



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion concerning the Action Plan for a competitive and sustainable steel industry in Europe {COM(2013) 407 final}. The Commission is pleased to note the very positive views expressed in the Opinion which adds value to the Commission's Communication adopted last summer and the recommendations will certainly be addressed.

The European steel industry is one of the industrial sectors most severely hit by the current economic crisis. However, it has all the potential – if the right framework conditions are put in place – to remain competitive and re-affirm its world leadership. The Action Plan therefore proposes a comprehensive approach for this sector to remain competitive. It is the first time since the Davignon Plan of 1977 and eleven years after the expiration of the European Coal and Steel Community Treaty in 2002 that the Commission tackles this issue directly.

Active participation of industry and trade unions throughout the process would also need to be stressed, as well as the support of the main steel-producing Member States including Italy.

Steel is essential to the technologies and solutions that meet society's everyday needs. It is central to our current transport system, infrastructure, housing, manufacturing, agriculture, water and energy supply. It is also critical for the sectors and technologies that will enable and drive a green economy. The Commission is happy to see that the Camera dei Deputati shares the same view.

As mentioned in the Opinion, there is a need to work even harder now on this industrial sector, especially keeping in mind the approach and the strategy set out in the Action Plan. The Commission would also like to shed light on some key issues the Camera dei Deputati has highlighted in the Opinion:

Concerning the use of Trade Defence Instruments (TDI) to protect unfair competition from global competitors, the Commission strongly supports the liberalisation of international trade under the umbrella of the World Trade Organization (WTO) and therefore uses its various trade policy tools and instruments (e.g. trade negotiation, Free Trade Agreements and TDI) to ensure European steel producers have access to third country markets. It is

*Ms Laura BOLDRINI
President of the Camera dei Deputati
Piazza Montecitorio
IT – 00100 ROMA*

worth mentioning that there are 7 on-going anti-dumping investigations on steel and 39 measures currently in force.

In view of a more efficient way to use scrap and to get a clearer picture of the market, the Commission intends to use the existing ‘Surveillance2’ system¹ to monitor not only the imports but also the exports of steel scrap as it is necessary to have a clear picture of what is available in Europe and what is lacking.

The Camera dei Deputati mentions in its Opinion the high energy prices in Europe and asks for appropriate measures to overcome this situation. The Commission acknowledges this negative trend and has proposed some measures, i.e. it has issued guidance on renewable energy support schemes used by Member States to meet their 2020 targets for renewables, the Commission has also recently (22 January 2014) adopted and published a report on the composition and drivers of energy prices and costs in Member States with a particular focus on energy intensive industries.

Regarding the reconciliation of Climate policies and Industrial policy, the Commission does not think that there is a contradiction. The industrial policy and the fight against climate change go hand in hand, as shown with the adoption, on 22 January 2014 of two Communications, one on a framework for Climate and Energy for 2030 and another on the Renaissance of Industrial policy. Both policies build on the agenda for Growth and Jobs.

The Commission is particularly keen on investing more in R&D and innovation and will use the funds available from different mechanisms such as the programme Horizon2020, the Research Fund for Coal and Steel (RFCS) for steel projects. The first calls of Horizon 2020 have been published the 11th December 2013. The Commission has also invited the European Investment Bank (EIB) to consider long-term financing applications for steel projects and is currently discussing with the EIB in the context of the High Level Group meetings on Steel.

On the issue of potential clusters and cooperation in the field of research and public-private partnership (PPP), the Commission has decided to invite as members of the High Level Group, not only Member States, industry and trade unions, but also research organizations. The idea is precisely to have some cooperation between these entities and to share best practices. It should also be highlighted that a specific PPP called SPIRE is very relevant for the steel sector and that up to EUR 60 million have been allocated in 2014 for new technologies for cleaner, more resource and energy-efficient technologies.

Regarding State aid, it should be pointed out that this sector can already qualify for certain types of aid, namely R&D and innovation as well as environmental and energy aid. At the same time the Commission has set out an ambitious State aid reform programme currently being undertaken. A public consultation on rescue and restructuring aid was launched in November 2013 and the Commission is now assessing the replies.

It is of major importance to the Commission that EU funds, especially the European Globalisation Adjustment Fund (EGF) as well as the European Social Fund (ESF) and other

¹ The Surveillance 2 system is collecting data directly extracted from import customs declarations. These data relate to the reference of the customs declaration, the nature of the goods, their origin, their volume, their value and their date of acceptance by the customs administration (actual import date). Records are sent daily by the central systems of the customs administrations of the EU Member States. It is based on article 308d of the implementing provisions of the Custom Code (Regulation 2454/93). For more information: http://ec.europa.eu/enterprise/sectors/metals-minerals/files/steel-action-plan_en.pdf (page 11)

tools are deployed to retain and attract qualified workers whilst at the same time mitigating the potential negative impacts of closures or downsizing. The Commission is acting accordingly and the new regulation of the EGF entered into force on 1st January 2014. It is up to the Member States to make full use of the EGF.

The Commission shares the view of the Opinion that further social dialogue should be promoted and would like to underline that in the High Level Group meetings but also in other fora, both industry and trade unions are constantly represented, the Commission therefore facilitates dialogue between social partners.

Furthermore, the Commission set itself a roadmap to effectively implement the measures stated in the Action Plan².

Most importantly, the Camera dei Deputati and the Commission are heading in the same direction with the same shared view that this sector is crucial and actions need to be taken.

The Commission hopes that these clarifications address the issues raised by the Camera dei Deputati and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

² Document available at : http://ec.europa.eu/enterprise/sectors/metals-minerals/files/overview-actions_en.pdf