

## P R E S S   R E L E A S E

## EU emergency energy intervention: More urgency needed to save at-risk metals producers

Brussels, 14 September 2022: “Each week that EU leaders debate their response to the energy crisis, curtailments and closures in the metals sector escalate. Today’s package does not give our companies the support or clarity they need to get through this critical winter. We need immediate emergency actions to address Europe’s spiraling industrial crisis, instead of more debate later in September”, warned Guy Thiran, Eurometaux’s Director General, expressing his concern about today’s EU energy crisis support package and its lack of attention to energy-intensive industries.

Last week, 40 CEOs in the metals sector united in warning EU leaders of the existential threat to their future from skyrocketing electricity and gas prices. 50% of the EU’s aluminium and zinc capacity has been forced offline in the last twelve months, as well as 30% of silicon and ferro-alloys production and impacts across copper and nickel sectors. New curtailments or closures are being announced on a weekly basis, most recently in the Netherlands, Slovakia, France, Germany and Romania. Once a plant is closed, it very often stays a permanent situation, as reopening requires considerable time, costs, and the right competitive conditions.

Metals industry leaders have called on the EU to take temporary action to address the sky-high gas price, in a targeted way that ensures power prices at levels ensuring the survival and competitiveness of the EU industry. They also called for a wider package of measures, including urgent improvements to the Temporary Crisis Framework, immediate and specific measures to increase the use of power purchase agreements, particularly renewables, and actions to mitigate today’s high Emissions Trading System costs.

In line with its demand reduction goals, the EU should also implement schemes that support industrial consumers in providing demand response flexibility and interruptibility to ease pressure on the grid, and provide new support for longer-term care and maintenance curtailments.

But today’s new EU regulation does not provide relief for metals producers. Its proposed cap on market revenues of inframarginal electricity producers will still expose European industry to skyrocketing electricity prices. Furthermore, there is no guarantee that the collected revenue will be directed to struggling sectors or that it will be sufficient for this purpose. The EU has confirmed an important update to the Temporary Crisis Framework will come in October but this should be delivered with great urgency to support companies.

Guy Thiran continued “We need EU leaders to agree a short-term crisis response to keep companies afloat without delay, combined with a medium-term framework that enables them to emerge stronger from this crisis, including the rapid scale-up of new power purchase agreements with renewable energy sources. Let’s turn good intentions into precise and immediately implementable actions”

“It’s a painful irony that the operations struggling most in Europe today are those best prepared for the shift to climate neutrality. Fully electrified metals production processes have low direct carbon emissions but high exposure to power markets and global metals prices. EU leaders should act now to avoid that these front-runners are replaced by imports with a higher carbon footprint”.

**Contact:** Chris Heron, Communication & Public Affairs Director | heron@eurometaux.be | +32 (0) 493188963

**About Eurometaux:** Eurometaux is a trade association representing the collective European non-ferrous metals industry, including miners, smelters, refiners, fabricators and recyclers of the base metals, precious metals, and minor metals needed for the twin transition. In total the industry employs 500,000 people across over 900 facilities, with an annual turnover of €120bn.