, energy storage, or heat pumps (budget: €700 million);
- Mid-sized pilot projects for validating, testing and optimising highly innovative solutions (budget: €300 million);
- General decarbonisation, which is available to all projects eligible for the Innovation Fund except those which fall under dedicated RePowerEU topics (budget: €1 billion).

Applicants will be informed about the results of the evaluation in the second quarter of 2023, while the grant award of the selected projects and project development assistance will take place in the fourth quarter of 2023.

Call for proposal for small-scale projects

The **second call for small-scale projects** was launched on 31 March 2022 with a budget of €100 million and closed on 31 August 2022³. Applicants were informed about the results of the evaluation in December 2022. Out of the 66 eligible applications (with an overall funding request of three times more than the available call budget), 17 small-scale projects⁴ were selected for grant agreement preparation. They cover a wide variety of sectors, from glass manufacturing to green hydrogen production and wind energy. The total grants allocated amount to €62 million and are expected to be signed in the second quarter of 2023. Project development assistance will also take place in the second quarter of 2023.

The **third call for small-scale projects** was launched on 30 March 2023 with a budget of €100 million, and will run until 19 September 2023. Applicants will be informed about the results of the evaluation in the first quarter of 2024, while the award of grant and project development assistance will take place in the second quarter of 2024. The text and application process are largely similar to those of the first call. An online Information-day event took place on 20 April 2023 and a workshop to prepare the applications will be held on 4 July 2023.

Competitive bidding: A new tool for funding innovative low-carbon technologies under the Innovation Fund

The European Commission is developing a new way to support projects, called competitive bidding or auctioning⁵, in addition to the Innovation Fund's current grants programme for supporting low-carbon technologies. The implementation of competitive bidding is meant to be a novel financial instrument at EU level with major advantages. In line with the Innovation Fund's objectives, it will support innovative low-carbon technologies, whose market penetration is held back by the lower costs of incumbent fossil-based technologies and high-risk perception of financial markets. The scheme will seek cost-efficiency in awarding the support and thus minimise the costs to the public and maximise the leverage of private capital.

Competitive bidding is set to broaden the Innovation Fund's range of support mechanisms, besides grants, project development assistance and blending with other financial instruments, and so accelerate the deployment of technologies crucial to the green transition. The Commission expects that competitive bidding will prove to be an effective funding instrument for low-carbon technologies within the Innovation Fund, based on its track record of successfully fostering the uptake of renewable energy in Member States. The REPowerEU Plan highlights competitive bidding as support for hydrogen production and uptake in the EU industry. The Commission is currently considering the following types of support to be awarded by competitive bidding to hydrogen producers or purchasers: Contract for Difference, Carbon Contract for Difference or Fixed Premium Contract⁶.

Background

The IF was set up under the EU ETS. Up to €450 million of ETS allowances will be used for the IF funding scheme. However, the IF overall budget for the period 2020–2030 will depend on the ETS price, which is determined by the market. As participation in the IF is open to a vast number of sectors (renewables, energy-intensive industries, CCUS, etc.), competition for funding is very high.

The IF will finance first-of-a-kind projects at industrial scale (TRL 9) with an innovative component. The European Commission will first calculate the so-called ‘financing gap’ and provide funding – mainly via non-repayable grants – of up to 60% of this gap (capital expenditure and operational expenditure) in different tranches. The time limit for the financing of a single project under IF is ten years. Detailed information is available in the [EC Delegated Act on the Operation of the IF](#).

The financing gap is calculated based on the overall cost of a project (including capital expenditure and operational expenditure), minus the cost of conventional technology (in the case of blast furnace/basic oxygen furnace, this could amount to the cost of retrofit). The Commission and Member States intend to provide funding exclusively to financially sustainable projects. Member States may also contribute further via national resources to cover the remaining financing gap.



¹ The Innovation Fund's second call for large-scale projects follows the first call for large-scale projects which was launched in July 2020 and a provided grant award of €1.14 billion to 7 large-scale projects in November 2021

² https://ec.europa.eu/commission/presscorner/detail/en/ip_22_4402

³ The Innovation Fund's second call for small-scale projects follows the first call for small-scale projects which was launched in December 2020 and a provided grant award to 30 small-scale projects in December 2021

⁴ https://climate.ec.europa.eu/eu-action/funding-climate-action/innovation-fund/innovation-fund-projects_en

⁵ The proposal to set up a competitive bidding instrument is part of the wider proposal to revise the ETS directive, one of the 'Fit for 55' proposals presented by the Commission in July 2021 to make EU climate, energy, land use, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

⁶ https://climate.ec.europa.eu/eu-action/funding-climate-action/innovation-fund/competitive-bidding_en

7. Climate and energy



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Energy crisis and 'Fit for 55' package

The last year of climate and energy legislation was characterised on one side by the emergency measures taken by EU authorities to address the energy crisis that followed the Russian invasion of Ukraine, and on the other side by the negotiations on the 'Fit for 55' package. Europe registered unprecedented energy prices up to almost ten times above pre-war levels, leading EU institutions to adopt extraordinary measures to shield EU consumers on several occasions. In December 2022, co-legislators finalised negotiations on the core building blocks of the 'Fit for 55' package, notably the EU Emissions Trading System (EU ETS) and the Carbon Border Adjustment Mechanism (CBAM). At the same time, negotiations continued on revamping the key legislative pillars of the EU Energy Policy Framework.

