Plenary sitting

10.12.2014 B8-0352/2014

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 123(2) of the Rules of Procedure

on the steel sector in the EU: protecting workers and industries
(2014/2976(RSP))

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on behalf of the S&D Group

B8-0352/2014

European Parliament resolution on the steel sector in the EU: protecting workers and industries
(2014/2976(RSP))

The European Parliament,

– having regard to the Treaty establishing the European Coal and Steel Community, which is the root of the Treaty on European Union,

– having regard to the Commission communication of 14 October 2011 entitled ‘Industrial policy: reinforcing competitiveness’ (COM(2011)0642),

– having regard to the Commission communication of 10 October 2012 entitled ‘A stronger European industry for growth and economic recovery – Industrial policy communication update’ (COM(2012)0582),

– having regard to the Commission communication of 11 June 2013 entitled ‘Action Plan for a competitive and sustainable steel industry in Europe’ (COM(2013)0407),

– having regard to its resolution of 4 February 2014 on the Action Plan for a competitive and sustainable steel industry in Europe[1],

– having regard to its previous resolutions on the steel industry, and on the restructuring, transfer and closure of companies in EU,

– having regard to its resolution of 25 November 2014 on the employment and social aspects of the Europe 2020 strategy[2],

– having regard to its resolution of 15 January 2013 with recommendations to the Commission on information and consultation of workers, anticipation and management of restructuring[3],

– having regard to the question to the Commission on the steel plant Acciai Speciali Terni (AST) in Italy (O-000087/2014),

– having regard to Rule 123(2) of its Rules of Procedure,

General challenges

A. whereas the European steel sector has played a historically significant role in the European integration process and forms the basis for the generation of European industrial added value;

[1] Texts adopted, P7_TA(2014)0069.
[2] Texts adopted, P8_TA(2014)0060.
[3] Texts adopted, P7_TA(2013)0005.

B. whereas the steel industry is essential for growth and prosperity in Europe and is currently suffering from a substantial drop in demand, causing a continuous loss of jobs and competitiveness which does not bode well for the necessary recovery of the European economy;

C. whereas the EU should promote a policy of developing industrial production in all the Member States in order to safeguard jobs within the EU and to achieve its objective of raising the current share of GDP coming from industry to at least 20 % by 2020;

D. whereas one of the EU's objectives is to support the steel industry, to remove obstacles and threats to its competitiveness and to make it responsive to changing European and non-European market conditions;

E. whereas in recent years the steel industry has faced severe challenges in terms of restructuring and industrial mergers, with the corresponding social costs, but also in terms of new requirements to meet the EU's climate targets, for instance through weight-saving constructions and the great potential for recycling and reusing scrap metal;

F. whereas the European steel industry is facing an investment crisis which is endangering its own future, while at the same time steel materials are expected to play a crucial role in providing sustainable industrial solutions for urbanisation, mobility and demographic change;

G. whereas a limited increase in demand will see Europe shift from being a net exporter to a net importer of steel, especially flat products and high-added-value products;

Competitiveness and trade

H. whereas this sector is facing strong competition in the global market, mainly from non-EU countries, many of which have lower social and environmental standards and levels of regulation, and has seen its access to raw materials become increasingly difficult, coupled with the need to meet higher costs;

I. whereas the steel industry will continue to reduce capacity, even with European prices for flat products already (unsustainably) being the lowest in the world, driven by import pressure;

J. whereas carbon leakage has been a reality since the beginning of the third phase of the EU emissions trading system (ETS) in this sector;

K. whereas energy costs account for up to 40 % of total operational costs, and whereas electricity prices for industrial end consumers in the EU are restricting the competitiveness of European companies in a globalised market;

Social aspects

L. whereas high unemployment rates in the EU correlate with its shrinking industrial and manufacturing production base;

M. whereas the EU steel industry is a major employer, accounting for more than 350 000 direct jobs and several million more in related industries, including the recycling supply chain;

N. whereas the current crisis has generated deep social hardship for the workers and regions affected;

O. whereas the situation of some steel plants in Europe is causing serious concern to workers and to national and local authorities, not least given the risk of reduced production volumes, which will affect EU companies’ market position, and the increased competition pressure owing to a lack of investment in technology and in business organisation;

P. whereas companies involved in restructuring should act in a socially responsible manner, as experience has shown that socially and economically sustainable restructuring is never achieved without sufficient social dialogue, with a special focus on informing and consulting workers, as outlined in Parliament’s aforementioned resolution of 15 January 2013;

Q. whereas comprehensive involvement of the social partners at all levels and the strengthening of social dialogue at EU level are crucial in order to safeguard the interests of both steel companies and their employees;

R. whereas numerous plants, representing 20 million tonnes of capacity, have been temporarily idled for more than three years; whereas, at the same time, the workforces of many plants in Europe are characterised by ageing skilled workers who have nearly reached retirement;

