Action Plan for a competitive and sustainable steel industry in Europe

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The Committee on Industry, Research and Energy adopted the own-initiative report by András GYÜRK (EPP, HU) on the Action Plan for a competitive and sustainable steel industry in Europe in response to the Commission communication on the same subject.

The European steel industry is the second largest steel producer in the world 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. Global steel demand is expected to increase in the long term and steel will remain a key material for Europe's industrial value chains. It is therefore in the interest of the EU to maintain its domestic production.

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: the report 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 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. The report 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: the report 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, Members called on the Member States to implement the Third Energy Package in full and to 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**.

They encouraged the Commission to 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 and to conduct a comprehensive assessment of the adequacy of electricity generation and to provide guidance on how to maintain the flexibility of electricity networks.

They called on the Commission to 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.

International level playing field: Members 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. They 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. They voiced their concern regarding the length of time – on average two years – that the Commission needs to instigate anti-dumping measures whereas, in the case of the USA, this period is only six months. They called on the Commission to take steps to ensure that the EU has effective trade defence instruments that can be deployed rapidly and that will enable it to work more swiftly to address cases of **dumping**, as required as a result of the fierce competition the European industry is faced with in a globalised economy.

The report uged 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: the report 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.