

European Non-Ferrous Metals

Level the global playing field to safeguard European jobs

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Non-Ferrous Metals in Europe

Non-ferrous metals, including base metals, precious metals, and rare metals, play a key role in European industrial value chains and are crucial in meeting Europe's climate goals. They are essential in producing batteries, renewable energy and clean mobility, and the increased demand for these products should be good news for European workers.

However, the sector is under increased pressure due to unbalanced international competition, unfair State aid such as subsidies, difficulties in accessing indispensable raw materials, high energy prices and ambitious decarbonisation goals which are not implemented globally. All of this negatively impacts the sector in Europe, and in turn, its workers.

Even though the sector is very diverse, in reality it forms a very technical and economically interlinked ecosystem, where primary production and recycling of different metals are tightly intertwined with a strong industrial symbiosis across companies and facilities. It is therefore important that we protect and expand these symbioses in order to develop sustainable products and engage in a truly circular production.

The non-ferrous metals sector provides **500,000 direct jobs** and **3 million indirect jobs**¹ in the EU, with thousands more across wider Europe. These jobs are often high-quality well paid jobs, and trade unions have come together to fight to keep these jobs in Europe. **European trade unions call for urgent action to level the global playing field so that Europe can produce high-quality green products, while safeguarding current jobs and creating more high-quality jobs in the future.**

IndustriAll Europe's demands

The European non-ferrous metals sector is facing real challenges and industriAll Europe calls on **all** stakeholders, including policy makers, employers, and trade unions, to come together and fight for the future of the sector.

Raw Materials

IndustriAll Europe welcomes the **EU's Raw Materials Strategy (2020)** and we will play an active role in the **Raw Materials Alliance**. Trade unions have long been calling for a stronger EU strategy on raw materials to ensure greater independence through the sustainable exploitation of our own resources, as well as security of supply through a joint external agenda on raw materials. This is vital for key industrial value chains.

Importantly, potential job creation is possible, both via increasing activities in the domestic extractive industries and in optimising secondary raw materials via the completion of a circular economy. Therefore, trade unions call for the EU to give due attention to circular economy and recycling within the Raw Materials Strategy.

¹ <https://eurometaux.eu/about-our-industry/key-industry-data/>

IndustriAll Europe demands:

- **The increase of domestic production** of raw materials in Europe, both via primary extraction and secondary production (recycling) with the aim of also creating new jobs.
- The guarantee of **fair access to raw materials**, with market pricing incorporating the environmental and climate costs, with respect to biodiversity.
- The adherence to **due diligence** throughout the global supply chain, notably regarding the sourcing of primary raw materials.
- The EU to influence the London Metals Exchange in developing a **new price index for raw materials** that meets higher ethical and environmental standards.
- That **metal products in the EU are collected and made available** for high-quality European recyclers.
- A **review of the current exportation of waste and scrap metal** outside Europe, to ensure that full implementation of the circular economy and secondary production of raw materials is possible, while also reducing the EU's waste pollution to developing countries.
- That **quality recycling of end of life materials** within the EU is preferred to exporting these same products outside the EU.
- Action to **tackle trade distortions** in the prices of raw materials by fully implementing European and national trade defence instruments.
- Circular and recycling projects to be considered as **Important Projects of Common European Interests** (IPCEIs).

Energy

Energy prices, such as electricity, are one of the biggest costs in the production of non-ferrous metals. Indeed, in primary aluminium and zinc production, electricity costs are **almost 40% of the total production costs**. As the sector has already undergone strong electrification (58% of the energy mix), countries in the EU ETS can suffer from **indirect costs of up to seven times greater than the direct costs**. As the industry operates on a truly global market, where it faces consolidated global prices (mostly via the London Metal Exchange), these costs cannot be passed on the customers (€14.4 bn between 2013-2020). Thus, the European non-ferrous metals sector is at high risk of **carbon leakage**.

The sector needs to be competitive in order to safeguard jobs in Europe, and trade unions call for urgent solutions to deal with the challenges faced by energy intensive industries to ensure a sustainable future for the sector in Europe.

IndustriAll Europe demands:

- The **sufficient supply of low carbon energy at competitive prices** for all European facilities.
- Enhanced cooperation and coordination of the Member States to further define **European energy policy**, taking into account their geographical and industrial constraints.
- **Long-term electricity contracts** for energy-intensive industries.
- **High investment** in both research and development, and infrastructure for clean energies.
- Adequate **compensation for indirect costs** via the EU ETS, taking into consideration that indirect emissions are inherent in some recycling processes.
- Potential CO₂-saving projects to be funded through the **EU Green Deal**.
- Retention of **free ETS-allocation** and carbon leakage protection instruments.

