

5 February 2016

Dear Vice-President Katainen,
Dear Commissioners Bieńkowska and Malmström,
Dear Minister Kamp,

The European steel industry – already weakened by the 2008 economic crisis – is tackling chronic use of unfair trade practices in a context of strong international competition intensified by overcapacity at global level.

The European Union cannot remain passive when rising job losses and steelwork closures show that there is a significant and impending risk of collapse in the European steel sector.

Following the Conclusions of the Presidency at the Extraordinary Competitiveness Council on steel on 9th November 2015, we jointly appeal to the European institutions to use every means available and take strong action in response to this new challenge. These means include trade defence instruments (TDI), within the framework of WTO rules, and other instruments to support and modernise the European steel industry.

First, the Commission should make full and timely use of the full range of EU trade policy instruments to tackle unfair trade, including anti subsidy measures, to ensure a global level playing field. This includes taking swift and appropriate measures in pending antidumping cases, such as the investigation on cold-rolled steel flat products originating from Russia and China. We therefore welcome the rapid response of the Commission to the request by the industry to start the registration for this product. We urge a rapid consideration of the request for an investigation into imports of hot-rolled flat products originating from China and ask the Commission to also consider any request for registration, given the crucial importance of this product for the European steel industry.

Moreover we should not wait until the damage from unfair practices becomes irreversible for our industry. Within the scope offered by the EU Basic Anti-dumping Regulation, the Commission should be prepared to open investigations “*ex officio*” and to set up measures on the ground of the “threat of injury” where the evidence justifies this. The Commission should also quicken the pace of investigations before imposing trade defence measures.

Furthermore, we call for new efforts to adopt a package of measures to modernise TDI in a manner which recognises the importance of free but fair trade to the European economy, to producers and to consumers. Such TDI reform should further streamline and expedite the procedures, increase

transparency, predictability, effectiveness and enforcement for all economic operators in order to enhance the protection of the European steel industry against unfair practices.

At the same time, EU regulation has to take into account and safeguard the competitiveness of energy-intensive industries, such as the steel industry. The European Council of October 2014 has given clear guidance on the Climate and Energy Framework up to 2030, including guidance on the future development of the key European climate policy instrument – the EU Emission Trading System. The European Council decided that, while maintaining incentives for industry to innovate, the most efficient industrial installations in sectors at risk of carbon leakage should not be subject to undue carbon costs. It is of utmost importance for the steel industry that this guidance from the European Council will be implemented fully, in order to prevent carbon leakage and the relocation of production and jobs outside the EU.

Finally, we should also explore other ways to avoid the downturn of the European steel industry and guarantee the long term and sustainable development of the industry, such as supporting the development of low carbon technologies and processes for the steel industry and fostering steel product innovations through Horizon 2020, primarily via the SPIRE Public Private Partnership, the Research Fund for Coal and Steel (RFCS) and the European Fund for Strategic Investments (EFSI).

The high level stakeholder conference on 15 February provides an opportunity to explore these issues. We welcome the Commission taking the lead in organising this conference and following up on the conclusions of the Extraordinary Competitiveness Council meeting on steel. We also hope that there will be an explicit focus on addressing the serious and specific issues facing the steel industry across the EU through the conference, albeit within the wider context of Energy Intensive Industries.

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