EU Emissions Trading System (EU ETS) post-2020

Eighteen months after the launch of the Commission proposal, EU institutions reached a final agreement on the revision of the EU ETS. The revised ETS Directive sets the rules of the carbon market until 2030, which constitutes a critical period for the uptake of low carbon technologies in the steel sector. It includes the framework for industry, electricity, shipping and aviation, as well as the newly established carbon market for buildings and transport. These sectors collectively have to reduce their emissions by 62% by 2030 compared to 2005.

Provisions on free allocation proposed by the Commission were amended by co-legislators to have a smoother transition to the application of the CBAM in the first years and to better reflect the gradual transition to low-carbon technologies. The final text avoids reducing free allocation to the steel sector abruptly by existing installations using alternative technologies. Unfortunately, the final text does not include a concrete solution for the competitiveness of EU exports subject to the CBAM, but the Commission will have to reassess this issue in the future.

Furthermore, the conditionality requirements to receive free allocation were strengthened. Criteria based on energy audits and management systems will apply to all installations, while worst 20% installations will be required to submit climate neutrality plans. Finally, the provisions on the Market Stability Reserve proposed by the Commission were left unchanged by co-legislators.

EUROFER commented on the agreement with the [press statement](#) "ETS revision sets stronger incentives for clean technologies uptake, but €45 bn EU steel exports are still at risk".

Carbon Border Adjustment Mechanism (CBAM)

Shortly before the agreement on the EU ETS, in December 2022 co-legislators finalised negotiations also on the Carbon Border Adjustment Mechanism (CBAM). The policy instrument proposed by the Commission was left unchanged, notably the extension of the EU ETS surrendering obligation to importers through CBAM import certificates. The transitional period of data collection was slightly amended from October 2023 until December 2025.

The product coverage proposed by the Commission (i.e., steel, aluminium, fertilisers, cement and electricity) was extended to several upstream materials of steel such as alloys of manganese, chromium and nickel, sinter/pellets, hydrogen, and a few downstream sectors like screws, bolts and forged products.

Regarding emissions coverage, the Commission proposed the direct emissions of the production of the relevant product, as well as relevant upstream materials' emissions. Co-legislators added indirect emissions from electricity consumption but only for sectors that are not eligible for indirect carbon costs compensation under the EU ETS (i.e., cement and fertilizers). For the measurement of carbon content, verified emissions data of imports remain the default approach, but default emissions values can be used in the absence of real data.

While the CBAM Regulation adopted by co-legislators provides the overall regulatory framework, the detailed rules on the functioning of the measure will be set in the upcoming secondary legislation, which foresees 13 implementing acts and four delegated acts.

Revision of the Renewable Energy Directive (2018/2001) (RED III)

With the European Green Deal backed by the European Climate Law, the European Commission has proposed to include the European industrial sectors within the scope of the EU renewable energy framework through the revision of the Renewable Energy Directive (RED II). The proposal introduces a novel article, art. 22a, which sets a non-binding target for Member States to increase the consumption of renewable energies in their industrial sectors by a minimum annual percentage point per year compared to the baseline scenario 2020. The obligation applies at Member State level and cross-sector, meaning that no direct obligations are put on individual companies.

Secondly, art.22a provides for a binding target for the Member States to increase the share of renewable fuels of non-biological origin (RFNBOs, e.g., renewable hydrogen) for energy and non-energy uses consumed by the industry for 2030.

In this regard, EUROFER has advocated for the pairing of any consumption target in the industry with dedicated support measures, including a revised long-term contract framework, to facilitate the uptake of RFNBOs and to maintain a technology-neutral approach. This allows Member States to account for the use of low-carbon hydrogen in their renewable energy targets.

EUROFER's advocacy efforts strongly focused on the RED II secondary legislation (delegated acts), in particular on the definition of renewable hydrogen based on the additionality principle and correlation criteria for the production of hydrogen through renewable electricity, and on the formula for calculating GHG emissions savings of RFNBOs and RCFs (Recycled Carbon Fuels). These rules are crucial for ensuring that the hydrogen produced and consumed in Europe complies strictly with climate neutrality objectives (e.g., GHG emissions reduction).

On 30 March 2023, the co-legislators reached a provisional agreement on the revision of the RED II (hereinafter called RED III) with the inclusion of industrial sectors in art.22a among the main novelties of EU energy policy. The agreed-upon text includes the following provision:

- The EU collective target is to increase the share of renewables in final energy consumption to 42.5% in 2030, plus an indicative increase of 2.5%.

At industry level (art. 22a), Member States will have an annual target of increasing the share of renewables consumed by 1.6%, as well as an obligation to increase the use of renewable fuels of non-biological origin (RFNBOs) by 42% of the overall total hydrogen consumption by 2030 and to 60% by 2035. Member States may deduct a 20% discount if they have overachieved their national contributions, and if the share of hydrogen from fossil fuels is no more than 23% in 2030 and 20% in 2035.

