

# Action Plan for a competitive and sustainable steel industry in Europe

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The European Parliament adopted by 505 votes to 97, with 25 abstentions a resolution on the Action Plan for a competitive and sustainable steel industry in Europe.

The European steel industry is the second largest steel producer in the world. It accounts for 350 000 direct jobs and has a **strategic importance** for several major European industries. The EU's share in global steel production has halved over the last ten years, with China now accounting for almost 50 % of world production.

The current crisis has resulted in **global overproduction of steel**. However, in 2050 the use of steel and other basic metals is expected to be twice or three times as much as it is at present, and European steel industry needs to survive this 'valley of death' during the next few years, to invest and to improve its competitiveness.

Parliament welcomed the Commission's action plan for the steel industry in Europe as an important element to **prevent the further relocation** of steel production outside of Europe.

**Boosting demand:** Members urged the Commission and the Member States to support the strategic development of key steel-using sectors. They considered that the construction industry is a key sector in terms of demand for steel, necessitating an in-depth study at EU level on ways of stimulating it. The Commission is also urged to establish an **in-depth steel market analysis instrument** which could provide precise information on the European and global steel and recycling supply-demand balance.

**Employment:** Parliament stressed that the Commission, the Member States, the industry and the trade unions should act jointly **to retain and attract qualified workers to the steel sector**, as well as young talent through apprenticeship schemes. Members stated that the absence of an appropriate industrial policy is causing the European industry to **lose its long-term competitiveness** as a result of exceptionally high energy costs.

The resolution emphasised that restricting demand must not lead to unfair competition for jobs among Member States; it called in this connection, for a **pan-European** solution.

The implementation of the Action Plan should focus on the **short-term impact of the economic crisis** on the sector's workforce and competitiveness. The Commission should promote measures aimed at **keeping steel production in Europe** and promote measures to prevent and avoid plant closures in Europe.

Specifically, Parliament called for the **full deployment of EU funding** to reduce the social impact of industrial restructuring and for full use to be made of the European Social Fund (ESF) and the European Globalisation Adjustment Fund (EGF).

**Secure energy supplies at affordable prices:** Parliament supported the Commission's promise to step up efforts to **decrease the energy price** and cost gap between the EU industry and its main competitors. The Commission should come forward within 12 months with concrete proposals to this end.

Emphasising that security of energy supply is an important prerequisite for the steel industry, Parliament called on the Member States to:

- implement the Third Energy Package in full;
- ensure secure energy supplies by developing the necessary energy infrastructure projects and to provide appropriate incentives for investors to ensure a lower dependency on imported fossil fuels.

Parliament encouraged the Commission to:

- address more concretely and in detail the issue of carbon leakage,
- develop low-carbon energy deployment strategies, so as to promote the rapid integration thereof on the electricity market;
- promote the diversification of natural gas sources and routes and to take the lead in coordinating and supporting safety measures for the supply routes of liquefied natural gas;
- conduct a comprehensive assessment of the adequacy of electricity generation and to provide guidance on how to maintain the flexibility of electricity networks;
- produce a report monitoring developments in establishments whose integrity is at risk, as called for in [Parliament's resolution](#) of 13 December 2012 on the EU steel industry.

**Climate protection, resource efficiency and environmental impact:** Members believed that European steel production should be maintained by a **sustainable model of steel production**. They urged the Commission to draw up and promote European sustainability standards, such as the Steel Construction Products Mark (SustSteel).

In Parliament's view, the 2030 climate framework should take into consideration sectoral differences, technological feasibility and economic viability and should not give rise to additional costs for more efficient industrial plant;

**International level playing field:** Parliament deplored the fact that some of the EU's trading partners apply unfair, restrictive measures, such as investment limitations and public procurement preferences that protect domestic steel industries, which unduly hamper EU steel exports. It called on the Commission to **fight unfair competition from third countries**, using the appropriate measures at its disposal, such as the trade defence instruments or if necessary the WTO dispute settlement mechanism.

The resolution urged the Commission to **protect European steel with legislative instruments** to certify the end-use of stainless steel and its chemical and physical composition, inter alia by introducing quality certification for steel-related products that is able to protect EU production from non-certified products.

**Research, development and innovation:** Parliament called for an ambitious innovation policy which clears the way for **the development of high-quality, energy-efficient and innovative products** and enables the EU to hold its own in the face of ever more severe global competition.

It considered it necessary to extend support for innovation to all activities related to the steel industry and, hence, in the framework of Horizon 2020, to implement **EIB facilities** to promote cooperation in the fields of research, development and innovation between steel companies and the regions in which they are located, with a view to promoting sustainable economic activity.