

Background note for the Fourth meeting of the Ministerial Alliance for Energy-Intensive Industries

8th December 2025

At the second meeting of the Ministerial Alliance for Energy-Intensive Industries on the 18th of July, chaired by France, a **joint declaration** titled “Strengthening Europe’s energy - intensive industries and securing our industrial future” was **signed by ten Member States** (Austria, Czech Republic, France, Greece, Hungary, Italy, Luxembourg, Poland, Slovakia, and Spain). The document highlights the following priorities regarding:

- **European carbon markets:** stability of the ETS carbon price and revision of CBAM;
- **Energy:** competitive prices and build a genuine Energy Union;
- **Trade:** risks of trade diversion from other regions towards the internal market, promote a level-playing field, appropriate use of the EU toolbox in certain markets;
- **Decarbonisation efforts:** develop lead markets, sustainable, resilience and preference criteria, notably in EU public procurement and financial support schemes, promote circularity. Meeting the needs of industrial decarbonisation requires a balanced approach that supports the use of technologies/solutions that bring us closer to climate neutrality, taking into account economic, environmental and social factors.
- **Investments:** remove barriers to the internal market and create quality jobs.

During the third meeting held on 30 September 2025, chaired by Spain, the delegations of 17 Member States gathered to reflect on the needs of energy-intensive industries in the 2028-2034 MFF, with a particular focus on the European Competitiveness Fund.

In these days, the **European Commission is expected to publish several legislations and policies** that represent key steps to relaunch European competitiveness of energy intensive industries and to support a sustainable transition:

- on 3rd December the “Economic Security Package” including the “RESource EU”;
- on 10th December:
 1. the “Industrial Accelerator Act”,
 2. the two proposals for the CBAM revision, including measures to effectively address loopholes and provide concrete solutions to prevent downstream and export carbon leakage, and to discourage resource shuffling practices.

As regards **critical and strategic raw materials**, RESource EU stands as a flagship initiative for European strategic autonomy in the realm of critical raw materials with the aim of securing access to alternative sources of materials for European industry. Main actions include: (i) speeding up critical material partnerships with countries (Ukraine, Australia, Canada, Kazakhstan, Uzbekistan or Chile), (ii) enhancing Europe’s domestic recycling efforts, (iii) joint purchasing and stockpiling and (iv) boosting investment in strategic projects for production and processing of critical raw materials.

Furthermore, the Commission recently announced the creation of the **Critical Chemical Alliance**, to be convened for the first time in early January 2026. Its mandate will be to develop criteria for identifying key chemical molecules and production sites that are essential for maintaining Europe’s critical industrial capabilities, thereby paving the way for targeted support and safeguard measures, and for the related legislative initiatives. The Commission will draw on the work of the Alliance to outline a complex roadmap for

defining new strategic industrial policy directions for a sector facing the challenges of transitioning to more sustainable and technologically advanced productions and molecules, for which the appropriate industrial assets and reference markets need to be developed.

As regards the **steel, aluminium and ferroalloys sectors**, there is the need to ensure a framework of fair conditions in international trade, technological neutrality for the clean transition, competitive energy prices, and a framework that ensures the availability of scrap.

In view of the expiration of the steel safeguard measure in June 2026, the Commission presented in October a new instrument to protect the EU steel sector from unfair impacts of global overcapacity. We underline the importance of completing swiftly the legislative process and setting an appropriate review mechanism, with the aim of ensuring that the Regulation can be in place ahead of June 2026, when the current safeguard measure expires. In addition, we welcome the decision to impose definitive safeguard measures on imports of certain ferroalloys and encourage the European Commission to also consider implementing trade protection on other products, such as silicon, in the coming months.

Within this context, an urgent issue concerns the introduction of restrictions on exports of steel, copper, and aluminium scrap to protect European industry from achieving its decarbonization goals. Scrap also plays a crucial role in reducing dependency on critical raw materials and in supporting the circular economy and decarbonisation, thanks to the significant energy and CO₂ savings enabled by recycling. Rising global demand has increased prices and driven exports to non-EU countries, widening the gap between the EU's scrap needs and actual availability. This trend raises the risk of shortages of ferrous, aluminium, and copper scrap, with potential disruptions to supply chains and to production in strategic sectors.

It is therefore essential to adopt effective measures to address these shortages by recognising the strategic importance of metal scrap, monitoring and limiting exports, and promoting the development and use of high-quality secondary raw materials within the EU.

Finally, protection of EU market from unfair competition goes beyond the steel and aluminium sectors, as now witnessed by the textile and the recycling of plastic sectors. EU's strong focus on product regulation, that will be strengthened by the implementation of the Ecodesign regulation, combined with the lower energy costs and environmental standards in many geographical areas, could result in endangering EU market integrity, competitiveness, consumer's safety and to disrupt recycling industry. Reaching the European goals in this field implies a substantial strengthen of market surveillance, to ensure that all products sold in the EU, included those that are imported, are safe, and sustainable, and compliant with EU requirements. However, a reality check of targets set by relevant EU acts should be run, taking account of current technical and economic capabilities.

Ministers/Representatives of the Members of the Alliance are invited to express their views on the above mentioned topics, choosing one or more of the following questions:

1. **What are your first reactions to the REsource EU plan? Are there any key points missing?**
2. **In light of the already presented safeguard measures on steel and ferroalloys, what additional actions could be taken to protect EU industries from products that do**

not comply with Union standards and that create market distortions, as seen in sectors such as plastics and textiles?

3. The European Commission is considering restrictions on scraps exports: how do you assess the situation in your country, and what measures should be taken at EU level?