

17th January 2008

Press Information ▪ Press Information

EMF warns against negative impact of the scheduled revision of the CO₂ Emission Trade Scheme on Europe's energy-intensive industries

The European Metalworkers' Federation (EMF) supports the European Union's efforts to effectively reduce greenhouse gas emissions on a lasting basis. "Climate change is one of the greatest challenges of the 21st century and it is good to see Europe taking a leading role in this field" said Peter Scherrer, General Secretary of the EMF. The hesitant attitude of other countries, especially the USA and the immense, swiftly growing national economies of China and India, cannot be an excuse for inaction. European industry resource and emission efficiency does not only pay off environmentally, it also contributes to securing Europe's technological lead, which has a positive impact on European competitiveness. "In recent decades, there have been significant developments in the area of sustained ecological production, although this, like many issues, did not stem from industrial impetus, but from massive political and trade union pressure" commented Peter Scherrer.

In a letter to José Manuel Barroso, the President of the European Commission, the EMF called on the Commission to ensure that its efforts to protect the environment also safeguard Europe's future as an industrial production location with sustainable employment. In his letter to the European Commission, Peter Scherrer also stated that "The European steel industry is a global leader in terms of quality and productivity and is a driver for technological innovation; it is a key industry for the European economy."

The EMF considers the Emission Trade System (ETS) a suitable system for evaluating greenhouse gas emissions in accordance with the 'polluter pays' principle. However, incentives for environmental technology investment and innovation can only be created if they go hand in hand with a combination of market incentives and other industrial policy measures, for example regulatory policies, financial incentives and state research and development activities. In addition to this, the ETS has to be adapted to the requirements of the individual industry sectors.

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The EMF considers the plans of Environment Commissioner Stavros Dimas to revise the ETS for the period after 2012 to be a move in the wrong direction. The auctioning of emission permits makes it harder for industries to plan ahead, especially for the energy-intensive industries: steel and non-ferrous. The reduction of process-related CO₂ emissions, as well as the efficiency potential of European manufacturers, has already reached its limit. Substantial burdens on the European steel industry may spark off a slowing down of investments in Europe, or relocation of production abroad. "Importing steel and aluminium from China may indeed appease the Commission's conscience as regards the environment, but it would be disastrous for global CO₂ emissions" stated Peter Scherrer. The EMF believes that the plans outlined in the Commission's draft to evaluate the outcome of a potential Kyoto follow-up agreement on climate in 2011 fall short of the mark, as massive relocation of production will have been carried out by then.

The EMF favours an allocation system based on the so-called Benchmark model for energy intensive industries. In this system, the current level of technology is used as a benchmark to determine the amount of free emission rights to be allocated. As emissions exceeding the allocation will be purchased by the producer, this will act as an incentive to invest in emission-efficient machinery. Importers wanting to sell goods in Europe produced using high-emission methods can be factored into the system via a duties system. A system of this kind could serve as a model for a global Kyoto follow-up agreement on CO₂ reduction. "The chances of the EU working towards this kind of agreement would sink drastically if Europe departed from its role of steel and non-ferrous metals producer on the world market. The European metalworkers' unions will not let up in their efforts to ensure that key industries like the steel industry do have a future in Europe" concluded Peter Scherrer.

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The EMF is the representative body defending the interests of workers in the European metal industry. The EMF has a mandate for the external representation and coordination of the metalworkers' unions and a mandate to engage in bargaining at European level.

For further information please contact:

Editor, Peter Scherrer, EMF General Secretary
Dirk Bergrath, Policy Advisor +32.2.227 1052