
Europe metals producers warn of relocation

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Reuters reported that European non ferrous metals producers may move to countries where environmental legislation is less strict unless the impact of forthcoming measures is reduced.

Mr Javier Targhetta president of Eurometaux said that the industry is concerned over high and unpredictable power costs, the added cost of a new emissions trading scheme in 2013 and a new registry of chemicals amongst other issues.

Industry group Eurometaux estimates non ferrous metals makers directly and indirectly employ 1 million people in Europe and contribute 2% of its economic output.

Mr Targhetta said that "Without satisfactory solutions in these areas, the European industry's competitiveness will be seriously affected by the market and regulatory advantages of emerging countries."

Mr Targhetta was particularly concerned over what he said was the reluctance of utilities to sell power for terms of three years or more following deregulation for heavy users in Spain in 2008. He said that "This increases long term insecurity and leads to a halt in investment. If we carry on like this, the industry is destined to disappear."

Electricity accounts for an average of 35% of production costs for non ferrous metals 60% for aluminum and producers say big differences in policy between European countries and lack of interconnection make power more expensive.

(Sourced from Reuters)

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