



Steel industry: Commission takes action to preserve sustainable jobs and growth in Europe

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The European Commission has presented today a [Communication](#) setting out how the European steel sector can overcome its short-term and long-term challenges with the support of Member States and the EU institutions.

A joint effort is needed to overcome these serious challenges fuelled by global overcapacity, a dramatic increase of exports and an unprecedented wave of unfair trading practices. High energy costs and changing market conditions require energy-intensive industries to adapt and innovate to ensure their long-term competitiveness and sustainability.

Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"We must do more to help the steel sector and other energy-intensive industries adapt, innovate and compete on the basis of quality, cutting-edge technology, efficient production and a highly skilled workforce. We now have a record level of anti-dumping measures on steel products in place and the Commission is determined to restore a global level playing field. We will take steps to further streamline our procedures but Member States must also act together and urgently adopt our legislative proposal to modernise EU trade defence instruments and make fairer trade a reality."*

The Commission is already acting with determination to support the steel industry in overcoming the short-term challenges. With the **Communication "Steel: Preserving sustainable jobs and growth in Europe"** the Commission announces new short-term measures that will strengthen the EU's defence against unfair trade practices, as well as longer-term action to guarantee the long-term competitiveness and sustainability of energy-intensive industries like steel:

- **Defence against unfair trade practices:** The Commission is already imposing a record number of measures to offset the detrimental effect of dumping, with 37 anti-dumping and anti-subsidy measures in place on steel products (16 of which on steel imports from China). The Commission will further accelerate the adoption of anti-dumping measures and stands ready to make additional proposals to speed up the overall procedure and improve the efficiency of the current system. It is high time to back up rhetoric with action: a swift adoption by the co-legislators of the Commission proposal from 2013 to modernise trade defence instruments is crucial to streamline procedures and increase their speed and effectiveness. Notably the removal of the so-called lesser duty rule in certain circumstances would allow imposing higher anti-dumping duties. The Commission will also propose a prior surveillance system on steel products. Prior surveillance measures are part of the EU's existing safeguard instrument and can be introduced when import trends threaten to cause injury to European Union producers.
- **Tackling the causes of global overcapacity:** In addition to measures aiming to address global overcapacity, the Commission is tackling the underlying causes of the problem at bilateral and multilateral level. This is being done with the EU's main partners (China, Japan, India, Russia, Turkey and the United States) as well as in relevant international fora such as the OECD and the WTO. Just last week, bilateral meetings were held with China and Japan. The Commission will further reinforce this international work, in particular in the context of the G20.
- **Investing in future solutions and technologies for a more competitive industry:** The long-term competitiveness of energy-intensive industries depends on their ability to develop breakthrough technologies in areas such as energy efficiency or carbon capture and utilisation. This requires more private and public investment in innovation, research and new technologies. At EU level, various funds are available to support the steel industry on its modernisation path. These funds include the €315 billion European Fund for Strategic Investments (which has already supported the modernisation of a steel factory), EU Structural and Investment Funds and the EU research funding programme Horizon 2020. Today's Communication lists the various options clearly. Industry should make full use of these

possibilities.

- **Modernising the steel industry by investing in people:** Maintaining a modern and competitive steel industry requires a skilled and well-trained work force. With the forthcoming New Skills agenda, the Commission will aim to build a shared commitment to invest in people and their skills in close cooperation with Member States and social partners. The European Globalisation Adjustment Fund and the European Social Fund are available to support workers and their local communities, mitigating adverse social consequences in the context of relocation.
- **Focused policies in areas like competition, energy, emissions trading and the circular economy will help the steel industry to thrive:** Our revised state aid rules provide ample opportunities for Member States to support cross-border technology, research and innovation and renewable energy schemes. The proposed revision of the emission trading system, currently being discussed by the co-legislators, should be helpful for the steel sector and ensure that it gets an appropriate level of support in the context of the emissions allowance distribution. Commission policy in the areas of climate change and the circular economy are also relevant in this context.

Background

The steel industry in Europe is world-leading in certain steel product segments, represents 1.3% of EU GDP and provided around 328,000 jobs in 2015. The steel industry is also an important source of indirect employment, since it plays a significant role for many other industrial sectors such as the automotive industry. Despite the potential of the European steel sector and the significant efforts made to innovate and modernise, its competitive position on the global steel market has deteriorated in recent years. Excess production of steel in third countries such as China has increased exports, depressed prices, and given rise to an unprecedented wave of unfair trading practices, distorting the global level playing field.

The current challenges for the steel industry are serious, but they can be overcome if all players work together in a spirit of sincere cooperation. The Commission will continue to monitor the situation closely and stands ready to put forward additional measures, as necessary. There is no time to lose to preserve sustainable jobs and growth in Europe.

[Communication "Steel: Preserving sustainable jobs and growth in Europe"](#)

[MEMO – Frequently Asked Questions](#)

[Investment Plan for Europe / European Fund for Strategic Investments](#)

[EU Structural and Investment Funds](#)

[Horizon 2020](#)

[European Globalisation Adjustment Fund](#)

[Energy Union](#)

[Circular Economy Package](#)

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Press contacts:

[Daniel ROSARIO](#) (+ 32 2 295 61 85)

[Heli PIETILA](#) (+32 2 296 49 50)

[Lucia CAUDET](#) (+32 2 295 61 82)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)