Regarding the delegated act on hydrogen additionality, the European Commission introduced more flexibility after overly stringent regulatory requirements proposed during summer 2022, which would have severely threatened and hampered hydrogen availability and use in the steel sector. The new provisions allow electrolyzers coming into operation before 2028 to connect and source renewable electricity from existing renewable capacity in Europe, including subsidised plants, and to maintain that supply for 10 years thereafter. The measures also allow a monthly correlation between hydrogen production and electricity consumption until (at least) 31 December 2029, and to conduct an impact assessment on the effects of introducing a more granular hourly correlation after 2030. These changes are in line with the request of the steel industry.



Revision of the Energy Efficiency Directive (2018/2002) (EED II)

On 10 March 2023, negotiations among EU co-legislators concluded regarding the legal provisions affecting the operations of the European steel industry as a final energy consumer under the Energy Efficiency Directive (EED) framework. These measures have been the subject of intense discussions among the EU institutions, with Member States adopting a more lenient approach compared to the initial Commission proposal in terms of tighter obligations to save energy, increased control and quality of energy-audits.

One of the key areas of debate, most relevant for the steel sector, has been the requirements for transparency and disclosure of energy audits and implementation follow-up, as outlined in Article 11 and Annex VI of the EED. Another area of focus has been the typologies of energy savings that are admissible for counting towards the targets, as defined in Annex V of the directive. Additionally, discussions have centred around the eligibility requirements for Combined Heat and Power (CHP) units under the EED. In particular, the CO₂ emission threshold for CHP units of 270gCO₂/kWh has been a point of debate.

Detailed information on such provisions is not available at the time of writing.

Gas and Hydrogen Decarbonisation package

On 9 February 2023, the Industry, Transport, Research and Energy (ITRE) Committee of the European Parliament adopted the draft reports on the Gas and Hydrogen Decarbonisation Package, together with the proposal to start informal negotiations with the Council of the European Union.

Both reports prioritise the use of hydrogen in sectors with the highest GHG's emissions abatement potential. This principle is intended to drive the organisation of the hydrogen market and the development of related infrastructure where the consumption of hydrogen can deliver the highest benefits in terms of climate neutrality. The provisions are of particular interest to the steel industry since they touch upon key aspects of the legislation related to the availability and security of supply. This could potentially increase regulatory certainty for investments in decarbonisation technologies that resort to hydrogen. The Directorate General for Energy (DG ENER) of the European Commission welcomed the position of the ITRE Committee, while Member States have not yet adopted their position at the time of writing.

Revision of the EU Electricity Markets Design Framework

On 16 March 2023, the European Commission unveiled its legislative proposal on the Electricity Markets Design Framework. This revision is in response to the energy price crisis and the dysfunctions of the electricity wholesale markets. These challenges stem from a combination of factors, including increased demand for natural gas due to the global economic rebound from the COVID19 pandemic and the impact resulting from Russia's invasion of Ukraine.

On 14 February 2023, EUROFER adopted its position paper and replied to the Commission consultation by calling for the following measures:

- Immediate and targeted support measures for energy-intensive industries enabling cost-affordable consumption of electricity;
- Impact assessment of the feasibility of the current European electricity markets design in light of the changing power system with the increasing predominance of zero or low-marginal power production technologies;
- Thorough evaluation of all alternatives to the marginal pricing system tabled by governments and stakeholders, such as the Greek split-market proposal, the Finnish Industry Confederation's proposal for a "Price-Shock Absorber", the Spanish Government's "Tope al Gas", and so on;
- Removal of existing barriers to accessing Public Purchase Agreements (PPAs) and hedging contracts for energy-intensive users through publicly-backed financial instruments;
- Consumer-centred design of possible Contracts for Differences (CfDs) with power generators, particularly by avoiding additional charges on final customers and ensuring that captured market revenues of generators are redistributed in investments and support measures for energy-intensive industries as well as household consumers;
- Institutionalisation of the inframarginal revenue cap as a temporary and emergency tool key for unlocking the budgetary capacity of Member States to support both industrial and household consumers;
- Avoidance of binding and non-market-based solutions incentivising demand-reduction or other flexibility options that could lead to industrial demand destruction.

The Commission proposal includes adjustments to the ACER regulation, the Renewable Energy Directive and the regulation on the monitoring of wholesale markets. It maintains the current founding elements of wholesale electricity markets, namely the merit-order system and marginal pricing, and introduces technical adjustments to optimise the use of available network capacity to the advantage of renewable energy generation. The proposal also aims at maximising liquidity in forward markets through the creation of regional virtual hubs and longer transmission capacity rights, incentives to increase flexibility in the functioning of the electricity system, and soft obligations for the Member States to boost the uptake of power purchase agreements in the EU.

Additionally, Member States will have the obligation to adopt two-ways contracts for differences (CfDs) as the design model for support schemes for investments in fossil-free capacity (including now also nuclear capacity), with a clear obligation to destine captured revenues to support final customers.

Although the proposed measures have the potential to provide long-term benefits, such as enabling the integration of renewables into the power system and increasing its resilience through better and more flexible services, the Commission proposal falls short in terms of offering immediate relief in the form of affordable prices and costs for energy-intensive industries. This is in contrast to the relief measures proposed for household customers and SMEs.

