

P R E S S R E L E A S E

New energy prices toolbox: Stronger action still needed to address Europe's power crisis for suffering industries

Brussels, 13 October 2021 – Europe's non-ferrous metals industry welcomes the European Commission's publication today of a toolbox for tackling high energy prices across Europe, but stresses that more must still be done to safeguard the most impacted industries. We need a prompt response from Member States to mitigate skyrocketing electricity prices, which will continue to cause closures and curtailments in the metals industry if carrying on through the winter as expected.

Guy Thiran, Eurometaux's Director General, stated: "Europe's power crisis has already led to closures and curtailments in the non-ferrous metals sector, and could lead to job losses and longer-term relocation outside Europe if not properly addressed. The EU and Member States must do more to safeguard their industries from today's skyrocketing prices, on top of consumer-focussed actions. We need strong and immediate support, coupled with a long-term plan for preventing future power spikes from derailing the energy transition. Industrial electrification must remain a viable climate-neutrality pathway for us and other sectors".

Electricity costs make up to 40% of the overall production costs for primary non-ferrous metals making them the litmus test for other energy-intensive materials to electrify their processes. European electricity prices have quadrupled since 2020, leading to curtailments or temporary closures of the most exposed metals smelters in the Netherlands, Spain, Slovakia, Bulgaria, and other Member States (see full list below). For a fully exposed aluminium producer, electricity costs in certain Member States have reportedly risen much higher than the metal's LME sales price (itself at a 13 year high).

The situation has only worsened since Eurometaux sent a [letter](#) last month to EU Energy Commissioner Kadri Simson on the impact of the electricity prices for our European companies and their employees.

Today's toolbox introduces a range of measures focused on citizens and industries. Particularly important is the new flexibility allowed for EU State Aid rules, which must now be followed by swift action from Member States. Looking ahead, measures to encourage corporate purchase agreements for carbon free electricity will also be fundamental to provide medium to long term resilience for electricity-intensive industries working to decarbonise. But the metals industry requests a firmer signal overall from both EU and national levels that companies will get the support they need to survive the winter and beyond. It's also essential that governments consistently compensate their industries' ETS indirect carbon costs.

Guy Thiran continued: "Our sector's decarbonisation potential is heavily dependent on the availability of sufficient, reliable and competitively priced low-carbon electricity, which would reduce our CO2 emissions by 81%. If frontrunner industries like ours cannot stay competitive and survive this decade, it will be a major disincentive for others like steel and chemicals to follow the metals lead through electrifying their own production processes".

ABOUT EUROMETAUX

Eurometaux is the decisive voice of non-ferrous metals producers and recyclers in Europe. With 500,000 employees and an annual turnover of €120bn, our members represent an essential industry for European society that businesses in almost every sector depend on. Together, we are leading Europe towards a more circular future through the endlessly recyclable potential of metals.

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Annex: Current Closures and curtailments in the Non-Ferrous Metals Sector (13.10.2021)

- **Aldel (aluminium)**
 - o Dutch Aluminium smelter to halt production due to power prices: <https://www.reuters.com/business/energy/dutch-aluminium-maker-aldel-halt-output-due-power-prices-2021-10-08/>
- **KCM (zinc)**
 - o KCM zinc smelter in Bulgaria closed due to high Electricity prices: <https://www.world-today-news.com/due-to-the-high-price-of-electricity-kcm-plovdiv-stopped-working/>
- **Slovalco (aluminium)**
 - o Slovak Aluminium smelter to reduce output by 20% next year: <https://spectator.sme.sk/c/22754233/slovak-aluminium-producer-cuts-production-layoffs-are-not-planned-yet.html>
- **Nyrstar (zinc)**
 - o Nyrstar's fully electrified zinc smelter in Budel-Dorplein, the Netherlands, Nyrstar is curtailing production at its three European smelters, reducing production by up to 50%: <https://www.nyrstar.com/resource-center/press-releases>
- **TALUM (aluminium)**
 - o In Slovenia, Aluminium producer Talum has idled 24 electrolysis cells and plans to reduce planned production for next year by 50%. Source: Talum

