



European Steel Tube Association
Association Européenne du Tube d'Acier

**ESTA's ANSWER TO THE CONSULTATION ON STRUCTURAL OPTIONS
TO STRENGTHEN THE EU EMISSION TRADING SYSTEM**

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The European Steel Tube Association represents the steel pipe manufacturer of the EU and as such wants to deliver the following comments to the consultation issued on December 7th by DG CLIMA on the options to strengthen the EU Emission Trading System.

The steel pipe sector has been identified as a sector at risk due to its exposure to international trade. This sector employs directly around 62000 employees and has produced in 2012 13,4 Million Tons of steel pipes. Among the steel pipe processes, the sub sector of the seamless pipe industry has been recognized energy intensive and eligible to indirect compensation as being its production based on a hot forming process. This sub sector has produced around 4,6MT of seamless pipes and the apparent consumption of the EU is 2,5 MT export being of 2,6MT. This demonstrates that still today the EU industry needs to remain competitive in terms government regulations, costs, technology, availability of raw material versus the seamless tube manufacturers based in third countries if it wants to survive in this global environment. Most of the EU manufacturers runs their own steel mills both blast furnace and electric mills.

Instead of repeating the EUROFER comments which you have received separately, we express our strong support to their argumentation which totally meets our problems and views on the alternative structural options proposed by the consultation. The impact on our industry will also be identical.

We insist on the fact that anticipating a strengthening of the EU ETS 2020 legislative framework without adhesion of the other Countries/regions would definitely damage the EU steel pipe industry not only in the European Union market, but also in the rest of the world to where the EU industry exports and competes successfully. It is of prior importance that any change of legislation and any future legislation maintain a level playing field with the third countries producing steel pipes to prevent the increasing lack of competitiveness of the EU manufacturers.