

OPEN LETTER

58 EUROPEAN STEEL INDUSTRY CEOs WRITE TO EU HEADS OF STATE AND GOVERNMENT

Brussels, 17 October 2016 – 58 of the most senior executives from the European steel industry have addressed EU leaders with a clear message: “Make the right choices to ensure that our sector and its value chains flourish, investment continues, and the jobs of the men and women who work in our sector are sustained.”

This call comes ahead of the European Council summit of 20-21 October 2016, towards the end of a year that has seen the European steel industry under continued pressure. Notably, EU leaders will discuss the modernisation of Europe’s Trade Defence Instruments, which the European steel industry has consistently pushed for.

The Open Letter highlights the steel industry’s challenges, and calls on EU policy makers to develop more effective, faster measures to re-establish fair trade, to align with the US on the Market Economy Status of China, and build an EU ETS that creates no cost burden beyond economic and technological feasibility.

The Open Letter can be found below.

**Open letter by 58 CEOs of the European steel industry
to
Heads of State and government**

We, the undersigned CEOs of the EU steel industry, are writing to you ahead of the European Council meeting on 20-21 October.

During this meeting, you will be taking decisions that could help preserve an innovative, sustainable, and globally competitive steel industry in Europe. Making the right choices should ensure that our sector and its value chains flourish, investment continues, and the jobs of the men and women who work in our sector are sustained.

We ask for your support on a number of issues that could make or break our industry:

- **Market Economy Status of China: Alignment with the US**

A revised EU anti-dumping regulation which includes the EU's five market economy criteria, with the burden of proof in dumping cases staying with exporters to the EU. We believe the EU's anti-dumping methodology should be closely aligned with the non-standard methodology applied by the US.

- **Trade Defence: More effective, faster measures to re-establish fair trade**

EU Trade Defence Instruments are very slow to deploy, compared to our trade partners'. In addition, the effectiveness of the EU anti-dumping instrument is uncertain, producing measures which are significantly below the calculated size of the dumping, often less than a tenth of US measures.

The EU is the only major region to systematically apply the Lesser Duty Rule (LDR). Under certain conditions it must be possible to lift the LDR. These conditions must be achievable and workable, accompanied by a duty calculation based on improved injury margins.

- **Emissions Trading: No cost burden beyond economic and technological feasibility**

The EU Emissions Trading System is the largest and most ambitious carbon market in the world. The European steel industry is committed to CO2 reductions and is working hard to develop low carbon technologies.

However, we need a reformed EU ETS that is fair and achievable. At present, the proposed EU ETS beyond 2020 creates costs for European steelmakers that are not borne by our global competitors. This risks jobs and investment in European steel. We need an EU ETS that changes how steel is made, not where it is made.

We trust that you can make progress on the above issues so that steel will be able to contribute to the transition to a competitive, low carbon European economy.

Yours faithfully,

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CEO
ArcelorMittal Europe

Francesc Rubiralta Rubio
Chairman and CEO
CELSA Group

Andreas J. Goss
CEO
ThyssenKrupp Steel Europe AG

Claudio Riva
President
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Heinz Jörg Fuhrmann
CEO
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Hans Fischer
CEO and CTO
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Herbert Eibensteiner
Head of the Steel Division and Member of
the Management Board
voestalpine AG

Martin Lindqvist
President & CEO
SSAB AB

Antonio Gozzi
CEO
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Francisco Javier Sanchez
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Notes for Editors

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About the European Steel Association (EUROFER)

EUROFER is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in Switzerland and Turkey are associate members.

About the European steel industry

The European steel industry is a world leader in innovation and environmental sustainability. It has a turnover of around €170 billion and directly employs 320,000 highly-skilled people, producing on average 170 million tonnes of steel per year. More than 500 steel production sites across 24 EU Member States provide direct and indirect employment to millions more European citizens. Closely integrated with Europe's manufacturing and construction industries, steel is the backbone for development, growth and employment in Europe.

Steel is the most versatile industrial material in the world. The thousands of different grades and types of steel developed by the industry make the modern world possible. Steel is 100% recyclable and therefore is a fundamental part of the circular economy. As a basic engineering material, steel is also an essential factor in the development and deployment of innovative, CO2-mitigating technologies, improving resource efficiency and fostering sustainable development in Europe.