Resolution on the steel sector in the EU: protecting workers and industries

2014/2976(RSP) - 17/12/2014 - Text adopted by Parliament, single reading

The European Parliament adopted by 466 votes to 133, with 100 abstentions a resolution on the steel sector in the EU: protecting workers and industries.

General challenges: the steel sector played an essential role in Europe's economy and was suffering from a substantial drop in demand: according to the Commission, plant closures had led to **60 000 job losses since 2007,** and production dropped from 210 million tonnes in 2007 to 166 million tonnes in 2013.

Parliament urged an ambitious approach to reindustrialisation in the context of the mid-term review of the Europe 2020 strategy and called on the Commission to study the European steel industry's strategic position in the world, and to **specifically develop a clear roadmap for the medium- and long-term initiatives** it intended to propose to support the steel industry in Europe.

In view of the importance of **accurately monitoring the steel market**, the Commission was also asked to establish an in-depth **steel market analysis instrument** which could provide precise information on the European and global steel supply-demand balance, distinguishing between structural and cyclical components of the development of this market. This market analysis instrument should be used to anticipate risks and investigate how plant closures are affecting the sector's recovery.

The Commission was also asked to:

- check whether the application of **competition rules** had led to unfair solutions in the European steel market, with potential adverse effects on its efficiency, and if so, present corrective measures;
- act to protect key industrial infrastructure and production capacity from asset-stripping ventures;
- provide in the short term a report on the major challenges facing the steel industry in Europe, including social, economic and environmental aspects;
- consider **dedicating part of its investment package to viable long-term infrastructure projects** , and to innovation in respect of large-scale industrial projects, including energy efficiency and low-carbon projects, which could also give a significant boost to demand for steel in the EU;
- relaunch the High Level Group on Steel in the context of the newly elected College of Commissioners, with the full participation of Parliament, and for the setting-up of a meeting within that framework to inform relevant stakeholders of the progress made in implementing the 40 actions set out in the Commission action plan for steel;
- ensure that the current scheme of State aid for energy-intensive industries did not generate distortions in the internal market, and thereby to secure a level playing field for companies, since energy-intensive industries needed a stable framework for their investments;

Trade and competitiveness: Parliament stressed the need to tackle steel imports into the EU market that had been illegally subsidised and dumped, and to use the EU trade remedy instruments in line with existing EU law. **Future trade agreements** must include provisions that significantly improve export

opportunities and market access for European steel and steel-based products. Parliament stressed that fair trade in steel products can only work on the basis of compliance with **basic employment rights and environmental standards**, and pointed out that imports at dumping price levels lead to unfair competition, in particular for stainless steel producers in Europe.

It asked the Commission to examine the **feasibility of a border carbon adjustment** (payment of ETS allowances for steel coming from outside the EU) with a view to creating a level playing field in terms of CO2 emissions, thus eliminating the phenomenon of carbon leakage. Members proposed that the product of companies' sale of their free allowances should be **entirely reinvested in the low-carbon economy** (equipment, technologies, R&D and workforce formation), and they also supported the financing of industrial pilots to reduce CO2 emissions.

Members called for the establishment and promotion of a trademark for fair steel products 'made in Europe'.

Lastly, in view of the importance of the circular economy, **waste legislation should be improved** to sustain the functioning of the EU steel scrap market, for instance through a revision of the End-of-Life Vehicles Directive.

Social aspects: recalling that the EU steel industry was a major employer, accounting for more than 350 000 direct jobs and several million more in related industries, Parliament noted that the situation of some steel plants in Europe was causing serious concern. The Commission must ensure that Member States were not played off against one another when a large steelmaker running plants in several countries announced restructuring. Parliament also underlined to the need to **involve workers in innovation and restructuring measures** and called on the Commission, to create a platform including the social partners to advise on, implement and monitor the European steel action plan. It recalled also the need to **invest in workers' education and training.**

R&D/technology: R&D was strategic for an industry that must find a way to reduce its emissions, especially (but not exclusively) of CO2. Parliament stressed the crucial importance of the Horizon 2020 and Sustainable Process Industry through Resource and Energy Efficiency (SPIRE) programmes. It called on the Commission to **implement an ambitious innovation policy** for the development of high-quality, energy-efficient and innovative products and processes enabling the EU to hold its own in the face of ever more severe global competition.