

Open letter to Heads of States and governments in the perspective of the European Council Meeting – 20-21 March 2014

Time to align EU industrial, climate and energy policies

Brussels, 17 March 2014

Dear Presidents,
Dear Prime Ministers,

We are writing to you as the business leaders of the aluminium industry in Europe, a sector that provides 250,000 direct and over 1 million indirect jobs. The aluminium that we produce, transform and recycle is an essential material for the transition to a low carbon economy.

The aluminium industry supports ambitious climate targets provided that the following measures are taken to shield industries that are most exposed to global competition:

- **Cost compensation measures** must address at EU level the sector's inability to pass through **EU ETS indirect costs** embedded into electricity prices which for the aluminium sector are six times higher than direct costs.
- To preserve the competitiveness of our industry beyond 2020, **free allocations** for ETS direct costs must be continued beyond the due expiration date of 2020 for the most exposed sectors.
- The European Commission should provide **legal certainty on the state aid and compensation measures for energy-intensive-industries** - such as those subject to global market prices - from the costs of energy support schemes and for enabling long term energy supply contracts which are vital to attracting and maintaining investments in the aluminium sector.

High energy prices and the unilateral cost burden of EU climate and energy policies are crippling European producers' ability to compete, as confirmed by a 2013 European Commission study on the aluminium industry¹.

As a result, production in Europe is declining at an alarming rate, with over a third of EU27 primary production capacity lost since 2007 and the downstream segment's margins severely affected by rising energy prices and other legislative related costs. This not only risks the long-term viability of an entire value-chain, but also increases Europe's dependency on imports, with dramatic implications for employment and capital investment.

The aluminium industry is one of the few industrial sectors for which demand is consistently growing despite the economic crisis. The EU's global competitors have chosen aluminium as one of the key strategic materials for achieving sustainable growth and are putting in place the right business conditions to boost the sector's competitiveness in their regions.

¹ http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=7124&lang=en&tpa_id=169&title=Final-report---Assessment-of-Cumulative-Cost-Impact-for-the-Aluminium-Industry
See also the [EAA factsheet on the CEPS study results](#) and the [EAA Agenda for Action](#)



europen
aluminium association

Our industry has a great history in Europe and we request a global level-playing field as a precondition for successfully working towards a bright and innovative future. We now call on all EU leaders to stand up for a competitive and sustainable industry in Europe and demonstrate decisive leadership.

Yours sincerely,



Tomas Sigurdsson
President European Region &
Global Primary Products Europe

BEFESA

Federico Barredo
Managing Director



Constantin Catsaros
Executive Director

KUBAL

Davide Garofalo
Managing Director



Roberta Niboli
CEO



Rudolf Knapp
Chief Financial & Commercial
Officer



Roeland Baan
President & CEO Europe



Simon MacVicker
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