R&D / Technology

S. whereas high-technology industries – for instance in the steel sector – have been used as a model of technological know-how that must be protected, and whereas immediate action is necessary to avoid these industries being outsourced outside the EU;

T. whereas R&D is strategic for an industry which must find a way to reduce its emissions, especially (but not exclusively) of CO_2;

Challenges

1. Stresses that European economic recovery is highly dependent on a strong manufacturing industry, with the steel industry playing a key role, and that manufacturing depends on domestic demand and growth;

2. Urges the Commission to speed up its preparation of the industrial policy roadmap announced for the first part of 2015 in order to revive the competitiveness of European industry vis-à-vis the global market with a view to guaranteeing an effective level playing field while ensuring high social and environmental standards in the EU and working towards reciprocity in third countries;

3. Considers the defining of ambitious reindustrialisation targets as part of the mid-term review of the Europe 2020 strategy to be of paramount importance for achieving a genuine EU industrial policy and relaunching the EU’s industrial competitiveness at the global level;

4. Calls on the Commission to submit to Parliament and the Council, as soon as possible, a harmonised framework of common measures to replace the current incentive system, so as to guarantee a level playing field in the internal market;

5. Calls on the Commission to study the European steel industry’s strategic position in the world, steelmaking being considered to be strategic in a large number of countries, and to specifically develop a clear roadmap for the medium- and long-term initiatives it intends to propose to support the steel industry in Europe; emphasises that such a roadmap must entail the comprehensive and early involvement of the social partners at all levels;

6. Requests that the Commission provide in the short term a report on the major challenges facing the steel industry in Europe, including social, economic and environmental aspects; recalls in this connection that, following the expiry of the Treaty establishing the European Coal and Steel Community, the Commission is entitled to address the economic and social impact of developments in the European steel industry; calls on the Commission to take on board positive experience, in particular as regards the tripartite strategic considerations and research;

7. Asks for the urgent relaunching of the High Level Group on Steel in the context of the newly elected College of Commissioners, and for the setting-up of a meeting within that framework to inform relevant stakeholders of the progress made in implementing the 40 actions set out in the Commission action plan for steel;

8. Considers regrettable, however, the limited scope of intervention of the High Level Group on Steel, both in the consultation process and in terms of concrete results; considers it essential for regional and local authorities and trade unions representing the areas in which steel plants are located to be closely involved, facilitating and encouraging the participation of those European regions in which the steel companies are based in the work of the High Level Group on Steel, so as to promote cooperation and exchanges of information and best practice among major stakeholders in the Member States; requires greater efficiency and demonstrable results from this high-level group;

9. Highlights the need to study how the investment crisis can be addressed in order to transform European industry into a sustainable and profitable industry, bearing in mind that investments in the steel industry are characterised by long-term returns, and must therefore be specifically addressed in the Juncker plan;

10. Stresses that indirect support for the steel sector is crucial, including the strategic development of key steel-using sectors, thereby creating incentives for efficient and fair production processes, strengthening the internal market and incentivising skills development;

11. Calls on the Commission to check whether the application of competition rules has led to unfair solutions in the European steel market, with potential adverse effects on its efficiency, and, should that be the case, encourages the Commission to present corrective measures and to prevent such situations in the future; stresses that Commission decisions or remedies in the field of competition law should not jeopardise the economic viability of individual steelmaking sites, especially in the context of increased global competition; adds that the Commission should also act to protect key industrial infrastructure and production capacity from asset-stripping ventures;

12. Urges the Commission to ensure that the current scheme of State aid for energy-intensive industries does not generate distortions in the internal market, and thereby to secure a level playing field for companies; takes the view that energy-intensive industries need a stable framework for their investments in order to guarantee a high level of employment;

13. Believes that the positive measures proposed herein would allow the steel industry to become more competitive internationally, showing that EU steel products meet higher social, environmental and economic standards than those from anywhere else, and highlighting the quality of EU steel producers, which would at the same time improve consumer perceptions;

Trade and competitiveness

14. Encourages the Commission to place greater importance on industrial policy by adopting measures that will enable the revival of the European industry's competitiveness in a global market, and to ensure an effective level playing field for all economic actors;

15. Calls on the Commission to ensure that future trade agreements include provisions which significantly improve export opportunities and market access for European steel and steel-based products; stresses the need to enter into negotiations with trading partners which account for particularly significant volumes of imports into the EU, with a view to introducing quantitative restrictions; stresses that fair trade in steel products can only work on the basis of compliance with basic employment rights and environmental standards, and points out that imports at dumping price levels lead to unfair competition, in particular for stainless steel producers in Europe; emphasises the urgent need to modernise the EU's trade defence instruments, and calls on the Commission to encourage the Member States to take concrete action to bring forward this modernisation process, thereby ensuring fair competition and enabling the EU to take swift and proportionate measures in the fight against unfair trading practices;

