
EMF EUROFER statement on the EC proposal for revision of EU-ETS

Tuesday, 29 Apr, 2008

The European Metalworkers' Federation and the European Confederation of Iron and Steel Industries has released a joint statement on the European Commission proposal for the revision of the EU Emissions Trading System.

They said that the European steel industry is committed to contribute to the EU's objective to reduce greenhouse gas emissions by 20 % in 2020 compared with 1990 and by 30 % provided that other countries commit to comparable efforts in the framework of a global agreement.

They have urged EC for adequate provisions in order to

1. Ensure a fair balance between climate change measures and the competitiveness of EU industry
2. Allow the steel sector to remain internationally competitive through the continued allocation of free allowances as long as no international or global sectoral agreement which provide for equal footing of industrial competitors are in place
3. Secure sustainable investment and high quality jobs in the European steel industry to maintain the European Union as a region with a strong industrial backbone in which the steel industry remains a driver of technological innovation.

The release added that "In this context, the EMF and EUROFER call on the decision makers in the European Parliament, the Council and the Commission to bear in mind that only a balanced recognition of social, economic and environmental aspects can secure a high level of employment, high social standards and the well-being of European citizens. Consequently decision makers should support the following proposals for strengthening of the EU Emissions Trading System"

1. Immediate identification of sectors at risk of carbon leakage plus listing in the text of the ETS Directive. Any prolonged uncertainty threatens investment
2. The sustainable use of unavoidable carbonaceous residues of production processes must be fostered and maintained. Especially the sustainable use of co-generation gases, which are an unavoidable product of primary steel making, must not be subjected to auctioning.
3. The determining allocation method shall be performance based benchmarking and take into account process-relates emissions.
4. 100 % free allowances as defined by the benchmarks for installations identified as being at risk of carbon leakage, as long as no international agreement that provides for a level playing field is in force.
5. Compensation for pass-through of CO₂-costs in electricity for electricity intensive activities at risk of carbon leakage, without increasing the burden of other energy intensive industries. This is imperative, especially for the recycling of steel and high-tech special steel producers.
6. Readjusting the burden sharing between the ETS-sector and the non-ETS-sector, based on evaluation of economic, social and environmental impacts. This refers to the reductions assigned as well as redistribution of funds and access to project-credits.
7. Recognition of early action. The proposal's reference to 2005 discounts early actions and punishes early movers.
8. Sustainable growth must be possible. The planned ban of industrial growth directly results in carbon leakage.

The European Confederation of Iron and Steel Industries – represents the European steel industry with a turnover of EUR 140 billion and direct employment of 370,000 people, producing 200 million tonnes of steel per year.

The European Metalworkers' Federation is representing the interests of 5.5 million metalworkers in Europe and is a member of the ETUC.

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