

Common EMF-EUROFER position on EU climate change policy

1. EUROFER and the European Metalworkers' Federation regret the overall result of the Copenhagen UN conference in December 2009, particularly the failure to reach a binding and comprehensive international agreement on the reduction of greenhouse gases (GHG) guaranteeing a just transition towards a low-carbon economy.
2. The EU must insist on comparable and binding targets for all developed countries. For globally traded carbon-intensive goods, the EU must insist on equal treatment in both developed and emerging economies, in order to preserve the competitiveness of the EU industry. In the absence of such conditions, the European Union should not unilaterally increase its emissions reductions target from -20% to -30%.
3. EU financial support for climate change mitigation and adaptation measures to third countries should be bound to their participation in international monitoring of their industrial GHG emissions. The establishment of an international global verification and monitoring methodology and its implementation must be priorities of EU climate change policy.
4. It is now time to see the revised Directive on the 3rd phase of EU emissions trading scheme (ETS), as adopted on April 23rd 2009, correctly implemented and enforced to ensure a stable and realistic regulatory environment for long-term investment in our industries.
5. The EU must provide credible accompanying measures to manage the social consequences of the EU ETS. There is a need for a sectoral strategy, developed in concert with the social partners as well as public authorities, to maintain employment and promote training and skills development for all workers. The flagship initiative "An agenda for new skills and jobs" as set out in the 'Europe 2020 strategy' should serve as the basis for such measures for the steel sector.
6. In accordance with the provisions of the ETS Directive, the Commission must secure fully 100% free allowances for all sectors at risk of carbon leakage, based on technically achievable benchmarks. The best performers in these sectors must receive fully 100% of their needs for free.
7. To this end, we strongly advocate and request especially that member states demand that the method to define the forthcoming EU benchmark for the steel industry assigns all

waste-gas related CO₂ emissions resulting from steel production fully to the waste gas producer. We consider that splitting the emissions rights allocations will result in higher GHG emissions as incentives to recycle gases will be undermined.

8. To preserve steel recycling in Europe and minimize carbon leakage via the Electric Arc Furnace (EAF) route, compensation for these installations for ETS related increases in electricity prices has to be secured and be granted at the level of benchmarks corresponding to the most efficient available technologies. This is fully in line with the provisions and objectives of the directive, and should be applied immediately rather than only from 2013 onwards.

9. As the ultima ratio, border adjustment or other measures may be applied in addition to free allowances and compensation, if these are not sufficient to ensure a global level playing field.

10. Revenues that are generated from the sale of emission rights, including those which may have been obtained through unused emission rights during the economic downturn, should be committed to maintaining and upgrading European steel production sites and employment.

11. While the chief responsibility for investment in R&D lies with the industry, substantial increases in financial support for R&D, pilot and demonstration projects of carbon-lean technologies in energy-intensive industries in Europe will be necessary in order to achieve the EU's climate change objectives. Reports on the use of such public funds should be transparently available. We call on the European Council and Member States to actively support politically and financially R&D programs of the European steel industry, such as the European Steel Technology Platform and the development of full-scale demonstrations in the context of the Ultra-low CO₂ Steelmaking (ULCOS II) project.

12. Within the limits of their competences and remits, the EMF and EUROFER are fully committed to the promotion of production measures which ensure maximum reductions in GHG emissions, the best levels of energy efficiency and recycling, innovation in steel production processes and products, and, in general terms, the sustainable development of the European steel sector.

EUROFER – the European Confederation of Iron and Steel Industries – represents the interests of 60 steel companies and national steel federations from 23 EU Member States which are combining 100% of EU steel production.

European Metalworkers' Federation - The EMF is the representative body defending the interests of workers in the European metal industry. The EMF has a mandate for the external representation and coordination of the metalworkers' unions and a mandate to engage in bargaining at European level.