

EUROMETAUX PRESS RELEASE

ETS: Business leaders unite in call to reconcile Europe's climate and industrial policies

25 February 2013, Brussels

Today, the CEOs of the largest European non-ferrous metal companies addressed an open letter to President Barroso, urging a rethink of short-term fixes to the EU's Emissions Trading Scheme (ETS) and a comprehensive review of Europe's industrial, energy and climate change policies.

Underlining their continuous support to a well-functioning EU ETS as a central instrument in EU climate policy, CEOs express deep concerns that unilateral EU climate policies, hereunder the latest proposals on the "backloading" of allowances and other short-term measures, have a detrimental effect on the industry's global competitiveness. Under the current regime these measures will enhance industry closures and carbon leakage. Investments will be relocated to outside Europe contrary to the Commission's goal of increasing industry's share in the EU GDP to 20% by 2020.

Rather than focusing on quick fixes, the CEOs propose concrete long-term solutions for the re-design of the EU ETS. *"Long-term structural measures for the period after 2020 should include measures to adequately protect Europe's industrial competitiveness on a global scale"* stressed Oliver Bell, President of Eurometaux *"In our view, the lack of predictability regarding the future EU climate policies and the missing link with the EU objectives in terms of reindustrialisation, are major obstacles for our industries, making the necessary investments. The retention of the industry in Europe offers the biggest potential in emissions' reductions while safeguarding skills and employment."*

In their conclusions, the CEOs call for the rapid adoption of concrete measures to achieve the European Commission's recent industrial policy strategy in which it sets the goal of increasing Europe's industry share and support industrial investments in Europe. CEOs urge the Commission to engage in a review of the EU ETS which has to include at least the following three pillars: benchmark-based EU allocations for direct and indirect emissions to energy intensive industries; allocation based on actual industry production – rather than historic, and a symmetric and reciprocal linkage to other carbon trading schemes.

Signatories of the letter include high representatives from: Hydro, Rio Tinto, Alcoa, Wieland werke, Boliden, Trimet Aluminum, Atlantic copper, Aurubis, Elkem, Metallo – Chimique, Finnjord, IGMNir, Xstrata Zinc, Befesa, FerroPem, Voerdal, Nystar, KGHM and Norilsk Nickel.

The letter with all the signatories is attached to this press release.

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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