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## NOTE

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From:	Presidency
To:	Permanent Representatives Committee/Council
Subject:	<i>Preparation of the Council ("Competitiveness") of 29 February 2016</i> Steel industry: Follow-up to the extraordinary Competitiveness Council on 9 November 2015 and the Conference on Energy-Intensive Industries on 15 February 2016 - Presentation by the Commission and the Presidency - Exchange of views

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## Background

On 9 November 2015, the Luxembourg Presidency organised an extraordinary Competitiveness Council meeting to take stock of the serious challenges faced by the European steel industry, including major global overcapacity in production and resulting closure of steel plants and job losses. The Luxembourg Presidency concluded that concrete actions were needed to ensure the long-term viability of a modern European steel sector as part of a comprehensive approach to create competitive framework conditions for EU industry as a whole. These actions included the launch of bilateral and multilateral dialogues and negotiations with third countries, a constructive approach to the modernisation of Trade Defence Instruments, to make full and timely use of Trade Defence Measures, to make full use of the Investment Plan for Europe and of the revised State Aid rules to support energy-intensive industries, to improve the competitiveness of sectors most at risk of carbon leakage in the context of Emissions Trading Scheme (ETS) reform, the swift implementation of the Energy Union, exploiting the potential of the circular economy, and making best use of available EU instruments and funding.

Since 9 November, the European Commission has followed up on a number of these actions, including the recent announcement of further anti-dumping measures in the steel sector. As part of the follow-up, a special High Level Stakeholders Conference was called on 15 February 2016 (in the context of the ongoing work of the High Level Group on Energy-Intensive Industries), involving social partners, to review the current situation and consider policy actions, including an assessment of the implementation of the 2013 European Steel Action Plan. The conference focused on trade, investments in innovation and competitiveness, the European Fund for Strategic Investments, and the European Commission Circular Economy Package. Participants reiterated the need for concrete actions to safeguard the global competitiveness of European energy-intensive industries. The Presidency would like to highlight three issues in particular that were discussed during the conference:

- i) The need to accelerate the introduction of anti-dumping measures to address urgent challenges for industry posed by unfair competition from imports, particularly given the more rapid implementation of such measures by other countries.
- ii) The need for more easily accessible support and financial instruments for innovation, pilot projects and new business models for European energy-intensive companies, inter alia the steel sector, in the context of taking further steps towards energy efficiency and the transition towards a low-carbon economy.
- iii) The avoidance of regulatory costs – in particular for SMEs – which hamper competitiveness, and in particular, the need to avoid negative effects of ETS reform on energy-intensive industries facing strong international competition, on the risk of carbon leakage, and in the context of implementing COP21 in such a way that European companies can operate on a global level playing field.

## **Aim of the debate at the Competitiveness Council on 29 February 2016**

The Netherlands Presidency invites the Competitiveness Council to:

1. Take note of the state of play of the implementation of the Luxemburg Presidency Conclusions of 9 November 2015, and how these have been translated into concrete measures.
  2. Discuss what further concrete actions are needed to deal with the challenges faced by the European steel industry (and wider European energy-intensive industries), taking into account what has been done so far and the outcomes of the High Level Conference on 15 February 2016. The Council is invited to focus in particular on actions that can realistically be taken in the short term, given the urgency of the current challenges.
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