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Steel industry issues appeal for Governments to work with the sector to formulate a global approach to address climate change

Bali 13 December 2007 – Speaking in Bali at the UNFCCC Cop 13 meeting, Ian Christmas, Secretary General of the International Iron and Steel Industry (IISI) issued an appeal to the delegates that Governments need to work together with the steel industry if future successful emissions regulatory regimes are to deliver meaningful reductions in emissions and thus genuinely benefit climate change.

Ian Christmas said: “The steel industry is unique in having such a clear case to put forward to be treated on a global basis. The steel industry operates in a truly globally competitive environment in a sector in which developing countries account for more than 50% of emissions and we already have the commitment worldwide from our members to work together to adopt a common climate change approach. Policies to encourage improved energy efficiency and reduced CO₂ emissions are vital and the steel industry is asking for a new emissions regulatory regime that takes a global steel sector approach.”

“Cap and trade regional policies such as those currently used in the EU,” he continued, “are not effective in reducing carbon dioxide emissions. Constraining production from the best emission performing plants is not the solution for a globally competitive industry such as steel. An effective approach for the steel industry requires the participation of all major steel producing countries and a focus on improving emissions per unit of production”.

At the IISI annual meeting in Berlin in October this year, the Board of Directors approved the next stage in the establishment of a global industry sector approach for steel. At the core of the new steel sector approach is the collection and reporting of carbon dioxide emissions data by steelplants in all the major steel producing countries. The information collection will lead to benchmarking improvements based on actual performance data and then reporting and setting of commitments on a national or regional basis for implementation during the post-Kyoto period. The key advantage of the IISI approach is that it is supported by its members in both the developed and developing countries including China which accounts for approximately 50% of total steelmaking CO₂ emissions.

IISI uses an intensity-based approach to measurement of carbon dioxide emissions, taking into account the CO₂ produced per tonne of steel rather than the total carbon dioxide emissions within a country or region. This globally consistent calculation methodology will allow production normalised CO₂ emission comparisons between regions that are not possible today.

Medium term improvements to emission levels will come through new advanced applications and technology transfer bringing everyone up to the highest standards. Long term substantial improvements will come from new ‘Breakthrough Technology’.

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Continuing Ian Christmas said: "To all Governments we ask four things:

1. Governments should work closely with the steel industry on a global approach by adopting a sector specific framework which involves all major steel-producing countries.
2. Any emission regulatory regimes should support the expansion of efficient steel companies and the decline of the least efficient companies based on an equal basis.
3. Governments should work with IISI to adopt and support a new methodology that will measure and analyse emissions data from its member companies' plants in all major steel producing countries.
4. Governments should work with the steel industry to invest in the next generation of "breakthrough" technology CO₂ programmes, to bring about the next major advancement in steelmaking."

Ends

Notes to Editors:

- For full policy details please see IISI "A global sector approach to CO₂ emissions reduction for the steel industry" position paper at www.worldsteel.org
- For more information see also "Steel and You" publication on www.worldsteel.org
- The International Iron and Steel Institute (IISI) is one of the largest and most dynamic industry associations in the world. IISI represents approximately 180 steel producers (including 19 of the world's 20 largest steel companies), national and regional steel industry associations, and steel research institutes. IISI members produce around 75% of the world's steel (excluding China) and the growing membership in China now accounts for over 20% of Chinese production.