Member States have diverging views on the objectives and scope of the electricity market reform due to differences in the national energy mix and the impact of different energy sources on prices. So far, some countries such as Germany support the Commission's approach for a more limited reform. Meanwhile others, such as France, would prefer a deeper reform. The ordinary legislative procedure, expected to run until the end of 2023, will mark a decisive step in this debate.

EUROFER will continue to work on this key file.



EU Energy Crisis Emergency Responses

In response to the natural gas market crisis in late 2021 and Russia's invasion of Ukraine in February 2022, the European Commission adopted a new energy strategy called RePowerEU. This strategy aims to provide affordable, secure and clean energy while reducing Europe's reliance on Russian fossil fuels and accelerating the transition to decarbonisation in the industry and power sectors. To achieve these goals, the Commission proposed policy initiatives in the following areas:

- 1. Actions to address energy prices**, including setting fixed retail prices, expanding the range of state support allowed to Member States, providing guidance on temporary tax measures on windfall profits, and taking targeted market-actions;
- 2. Actions to increase gas storage for upcoming winters (e.g., 2022/2023 and 2023/2024)**, including legislative proposals on minimum gas storage targets for governments, soft legislation on coordinated gas refilling operations, and ongoing investigations into the market behaviours of Russian gas supplier Gazprom;
- 3. Actions to reduce Europe's dependency on Russian gas**, including measures to boost investments in additional renewable generation capacity for homes and buildings, a strategic plan to decarbonise industry by accelerating the switch to electrification and renewable hydrogen, increased targets for the production of biomethane (35bcm per year by 2030), diversification of gas supplies with alternative third-country partners, and the hydrogen accelerator as investment plan to develop hydrogen infrastructure, storage facilities, and ports to replace Russian gas with Hydrogen Billion Cubic Meters (H2bcm).

In chronological order, the European Commission adopted the following initiatives as emergency measures against the energy crisis, using a special procedure (art. 122 TFEU) without involving the European Parliament:

- 1.** The Energy Crisis Temporary State Aid Framework (TCF), first adopted in July 2022 and amended in October 2022, enables state support for energy-intensive industries facing increased energy costs due to energy price spikes and additional public support for the completion of investments in industrial decarbonisation that began construction as of 20 July 2022;
- 2.** The Council Regulation on natural gas demand reduction plan and protection of critical industries, adopted on 5 August 2022, introduces a complex gas demand reduction framework for Member States through a voluntary and binding mechanism as part of the EU's efforts to save natural gas against the risks of supply disruptions from Russia;
- 3.** The Council Regulation on electricity demand reduction plan with complementary support measures for consumers, adopted on 6 October 2022, introduces electricity demand reduction targets on Member States and spot markets during peak hours or peak prices, complemented with novel measures to support consumers against increased energy costs (e.g., inframarginal revenue cap, solidarity contribution from the fossil sector, regulated tariffs for SMEs, etc.);
- 4.** The Council Regulation establishing market correction mechanism to protect citizens and the economy against excessively high prices, adopted on 19 December 2022, intervenes on gas futures traded in the Dutch Title Transfer Facility (TTF), the leading benchmark of European gas prices.

8. Sustainable Finance



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Taxonomy Regulation on the establishment of a framework to facilitate sustainable investment

EUROFER supports the objective of the Sustainable Finance initiative to mobilise investments in the EU to help achieve a sustainable transition to a low-carbon economy. However, the taxonomy should not impede innovation or the decarbonisation of the European steel industry. Access to investment is essential to make this shift successful. The primary purpose of the taxonomy is to define the concept of 'environmentally sustainable investment' and channel capital flows towards those types of investments. In particular, it sets a framework to identify economic activities that are environmentally sustainable, such as those:

- substantially contributing to at least one of the six environmental objectives established by the Regulation¹ (climate change mitigation, climate change adaptation, protection of water and marine resources, circular economy, pollution prevention, ecosystem protection);
- not significantly harming any of the environmental objectives mentioned above.



This framework serves two purposes: Member States' authorities shall refer to it when establishing national legislation to promote sustainable investments (e.g., labelling schemes, green bond schemes, etc.), whilst financial actors shall make use of it to determine the environmental sustainability of an investment. For taxonomy to be fit for purpose on any of the environmental objectives, EUROFER continues to advocate that:

- The taxonomy should keep a flexible approach that prevents prescriptive and rigid categories that do not take into account the dynamic evolution of technology.
- Industrial value-creation chains should be fully represented in the taxonomic system, and considered and evaluated holistically.
- A simple consideration between 'environmentally sustainable' or 'activities with a negative environmental impact' does not represent current industrial realities and societal needs; instead, the taxonomy should consider a fully comprehensive life-cycle analysis.
- It is key to consider the transition of an activity to a carbon-lean configuration and operation, including preparatory large-scale innovation projects and specific timelines and pathways of its transition.

State of play & timeline

The Taxonomy Regulation came into force in July 2020. The first delegated act on taxonomy climate mitigation and adaptation has been applicable² since January 2022, and the second delegated act on Article 8 of the Regulation (requirements for undertakings to disclose specific information in their non-financial statements) and on financing the transition³ was adopted in December 2021, applicable from 1 January 2022.

