

Euric calls for dialogue with steel industry on transfrontier waste shipment rules

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Cinzia Vezzosi (r) discusses proposed restrictions on exports of EU steel scrap with Eric Niedziela (Arcelor Mittal, l) and Denis Reuter (TSR, m) at the BIR convention in Barcelona.

Ms Vezzosi argued that the goals of European scrap dealers were, in fact, aligned with those of steel producers like Arcelor Mittal that were seeking to increase scrap consumption. Her message from scrap suppliers was: "We want to support the steel industry at our maximum because they are our customers." But at the same time, she said, scrap merchants needed a market that was "absolutely fair and which is absolutely linked to the international trade or the international prices as a commodity."

Ms Vezzosi argued for a reopening of communication between scrap merchants and steel makers. She believes the sectors need to sit down at the same table and find a mutual strategy. While acknowledging that there are a lot of problems on both sides, she said "We are different areas of the same value chain, so we should work together." Ms Vezzosi noted, however, that Eurofer, the European steel industry's umbrella organisation, had not responded to repeated requests for the creation of a discussion forum.

Closing access to international markets would cause "a massive earthquake" for ferrous prices. Europe was the largest exporter of scrap globally not because it was neglecting the demand for ferrous scrap on the internal market, said Ms Vezzosi, but rather because internal demand accounted for only 88 of the 110 million tonnes of steel scrap that were collected annually. Being able to sell this surplus material as a commodity on the global market, where it was needed for production, had provided the scrap industry with the financing over the years to improve their facilities and their capacity and

In the conflict between scrap suppliers and their customers over possible export restrictions on ferrous scrap, Cinzia Vezzosi took an altogether more conciliatory tone at the BIR's spring convention. The vice president of the European Recycling Industries' Confederation (Euric) urged the steel industry to open a dialogue with recyclers at the meeting of the BIR's ferrous division last week in Barcelona.

Ms Vezzosi was joined on the dais by Eric Niedziela, who presented steelmaker Arcelor Mittal's plans for the decarbonisation of its manufacturing process.

ultimately the quality of the material they sold. But shutting off access to this international market would cause "a massive earthquake with hard consequences" for the local market and on the prices of scrap and steel.

This sentiment was echoed by BIR president Tom Bird later in the meeting: "Once you stop free trade, once you stop the ability of metal recyclers to maximize their revenue and to be economically viable, recycling rates go down and no investment takes place in our industry because we are now effectively out of the market." He underlined the importance of a strong steel sector for the scrap industry, but said that it couldn't come at the expense of free trade.

Euric thinks the European Commission failed to take these impacts into consideration in its proposal for revising the EU Waste Shipments Regulation (WSR) and that this issue may be worthy of investigation from the WTO. Ms Vezzosi also noted that much had changed since the European Green Deal was launched by the EU Commission, not least the energy supply situation. She cautioned that it was "not the best strategy to give unfriendly messages" to OECD countries at a time when international connections were so important in efforts to balance prices on energy.

Arcelor Mittal plans "huge increase in scrap demand" as part of decarbonisation

Eric Niedziela, chairman of Arcelor Mittal France and Vice President Climate Action at Arcelor Mittal Europe, laid out the steel group's concern's plans for decarbonisation, with the ultimate goal of net zero by 2050. The initial phases of this \$10bn transition resulting in a 25 per cent reduction overall and 35 per cent in Europe are to be completed by 2030. Among the many measures designed to achieve its targets, the group envisaged "a huge increase in our scrap demand" and so was looking to secure its raw material supply via "acquisitions, long-term contracts, joint ventures or whatever we can discuss together".

Mr Niedziela argued that steelmakers were not saying that they would "stop the market". At the same time, exports of steel scrap resulted in a reimportation of higher carbon-intensity steel from outside the EU and this was not leading to the decarbonisation that was needed worldwide. He believed that there would still be a market even when measures were taken to ensure that scrap was exported only to steelmaking facilities working under conditions comparable to those in Europe. And implying that the current oversupply of scrap in Europe would dwindle, Mr Niedziela emphasized the needs of European off-takers would grow. The transition was already ongoing. "We need to secure our raw materials," he said.