



## **Conflicting EU policies are killing the raw materials industries vital to steel making and steel recycling**

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Recent EU level negotiations concerning the application of the Emissions Trading System after 2021 jeopardise the activity, competitiveness and mere existence of several upstream industries such as the mining industry, the carbon and graphite sector and the refractories industry, sectors vital to the steel making and steel recycling. If no supportive measures are taken, Europe will soon become fully dependent on Chinese and Indian imports.

Currently the future of the global energy policies remains unpredictable and current efforts to put a price on greenhouse gas emissions around the world remain fragmented. In such an asymmetric world, the European mining sector as well as the carbon and graphite and refractories, competing at local, national and international levels, mainly on costs are very concerned that the EU level climate action decisions may undermine their international competitiveness.

The steel industry is fully dependent on the above mentioned raw materials amongst which magnesia refractories, calcium carbide, graphite electrodes. All these are obtained by processing naturally occurring minerals with coke at high temperatures and thus emitting a specific type of CO<sub>2</sub> emissions which cannot be reduced by any technical progress without reducing production. Even so, the European Commission intentions expressed so far seem to ignore this fundamental process emissions characteristic and aim to reducing them at any costs.

“Euromines welcomes the European Union commitment to reduce greenhouse gas emissions and is fully committed to all of the European climate change objectives. Nevertheless, in such an asymmetric world, the EU magnesia sector, competing at local, national and international levels, mainly on costs is legitimately concerned that the latest results of the EU level negotiations regarding CO<sub>2</sub> process emissions may undermine the international effectiveness of the industry. This will result in losing market share and profit margins to competitors who do not face similar carbon costs abroad”, stated Mark Rachovides, president of Euromines.

“Whilst our industry is well aware of the EU's climate change policies and is currently taking all the necessary measures to finding solutions, the current Commission's proposals are driving up costs for the production of these vital ingredients to steel making and steel recycling. As it is today, the current Commission proposal would only make steel recycling in Europe dependent on imported electrodes. The lack of understanding and willingness towards these types of geogenic CO<sub>2</sub> emissions as well as towards accepting that carbon capture, storage and utilization is the only available solution to maintaining these supply industries alive in Europe will soon lead the Europe's industry to becoming fully dependent on Chinese and Indian imports,” added Mr. Antonio Aranzabal, president of the European Carbon and Graphite Association.



As illustrated in the Ceramic Industry Roadmap to 2050, while there is some potential for further reduction of CO<sub>2</sub> emissions linked to direct and indirect fuel emissions, process emissions are inherent to the raw material (e.g. clay in the case of bricks & roof tiles, magnesia for refractory magnesia bricks, etc.). Alain Delcourt, President of Cerame-Unie, stresses "that higher CO<sub>2</sub> costs on process emissions would strongly disrupt business models in all ceramic sectors under the ETS and would lead to automatic shifts to imported raw materials eventually resulting in production relocation in the refractory sector, thereby affecting EU domestic jobs and increasing the carbon footprint for products consumed in the EU!"

If you would like more information about this topic, please call Mirona Coropciuc at +32 2 205 08 43, or email [Coropciuc@euromines.be](mailto:Coropciuc@euromines.be).

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### **About Euromines**

Euromines, the European Association of Mining Industries, Metal Ores & Industrial Minerals, represents large and small companies and subsidiaries in Europe and in other parts of the world which provide jobs to more than 350,000 people. Through the activities and operations of these members, more than 42 different metals and minerals are produced. Their sustainable exploitation can increase Europe's supply of mineral resources, help ease imports from third countries usually applying lower environmental, corporate and social standards and foster the socio-economic growth of Europe's Regions.

### **About ECGA**

The European Carbon and Graphite Association represents 100% of the EU based graphite electrode producers going into Europe's steel and foundry industry, electrodes and cathodes for the aluminium and ferroalloy industry as well as a wide variety specialty graphite going into hundreds of applications from electric motors to modern battery technology.

### **About Cerame Unie**

Cerame-Unie is the umbrella organisation representing the European ceramic industry structured in nice sectors. It covers a wide range of products including bricks & roof tiles, clay pipes, wall & floor tiles, refractories, sanitaryware, table- & ornamentalware, technical ceramics, expanded clay and porcelain enamel. The industry generates over 200,000 direct jobs and a production value of €30 billion in the EU