16. Asks the Commission to examine the feasibility of a border carbon adjustment (payment of ETS allowances for steel coming from outside the EU) with a view to creating a level playing field in terms of CO_2 emissions, thus eliminating the phenomenon of carbon leakage;

17. Emphasises that high European standards of climate and environmental protection could become worldwide standards, thereby ensuring fair conditions of competition;

18. Calls on the Commission to take concrete measures to reduce the cost of energy and raw materials in the medium and long term, especially for energy- and raw-material-intensive industries, and to encourage the Member States to exchange best practices in the field of energy price reduction;

19. Calls on the Commission to organise a thematic meeting once a year with other energy-intensive industries, dedicated for instance to competition, energy or climate policies, as some of the concerns of the steel sector are also relevant to other energy-intensive industries;

20. Calls on the Commission to monitor closely future developments in all steel production locations in order to ensure that the competitiveness of the European steel sector and its impact on employment are not threatened, and urges the Commission to identify measures aimed at fostering sustainable sites and workplaces;

Social aspects

21. Stresses the relevance of careful monitoring by the Commission of ongoing developments in order to safeguard the industrial heritage and the workforce concerned; recalls the need to invest in workers' education and training, which should be promoted by the social partners and supported by public authorities;

22. Emphasises that restricting demand must not lead to unfair competition for jobs among the Member States; calls, therefore, for a pan-European solution which safeguards and creates good jobs and industrial activity in Europe's regions;

23. Stresses the need to anticipate the possible reboot of the temporarily idled plants by means of a training programme for future workers to be employed in these plants;

24. Advocates the promotion of a know-how transfer programme to allow skilled older workers to transmit their knowledge and skills to newcomers in European steel plants;

25. Stresses that EU standards of corporate social responsibility and employee participation should also be implemented by European companies in third countries;

26. Stresses that involving workers in innovation and restructuring measures is the best way to guarantee economic success, and calls on the Commission, therefore, to create a platform including the social partners to advise on, implement and monitor the European steel action plan;

27. Calls on the Commission to streamline relevant EU funds, such as the European Globalisation Adjustment Fund (EGF) and the European Social Fund (ESF), and policy instruments in order to alleviate the social costs of adjustment and ensure that the relevant skills are retained and developed for the future competitiveness of the industry;

28. Proposes that the product of companies' sale of their free allowances should be entirely reinvested in the low-carbon economy (equipment, technologies, R&D, workforce formation);

R&D / Technology

29. Stresses the need for investment in research and innovation as crucial aspects for the relaunching and renewal of the European economy in general, and of the steel industry in particular, which is based on long life cycles and great recycling potential; mentions, in this connection, the existing and new hydrogen-base iron-ore reduction technologies, which have the potential to reduce or eliminate large amounts of carbon dioxide emissions; calls for the establishment and promotion of a trademark for fair steel products 'made in Europe';

30. Underlines, in this connection, the crucial importance of the Horizon 2020 and Sustainable Process Industry through Resource and Energy Efficiency (SPIRE) programmes, together with the need for European Investment Bank financing of the most risky innovation and research programmes;

31. Calls on the Commission to implement an ambitious innovation policy which clears the way for the development of high-quality, energy-efficient and innovative products enabling the EU to hold its own in the face of ever more severe global competition; emphasises that innovation in new products, such as mass steel products, including high-strength, high-resistant steel sheets for car production as well as high-alloyed steels with different physical and chemical properties, and new production processes, especially hydrogen metallurgy and re-melt metallurgy, hold the key to improving the competitiveness of the European steel industry vis-à-vis third-country suppliers, and that this area should receive particular support;

32. Calls on the Commission, furthermore, to ensure that the ETS takes on board technological progress, such as the lowering of CO_2 emissions through the use of gases enriched in energy carrier ingredients blown through nozzles into the blast furnace and the more efficient use of heated exhaust blast furnace gases in energy technologies and metallurgical processes;

33. Supports the financing of industrial pilots to reduce CO_2 emissions with a view to meeting the urgent need for a transition to a sustainable, decarbonised economy with energy efficiency, renewables and smart infrastructure forming its backbone, and to transform the ultra-low CO_2 steelmaking (ULCOS) technology into an energy-efficient and environmentally efficient industrial policy tool; notes that this would include the promotion of carbon capture and storage (CCS) clusters, supporting the building of infrastructure focused around industrial facilities, including steel production;

34. Calls on the Commission to implement the SustSteel initiative, as proposed in the steel action plan and which is fully supported by Parliament, the Economic and Social Committee and the Committee of the Regions, and to do so as soon as possible;

35. Instructs its President to forward this resolution to the Commission, the Council, and the governments and parliaments of the Member States.