

PRESS RELEASE

**COMMISSION PROPOSAL ON EU ETS “STATE AID GUIDELINES” DOES NOT PREVENT
INDUSTRY CLOSURES AND CARBON LEAKAGE**

Eurometaux is disappointed with the newly launched guidelines that only allow partial compensation of CO2 costs in electricity prices due to the EU emissions trading scheme. They fail in their objective of mitigating carbon leakage for industries such as aluminium, copper and zinc, thereby actively risking more industry closures in Europe.

“We are disappointed that the EU Commission is not using this opportunity to halt the de-industrialization of Europe, prevent job-losses and thereby also reduce EU’s increased dependency on imports of strategic metals. Once closed, these smelters will never come back to Europe” says Oliver Bell, President of Eurometaux.

We hope that all Member States will, in any event, implement these rules constructively in order to try and enable a long-lasting solution to keep industry in Europe. Furthermore, Member States, in close dialogue with the industry at stake, are encouraged to adopt other constructive measures to keep industries from closing down and to maintain investments, innovation and value creation in Europe.

The closures and curtailments recently announced in the UK, Netherlands, Italy, and Spain show the importance of competitively priced power for the future of the non-ferrous industry in Europe. As this industry is not exposed to such indirect emission costs elsewhere in the world, considerably reduced compensation will lead to further job losses and plant closures in the EU, even at today’s low carbon prices.

The guidelines unnecessarily perpetuate the uneven playing field for Europe’s industry compared to other regions in the world. We therefore call on the Commission and the Member States to propose initiatives to reduce this disadvantage soon, instead of worsening the situation through increased power prices for our industry through unique EU carbon legislation.

By contrast, if properly designed, the system would have helped the non-ferrous metals industry in Europe to continue its strategic role of providing innovative materials for climate protection and for downstream European industry.

For more details, see the attached Eurometaux position paper with Annex on this issue. www.eurometaux.eu

Eurometaux is the Brussels-based EU association of the non-ferrous metals industry, representing the main EU and international metals producers, EU and international metal commodity groups and national metal federations. The industry covers base metals (Al, Cu, Pb, Ni, Zn, Sn), precious metals (Au, Ag, PGM’s) and technical metals (e.g. Co, W, Cr, Mo, Mn), manufactured from both virgin and recycled raw materials.

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