However, the taxonomy delegated act (so-called "Taxo 4") on the four remaining environmental objectives (water, circular economy, pollution prevention and control, biodiversity) has been delayed. Steel was not included in this first batch, and a second delegated act was due at the end of 2022, but also delayed. The Platform on Sustainable Finance has delivered its report on these four environmental objectives for guidance to the Commission.

A complementary delegated act on gas and nuclear was adopted in July 2022⁴, applicable from 1 January 2023. A proposal for a social taxonomy is still to be presented.

¹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance); <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852>

² Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (Text with EEA relevance); <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139>

³ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (Text with EEA relevance); <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2178>

⁴ Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities (Text with EEA relevance); <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022R1214>

9. Transport



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Overview

The EUROFER Transport Working Group focuses on the current transport policies and legislative work of the EU institutions. Besides the ongoing work on legislative proposals, the working group discusses the individual transport challenges in members' countries.

In addition to the Transport Working Group's work, EUROFER continued to participate actively in the European Shippers' Council's Maritime, Railway and Inland Transport Council meetings as well as in the Transport Working Group and Task Force on Low-Emission Mobility of BusinessEurope. These platforms are particularly important in exchanging and collecting information on the challenges faced by shippers.

In cooperation with these associations, comprehensive strategy papers and consultation feedback were drafted, addressing issues such as the directive on Weights & Dimensions in road freight transport, Trans-European Transport Network regulation, and the revision of the Combined Transport directive, to name a few. The revision of the directive on Weights & Dimensions is a crucial part of the Sustainable and Smart Mobility Strategy, one of the Commission's flagship transport initiatives, and also one of EUROFER's long time transport priorities.

Many of the main transport topics of 2022 were part of the package published by the Commission at the end of the previous year, on the Efficient and green Mobility. This legislative package aims to support the transition to cleaner, greener and smarter mobility, in line with the objectives of the European Green Deal. It covers four areas: a smart and sustainable TEN-T, increasing long-distance and cross-border rail traffic, intelligent transport services for drivers, and cleaner, greener, easier urban mobility.

Transport policy areas and legislation

Road transport

Road transport discussions mainly focused on preparing EUROFER's feedback to the Commission's consultation on the Weights & Dimensions rules, which has been a source of continued problems with national barriers and administrative burdens, especially concerning cross-border transport. EUROFER supports the general increase of vehicles' maximum weight in the EU to 44 tonnes whilst allowing for individual countries to set heavier limits as in the case of Nordic countries, as the benefits for the internal market and climate are evident.

In addition, the shortage of drivers, supply chain disruptions, strikes, fuel shortages, the return of the vehicle rules, emissions trading for road transport, and the continued need for further digitalisation of transport documentation were also among the key issues of 2022.

Rail transport

Rail transport has historically had extensive cooperation with the steel industry as a shipper of heavy goods. Especially single wagon services continue to form an essential part of rail transport for steel, and in many Member States its role is strengthened and a more intensive use encouraged – a view also supported by EUROFER.

Key topics on rail focused on issues like rail freight corridors revision, modal shift from road to rail, the availability, reliability and pricing of rail transport and single wagon use, among others. Several issues still remain open, hindering the use of rail's full potential. These include the improvement of the rail network to increase its capacity for facilitating national and international services. Improved connections between ports and rail would also further contribute to the effectiveness of the EU's transport system as a whole.

In addition, there is still room for innovation in rail transport to develop further its automation and digitalisation, which would represent an important improvement.

Inland waterways

Inland waterway transport plays an important role in the transport of goods in Europe. Given its energy-efficient nature and capacity, it can be a useful addition to road and rail transport, responding to the increasing demand of transport services. However, many challenges persist, including ageing infrastructure, natural occurrences and air pollution. A continued focus is needed at EU level on key areas of intervention such as infrastructure quality, environmental performance and efficient integration of inland navigation into the multimodal logistics chains.

In recent years, water levels have often limited the full utilisation of inland waterways' potential, and unfortunately, 2022 was no exception. This led to significant disruptions in freight transport and a major reduction in vessel use in some Member States.

Maritime transport

Maritime transport remains one of the core areas for the steel industry. Europe's ports are vital gateways that link its transport corridors to the rest of the world, making them key to the sustainability of the steel industry since raw material supply and shipments overseas are basic elements of its business operations.

A special EU-level focus is therefore needed to ensure well-functioning maritime operations, particularly from shippers' point of view. Priority should be given to the implementation of much-needed digitalisation and harmonisation processes, which are essential for improving the efficiency of logistics chains. Additionally, new investment, high-quality services and improved governance of European ports should also be prioritised.

Dockside services (cargo operations in ports) are another important dimension that plays a major role not only in the overall cost structure of sea freight for steel shippers but also with a significant impact on the well-functioning of the whole logistics chain.

10. Social Affairs



Miikka Nieminen

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Public affairs

Overview

The EUROFER Social Affairs Committee serves as a platform to keep members updated on current social and employment policy matters in the EU, both legislative and non-legislative, that impact the steel industry and its employees. The committee has an informative role. The more concrete actions related to EU legislation in the area of social and employment policies are then further discussed and developed in European Employers' Network meetings under the auspices of BusinessEurope, of which EUROFER is a member.

