

To the
Heads of State and Government of the
Member States of the European Union

Monday, 14 October 2024

H.E. Karl Nehammer, Federal Chancellor of the Republic of Austria
H.E. Alexander De Croo, Prime Minister of Belgium
H.E. Dimitar Glavchev, Prime Minister of Bulgaria
H.E. Andrej Plenković, Prime Minister of Croatia
H.E. Nikos Christodoulides, President of the Republic of Cyprus
H.E. Petr Fiala, Prime Minister of Czech Republic
H.E. Mette Frederiksen, Prime Minister of Denmark
H.E. Kristen Michal, Prime Minister of Estonia
H.E. Petteri Orpo, Prime Minister of Finland
H.E. Emmanuel Macron, President of the French Republic
H.E. Olaf Scholz, Federal Chancellor of Germany
H.E. Kyriakos Mitsotakis, Prime Minister of Greece
H.E. Viktor Orbán, Prime Minister of Hungary
H.E. Simon Harris, The Taoiseach of Ireland
H.E. Giorgia Meloni, Prime Minister of Italy
H.E. Evika Siliņa, Prime Minister of Latvia
H.E. Gitanas Nausėda, President of the Republic of Lithuania
H.E. Luc Frieden, Prime minister of Luxemburg
H.E. Robert Abela, Prime Minister of Malta
H.E. Dick Schoof, Prime Minister of Netherlands
H.E. Donald Tusk, Prime Minister of Poland
H. E. Luís Montenegro, Prime Minister of Portugal
H.E. Klaus Werner Iohannis, President of Romania
H.E. Robert Fico, Prime Minister of Slovakia
H.E. Robert Golob, Prime Minister of Slovenia
H.E. Pedro Sánchez, Prime Minister of Spain
H.E. Ulf Kristersson, Prime Minister of Sweden

Open Letter

Call for urgent action to save the European steel industry and the livelihood of our workers

Your Excellencies,

The European steel industry is an indispensable part of many key EU manufacturing value chains and stands for innovation, desired product solutions and high-quality jobs in Europe. We are committed to contribute to the EU's ambitious decarbonisation and global climate protection objectives, securing a just transition and quality jobs.

However, we are at a crossroad: our industry is in its worst crisis since the financial and economic crisis in 2009. This is driven by the impact of global steel overcapacity and unfair trade, which exacerbates the impact of low steel demand and high energy prices in the EU. Without urgent measures, it will make it difficult in most of the EU member states to preserve a resilient and sustainable steel industry that can invest in our ambitious decarbonisation projects by 2030 and beyond.

Steel production in the EU has been shrinking by 30% since 2008 to 126 million tonnes in 2023. Restructuring and capacity reduction processes have led to a loss of almost 100,000 jobs in the last 15 years. Capacity utilisation has recently dropped to the lowest, unviable levels of around 60%. A trend that continues in 2024.

The Ministerial Meeting of the Global Forum on Steel Excess Capacity (GFSEC) has just confirmed that global steel excess capacity (551 million tonnes in 2023) continues to be a rapidly growing structural problem. According to the OECD, additional 157 million tonnes of capacity are in progress by 2026, mainly using very carbon intensive conventional steelmaking technology.

A Steel Action Plan as part of the Clean Industrial Deal must include both, emergency measures and a structural solution to the disastrous impact of global overcapacity and unfair trade on the EU steel market, putting jobs and the clean transition at risk. Further undermining the EU's competitiveness as well as our resilience and strategic autonomy would be a toxic option.

In line with the recommendations of the Draghi report, we therefore call upon you – the heads of state and government of the EU Member States – to support and endorse as a matter of urgency:

- Measures to strengthen and ensure assertive enforcement of the EU Trade Defense Instruments to stop unfair trade practices and circumvention, and a structural solution to comprehensively stop the spill-over impact of persisting and worsening global excess capacity. The current steel safeguards must be replaced by a more robust tariffication regime.
- Improvements to the Carbon Border Adjustment Measure (CBAM) to prevent circumvention, resource shuffling and delocalisation of downstream sectors, and to preserve EU steel exports.
- Action throughout the EU to reduce energy costs for energy intensive industries exposed to significant global competition, and to secure access to raw materials while retaining steel scrap within the EU.
- Establishment of lead markets to drive the demand for green steel in Europe.

We call upon the European Council to consider the above in its conclusions on 17/18 October 2024 and EU policy priorities.

Yours sincerely,



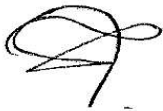
Henrik Adam
President of EUROFER
CEO Tata Steel NH



Mario Arvedi Caldonazzo
Vice-President of EUROFER
CEO Arvedi



Geert Van Poelvoorde
Vice-President of EUROFER
CEO ArcelorMittal Europe



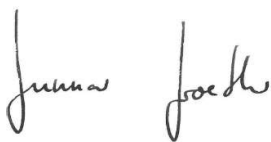
Timoteo Di Maulo,
Vice-President of EUROFER
CEO Aperam



Lorenzo Riva
Vice-President of EUROFER
CEO Riva Stahl



Hubert Zajicek
Vice-President of EUROFER
CEO voestalpine Steel Division



Gunnar Groebler,
Vice-President of EUROFER
CEO Salzgitter AG

CC. College of Commissioners, Members of the European Parliament