Trade and competition

International competition in the non-ferrous metals sector is fierce, indeed the **EU has lost a third of its aluminium production since the crisis in 2008/09** and China now produces 60% of the world's aluminium. Furthermore, Europe is heavily dependent on importing most metals (up to 60%)² and it has already lost out in the race for securing a market share in cobalt, lithium and rare earths, substances which are used in the assembly of electric cars.

Furthermore, there is a real trade imbalance with some third countries using unfair State aid, including various subsidies, to produce non-ferrous metals at low costs while also creating an **overcapacity** which drives down European prices. For example, an [OECD Report on Aluminium](#) (2019) found that 85% of examined subsidies in the sector went to just five Chinese companies (2013-2017).

IndustriAll Europe demands:

- Full implementation of the current **Trade Defence Instruments** (TDIs) and the further strengthening of the EU's TDIs.
- International action to **tackle global overcapacity**, especially in the aluminium sector.
- That **imported materials and products comply with the same standards** as those extracted or produced in Europe.
- That **Free Trade Agreements** (FTAs) which the EU concludes, reinforce the domestic position of the sector, or at the very least, do not detriment its future development.
- The assurance that any **foreign investments** in the European non-ferrous metals sector meet the same requirements as domestic investors and do not harm European strategic interests.

Sustainability

The European non-ferrous metals sector is an energy intensive sector and therefore, there is an increased pressure to decarbonise the industry. Trade unions support joint action from all stakeholders in meeting national and European climate goals, while ensuring that the industry is supported and that **no worker is left behind in the transition**.

It is clear that there is no level playing field when it comes to industrial emissions, for example, **emissions from basic metals production is eight times lower in the EU than in China**³. To protect European jobs, action is needed to level the global playing field and to increase the international ambition to produce non-ferrous metals in a more environmentally friendly manner. European workers should not be punished by third countries producing at lower costs due to low environmental standards.

IndustriAll Europe demands:

- Increased national and European funding to **support the development and use of green energy** (green electricity, renewables, hydrogen etc.) in the sector.
- A **carbon border adjustment measure** to level the playing field between EU producers and their competitors, which is designed and implemented in such a way as to avoid undermining competitiveness of activities further down the value chain.

² https://www.ies.be/files/Metals_for_a_Climate_Neutral_Europe.pdf

³ European Aluminium, The Nickel Institute et al., 2017

- National and European support for **new infrastructure projects and new greener transport vehicles** (e.g. cars and planes which are lighter and greener) in order to stimulate the sector.
- Increased support for **new green technology** such as batteries and renewables, for which non-ferrous metals are essential.
- Support for the **development of regional non-ferrous metal clusters** which could maximise symbiosis and metal recovery efficiencies.
- Employers to commit to **investing in their European sites**, including updating and modernising existing equipment to make them more environmentally friendly, with commitments being reviewed and upheld by the relevant national authorities.
- The respect of **trade union participation** in discussing and implementing new processes at sites, including the implementation of new low-carbon technologies.
- Assurance that the **EU ETS funds**, the innovation and modernisation funds, will significantly contribute to the deployment of low-carbon technologies for the sector.

Social standards and workers' rights

Protecting workers' rights and demanding good social standards are at the heart of trade union work. While fighting to safeguard jobs in the non-ferrous metals sector, industriAll Europe insists that action is also taken to ensure that these jobs are of good quality, are well paid and fully respect workers' rights.

IndustriAll Europe demands:

- High **health and safety standards** for all workers, especially in light of the COVID-19 pandemic.
- Commitment to find new investors to **prevent plant closures**, job relocations and mass redundancies when required.
- Complete **transparency and the involvement of trade unions in any restructuring cases** with national authorities fully monitoring the process, including the prevention of sellers vetoing viable offers which meet the necessary criteria, which can lead to plant closures.
- Investment in **training and skills**, including the upskilling and reskilling of the current workforce and the continued uptake of good quality apprenticeship schemes.
- The **end of precarious work**, the guarantee of good working conditions, and respect for all workers' rights throughout the supply chain.
- Quality **social dialogue** and the respect of workers' rights to information and consultation.
- A **Just Transition** for any worker affected by structural transformations.
- Full **respect of the strong European social model** including established workers' rights.
- The EU to include **strong and enforceable labour and environmental standards in trade agreements** to level the global playing field and increase the employment standards of workers worldwide.

Time to act

The European non-ferrous metals sector is facing global challenges on many fronts: unbalanced international competition; unfair access to raw materials; huge pressures to decarbonise and high energy costs. Trade unions call on stakeholders to take urgent action to enable the industry, and its workers, to continue to develop world leading high quality and low carbon products.

European workers stand together in calling for urgent action at local, national and European level to develop the sector, safeguard jobs and guarantee a prosperous future for both the industry and its workers.