



Strategic Dialogue on Steel: five actions for a thriving steel sector

Brussels, 06/03/2025

Dear Commission President Von der Leyen,
Dear Executive Vice-President Ribera,
Dear Executive Vice-President Séjourné,

As the steel industry in Europe provides employment to hundreds of thousands of workers, and given the importance of the sector to manufacture the technologies for a climate neutral Europe, it is essential that the Clean Industrial Deal provides the tools to modernize, protect and invest in this strategic sector. This is an urgent task that will require concerted EU coordination.

In light of this challenge and the Strategic Dialogue on Steel, we wish to share with you the five main actions that will provide the right conditions for a healthy and future-proof steel sector in Europe, and which we hope will be addressed in the discussions in the coming months leading up to the Steel and Metals Action Plan and its implementation.

Drive down energy costs

Only by replacing expensive imported fossil fuels with abundant, affordable and renewable energy produced in Europe will the European steel industry become more competitive.

- This requires accelerated investment and deployment of renewables and electricity grids, more and better cross-border connections, flexibility and storage. The European Grids Package should ensure efficient, integrated and timely planning of networks with a dedicated European body with a clear mandate for infrastructure planning.
- More immediately, this means speeding up and support the uptake of long-term power purchase agreements as proposed in the The Action Plan for Affordable Energy, reversing the sharp increase in network tariffs (such as amortisation), prioritising energy efficiency, boosting interconnectors through CEF, and flexibility remuneration in EU and national support mechanisms.
- This also entails quickly lowering taxes on electricity, in particular from renewables, in the Energy Taxation Directive, and using contracts for difference to drive investments in decarbonisation of steel production processes, in particular prioritizing direct electrification.



Create lead markets for green and circular products

Ramping up the use of scrap for high-quality steel production will massively reduce energy demand and thus energy costs, while creating demand for decarbonized products will stimulate new investments in the steel sector.

- This requires strong demand incentives in sectoral legislation, such as renewables based and recycled steel standards and minimum quality requirements for steel products in the delegated act of the upcoming ecodesign regulation, in the regulation on the end of life of vehicles, the Decarbonisation Accelerator Act and other legislation.
- This should also be done by boosting extra demand for recycled content and renewables based steel in the upcoming review of the public procurement directive or through private procurement, for instance by greening corporate fleets via the Clean Vehicles Directive and other legislation such as the introduction of low-carbon labels for industrial producers in the Decarbonisation Accelerator Act.
- To prevent exports of scrap to facilities in third countries without guarantees on environmentally sound treatment, sufficient means and capacity should be provided to ensure compliance with the recently reviewed regulation on waste shipments.

Ramp up investments

Steelmakers need certainty about Green Deal objectives to make investment decisions in electrified processes and circularity, but also urgently need new sources of financing, all of which should be managed by the competitiveness coordination tool that the Commission has announced.

- This requires a Competitiveness Fund to address the long-term investment gap in the steel sector, funded by a joint borrowing scheme to guarantee equitable, uniform and harmonized access to funding, linked to measurable and common social, environmental and resilience conditionalities.
- This equitable European approach creates a level-playing field across Europe, a sharp contrast with the Commission's proposal to facilitate national support in the state aid guidelines, which not all member states can benefit from given budgetary constraints.
- Funding instruments should also consistently prioritize production processes delivering the most efficient use of inputs and energy and the biggest reductions in climate emissions to minimize costs for both producers and taxpayers.



Apply fair but firm trade policies

The EU needs protection against steel imports to the EU resulting from overcapacity in other parts of the world, as this undermines investment in modernisation and greening of steel production in the EU.

- This requires protection against unfair trading practices by intensifying anti-dumping and anti-subsidy investigations, improving safeguard measures and systematically integrating social and environmental dumping when calculating duties.
- This also calls for the strengthening of the carbon border adjustment mechanism by including this to downstream sectors to prevent circumvention, and allowing CBAM price adjustments only for goods from countries with an ETS-system.
- Such protection will only be accepted if we develop truly win-win partnerships with trade partners in third countries, in particular on critical raw materials, by offering benefits like more added-value processing, finance and transfer of technologies.

Guarantee quality jobs and skills development

Workers in the steel industry expect solid assurances that their livelihoods are secured, that working conditions are safe and that they have a say in their own workplace and the future of their career which should be guaranteed with a new directive on Just Transition

- That means that public support for investments in modernizing and green steel production should always be tied to social conditionalities such as guaranteeing decent wages and working conditions, collective bargaining, skills investment etc.
- It also means that public support should always be used for investment instead of ending up in the pockets of shareholders, which can be done by temporarily limiting or banning the buying back of shares or the handing out of dividends.
- And finally, this requires us to expand the budget of the Just Transition Fund to ensure that no steel workers are left behind in the event of reorientation and restructuring of production facilities and setting up reskilling programmes that go with it.

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