EUROFER also continues to actively participate in the Liaison Forum organised by the European Commission, which serves as a platform for the EU industry and the sectoral social partners.

In addition to updates on relevant policy developments at EU level, the main focus of the committee is to internally prepare for the Sectoral Social Dialogue Committee (SSDC) on Steel meetings, which take place three times a year, along with industriAll European Trade Union, EUROFER's social partner representing employees.

Activities of the Sectoral Social Dialogue Committee on Steel with industriAll

The Sectoral Social Dialogue Committee (SSDC) on Steel, supported by the Commission, seeks to contribute to the sustainability and competitiveness of the steel sector in Europe. EUROFER and the industriAll European Trade Union have a long history as social partners in the SSDC, having built up shared understanding and mutual trust since 2006. As one of the core functions of its work, Social Affairs Committee members actively participate in this joint dialogue in Brussels.

The objectives of this Sectoral Social Dialogue are to monitor the social, economic and employment consequences of EU policies on the steel sector, to develop concepts and proposals to influence European and national debates, and to give directions and recommendations that contribute to policy developments. In addition, the SSDC conducts exchanges on topics of mutual interest and develops a capacity for subsequent joint action, including statements, position papers and projects.

In 2022, the social partners continued to work together on topics of mutual interest with the aim of improving the competitiveness of the European steel sector in general. The main focus was on the legislative work on the EU's 'Fit for 55' package and other issues such as trade, steel market updates, just transition and Waste Shipment Regulation, to name a few. Special attention was given to the energy crisis and its impact on the European steel sector. Joint positions, statements and actions were brought forward on these priority policy areas.



Training and education

EUROFER, along with many members of the Social Affairs Committee, continued to actively work on the European Commission's Blueprint Skills Agenda project, which in case of the steel industry is called the industry-driven sustainable European Steel Skills Agenda and Strategy (ESSA).

This project is a strategic cooperation platform between key stakeholders to develop concrete actions to meet short- and medium-term skills needs, funded by the Erasmus+ fund. Steel is one of the sectors identified by the Commission as needing to go through considerable structural changes in terms of new technologies and, therefore, skills.

The objective of ESSA is to develop a sustainable, industry-driven and coordinated European skills agenda and strategy for the ongoing and immediate implementation of ways to address new skills demand.

The programme is now reaching its final stages. Most of the relevant partners of the sector and relevant Member States are involved, consisting of steel companies and associations. Once finished, ESSA will be implemented across the EU, benefitting the European steel industry as a whole.

In practical terms, ESSA will lead to the development of modules for new skills for a globally competitive industry and provide tools for anticipating new skills demands. This, in turn, will facilitate the coordination of proactive and practical activities to meet the future requirements of the industry.

Employment

After years of a declining trend up to 2019, the European steel industry's employment situation had stabilised due to the continued growth of steel-using sectors' activity in the EU.

However, the unexpected outbreak of the COVID-19 pandemic severely impacted employment in the sector, compounded by major challenges mainly arising from the volatility of global trade and the continued slowdown of manufacturing sectors. The situation was aggravated by supply chain issues during 2021 and Russia's war in Ukraine coupled with the sharp rise in energy prices in 2022. Despite the vigorous rebound in steel-using sectors' demand up to the first quarter of 2022, the employment rate in 2021 and 2022 did not recover to pre-COVID levels.

According to the most recent (provisional) data, employment in the steel industry in 2022 in the EU27 was around 306,000 people, compared to 308,000 people in 2021¹.



¹ Please note that as of 1 January 2021 the EU aggregate has become EU27 as a result of Brexit, whereas in 2020 (see the data in European Steel in Figures 2021) the EU aggregate was still EU28 as the UK was still part of the EU Single Market. For consistency, all data prior to 2021 have been adjusted to EU27 accordingly.

Annexes

Glossary of terms

Terms that both appear in this report or that are of relevance to EUROFER, its work or its relationships with its stakeholders.

