



Jyrki Katainen
Vice-President for Jobs, Growth, Investment and Competitiveness
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium
jyrki-katainen-contact@ec.europa.eu

2nd December 2015

Dear Commissioner

I welcomed the convening of the extraordinary Competitiveness Council on the Steel Industry on 9 November, in which my officials participated as part of the UK delegation. I was pleased to note your supportive comments at that session and the Presidency conclusions.

I note, too, the High Level EU stakeholders' conference on steel in January and, ahead of that, the meeting of the High Level Group on energy-intensive industries on 18 December (this meeting should also focus on steel as one of Europe's most energy intensive industries). The Welsh Government will be represented at both sessions as part of the UK delegation.

Unfortunately, since the Competitiveness Council, the state of the steel industry has continued to deteriorate in the face of unfair competition from cheap imports, depressed global prices and high energy costs. This is having a destructive and urgent impact on the steel producers in Wales, as elsewhere in the European Union, and I am writing to you with a renewed call for urgent action at the European level.

The steel industry is fundamental to the prosperity of Wales where it provides tens of thousands of good quality jobs, both directly and in the supply chain. I urge the Commission as a matter of urgency to implement strengthened trade defence measures including expediting the start of anti-dumping and anti-subsidy investigations. It is vital that these investigations should proceed speedily in order to expedite the imposition of provisional and final measures.

I recall the extraordinary measures, using newly adopted State aid rules on a temporary basis that the Commission took to support the banking industry following the Europe-wide financial crisis in 2009. It was widely understood at the time that this unprecedented action

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

English Enquiry Line 0300 060 3300
Llinell Ymholiadau Cymraeg 0300 060 4400
yp.prifweinidog@cymru.gsi.gov.uk ps.firstminister@wales.gsi.gov.uk

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

was justifiable and necessary to save a banking industry facing meltdown caused by unforeseen global forces.

If the strengthened trade defence measures for steel prove to be insufficient to address the crisis in the European industry, and to provide a level playing field for global competition, the Commission should consider whether it is appropriate, as happened with the banking industry, to introduce temporary sector-specific measures, in this case in the form of safeguards, to enable the steel industry to survive and stabilise. If this is not done, there must be real fears for the long term viability of European steelmaking.

In the medium term, the steel industry can, for example, look to access finance for investment under the European Fund for Strategic Investments and it may also, potentially, benefit from the effects of the Energy Union in developing an EU-wide energy market. However, before then, the industry in Wales, and elsewhere across Europe, must first be able to survive the unjust and unfair short-term global trading situation caused by dumping and subsidies.

I would value a meeting with you to discuss this matter and my officials will contact your Cabinet to see whether this can be arranged.

I am copying this letter to Commissioners Bieńkowska, Malmström and Vestager.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carwyn Jones', with a stylized, flowing script.

CARWYN JONES