ADP	Abiotic Resource Depletion Potential	CO2	Carbon Dioxide
ASMoR	Alliance for Sustainable Management of Chemical Risk	CONCAWE	European Refinery Industry
BAT	Best Available Techniques	cPCR	complimentary Product Category Rules
BAT- AELs – (BAT)	Associated Emission Levels	cPPP	contractual Public–Private Partnerships
BAT AEPL – (BAT)	Associated Environmental Performance Levels	CPR	Construction Products Regulation
BCG	Boston Consulting Group	CPW (Interface)	Chemicals, Products and Waste (Interface)
BF/BOF	Blast Furnace/Basic Oxygen Furnace	CRMA	Critical Raw Materials Act
BREF	Best Available Techniques Reference Document	CSCF	Cross Sectoral Correction Factor
BREF-FMP	Ferrous Metal Processing BREF	CSP	Clean Steel Partnership
BREF-LCP	Large Combustion Plants BREF	CSS	Chemicals Strategy for Sustainability
BREF-LVIC	Large Volume Inorganic Chemicals BREF	EAF	Electric Arc Furnace
BREF-SF	Smitheries and Foundries BREF	EBRD	European Bank for Reconstruction and Development
BREF-STs	Surface Treatment Using Solvents – BREF	ECHA	European Chemicals Agency
BREF-WGC	Waste Gas Treatment in the Chemical Sector BREF	ECCA	European Coil Coating Association
BREF-WT	Waste Treatment BREF	ECSC	European Coal and Steel Community
BusinessEurope	Confederation of European Business	EDI	Electronic data interchange
ByP	By-product	EED	Energy Efficiency Directive
CAEF	European Foundry Association	EGGA	European General Galvanizers Association
CAPEX	Capital Expenditure	EIPPCB	European Integrated Pollution Prevention and Control Bureau
CARACAL	Competent Authorities for REACH and CLP	EIPRM	European Innovation Partnership on Raw Materials
CBAM	Carbon Border Adjustment Mechanism	ELV	End-of-Life Vehicles Directive
CCU(S)	Carbon Capture Usage (and Storage)	EMD	Energy Market Design
CEFIC	European Chemical Industry Council	EoW	End-of-waste
CEN	European Committee for Standardisation	EPDs	Environmental Product Declarations
CEN/TC 135	Standard on the execution of steel structures and aluminium structures	EPR	Extended Producer Responsibility
CENELEC	European Committee for Electrotechnical Standardisation	E-PRTR	European Pollutant Release and Transfer Register
CI	Cobalt Institute	EQS	Environmental Quality Standard
CII	Cross-Industry Initiative	ESPR	Ecodesign for Sustainable Products Regulation
CINEA	European Climate, Infrastructure and Environment Executive Agency	ESSA	European Steel Skills Agenda and Strategy
CLP	Regulation on the Classification, Labelling and Packaging of products	ESTEP	European Steel Technology Platform
		ETD	Energy Taxation Directive
		EU	European Union
		EUC	Essential Use Concept
		EU ETS	European Union Emissions Trading System

EUGR	Energy Union Governance Regulation	OSH	Occupational Safety and Health
EURACOAL	European Association for Coal and Lignite	OSU	Oregon State University
EUROFER	European Steel Association	PPA	Power Purchase Agreements
Eurometaux	European non-ferrous metals association	PEF	Product Environmental Footprint
Euromines	European Association of Mining Industries	PEFCR	Product Environmental Footprint Category Rules
EUROSLAG	European Ferrous Slag Products Association	PREI (WG)	Production Related Environmental Issues (Working Group)
Fit for 55	EU package on the revision of climate, energy and transport-related legislation	R&D&I (ECHA) RAC	Research, Development and Innovation Risk Assessment Committee
FD	Floods Directive	RCF	Recycled Carbon Fuels
FOB	Free on Board	REA	Research Executive Agency
FP9	Ninth Framework Programme for Research and Innovation	REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
GCL	Generic Concentration Limit	RED	Renewable Energy Directive
GBER	General Block Exemption Regulation	REFIT	Regulatory Fitness and Performance programme
GDP	Gross Domestic Product	RFCS	Research Fund for Coal and Steel
GFSEC	Global Steel Forum on Steel Excess Capacity	RoHS	Restriction of Hazardous Substances Directive
GHS	Global Harmonised System for classification	RSB	Regulatory Scrutiny Board of the European Commission
GPP	Green Public Procurement	SAG	Steel Advisory Group
GWD	Groundwater Directive	SCL	Specific Concentration Limit
HEU	Horizon Europe	SET-Plan	Strategic Energy Technology Plan
ICDA	International Chromium Development Association	SoC	Substances of Concern
IEA	International Energy Agency	SPIRE	Sustainable Process Industry through Resource and Energy Efficiency
IED	Industrial Emissions Directive	SSDC	Sectoral Social Dialogue Committee
IEP	Industrial Emissions Portal	SustSteel	Sustainability for Steel Construction Products Mark
IG Metall	Industriegewerkschaft Metall	TDI	Trade Defence Instruments
ILA	International Lead Association	TF	Task Force
IMOA	International Molybdenum Association	TGS	Technical Groups
industriAll	European Trade Union	TEN-T	Trans-European Transport Network
INSG	International Nickel Study Group	TRL	Technical Readiness Level
IPPC	Integrated Pollution Prevention and Control	TWG	Technical Working Group
ISSF	International Stainless Steel Forum	UN	United Nations
JTI	Joint Technology Initiatives	US	United States (of America)
KIC	Knowledge and Innovation Community	VDEh	German Steel Institute
LCA	Life-cycle Assessment	VUB/IES	Vrije Universiteit Brussel / Institute for European Studies
LCP	Large Combustion Plants	WFD	Water Framework Directive or Waste Framework Directive
LEVELs	Environmental Indicators for Resource Efficient Buildings	WSR	Waste Shipment Regulation
LRTAP	Long-Range Transboundary Air Pollution	WHO	World Health Organization
MAF	Mixture Toxicity Assessment	WTO	World Trade Organisation
MEED	Metals Environmental Exposure Data	ZPAP	Zero Pollution Action Plan
MFF	Multiannual Financial Framework		
MSR	Market Stability Reserve		
NAPCAP	National Air Pollution Control Programmes		
NEC	National Emissions Ceilings (Directive)		
NIMs	National Implementation Measures		
NRG	National Representatives Group (of the SET Plan)		
OECD	Organisation for Economic Cooperation and Development		
OPEX	Operational Expenditure		

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www.wko.at/branchen/industrie/bergwerke-stahl/start.html

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Groupement de la Sidérurgie - GSV

www.steelbel.be

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www.bami.bg

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www.ocelarskaunie.cz

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Metallinjalostajat

www.teknologiateollisuus.fi

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A3M - Alliance des Minerais, Minéraux et Métaux

www.a3m-asso.fr

Chambre Syndicale des Producteurs d'Aciers Fins et Spéciaux

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Wirtschaftsvereinigung Stahl

www.wvstahl.de

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Hellenic Steelmakers' Union - ENXE

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Magyar Vas-és Acélipari Egyesülés

www.mvae.hu

Italy

Federacciai

www.federacciai.it

Poland

Hutnicza Izba Przemysłowo-Handlowa

www.hiph.com.pl

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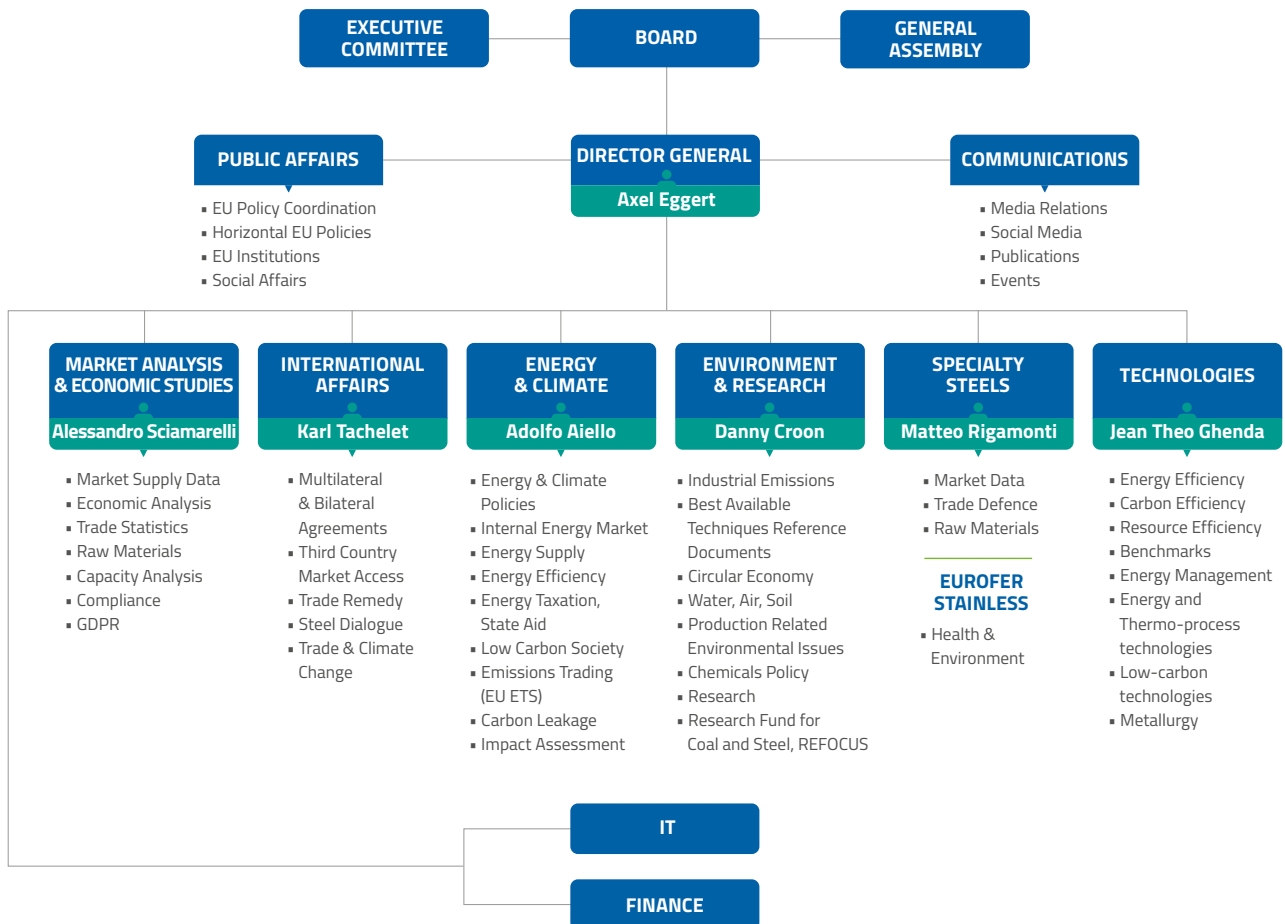
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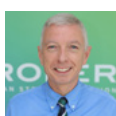
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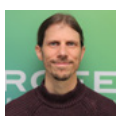
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About the European Steel Association (EUROFER)

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 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 €130 billion and directly employs about 306,000 highly-skilled people in the EU, producing on average 152 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.

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