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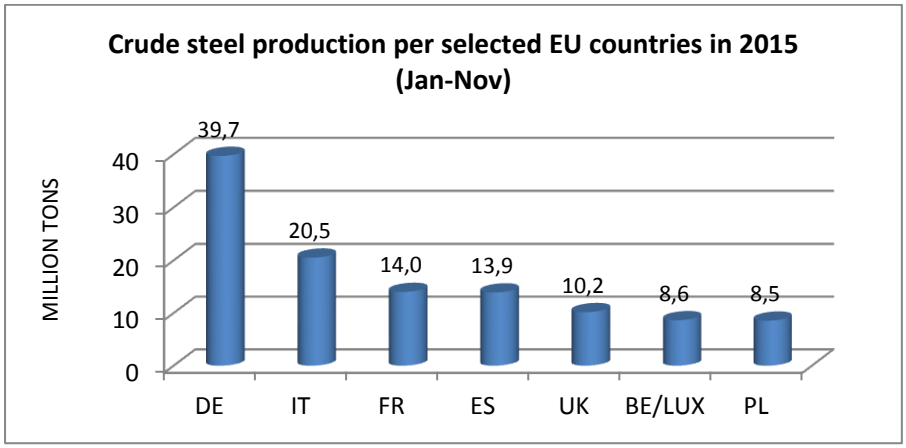
Steel: Preserving sustainable jobs and growth in Europe

1. EUROPE'S STEEL INDUSTRY AND ITS MAIN CHALLENGES

A robust industrial base is essential for Europe's economic growth, preservation of sustainable jobs and our competitiveness on global markets.

A strong steel sector forms the basis of many industrial value chains. The steel sector in Europe has an annual turnover[1] of EUR 166 billion and is responsible for 1.3% of EU GDP. In 2015 it provided 328 000 direct jobs with an even greater number of dependent jobs. The European steel sector is characterised by modern, energy- and CO2 efficient plants producing high value added or niche products for the world market, based on an outstanding R&D network. The European Union is the second steel producer after China, producing on average 170 million tonnes of crude steel per year. European steel industry remains a world leader in the highly technologically specialised product segment.



Despite its strong potential, Europe's competitive position on the global steel market has deteriorated in the last few years. While global demand remained buoyant in the wake of the economic and financial crisis, the economic slowdown in China and other emerging economies had a negative impact on global steel demand since 2014. In addition, the spare production capacity in certain third countries, notably in China, has increased dramatically. The overcapacity in China alone has been estimated at around 350 million tonnes[2], almost the double of the Union's annual production.

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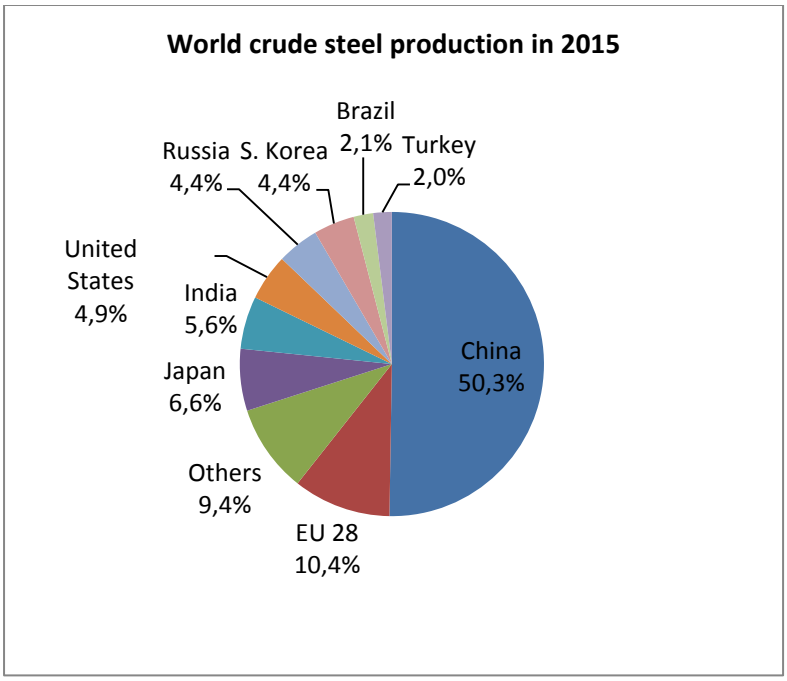
[1] 2014.

[2] Difference between OECD (2015) capacity figures and actual steel production (World Steel Association 2015).



The excess production of steel has recently led to a dramatic increase of exports, destabilising global steel markets and depressing steel prices world-wide. Steel imports from China to the EU have surged in the last three years. Market prices for some steel products collapsed by up to 40% due to the surge of volumes. Some third countries have reacted by imposing trade restrictions and other forms of trade barriers. In addition, the overcapacity gave rise to an unprecedented wave of unfair trading practices distorting the global level playing field. These trading practices would shift the burden of global overcapacity disproportionately towards European producers and their employees. In 2015 and early 2016 alone, the Commission had to launch ten new investigations against unfair trading practices relating to steel.

These circumstances compound a number of additional long-term challenges requiring a forceful response at the European level, helping the steel sector to adapt, innovate and use its potential in terms of quality, cutting-edge technology and a highly skilled workforce. A comprehensive response is needed by industry, Member States and the EU institutions.

2. FACING THE CHALLENGES

Short-term and long-term measures are needed in response to these developments. Action has been taken already, but continued and enhanced joint efforts are needed to provide, with a greater sense of urgency, adequate responses to the various challenges. Best use needs to be made of all available instruments at European and national level to bring relief to the sector and accompany its modernisation.

The situation of the steel industry in Europe is high on the Commission's agenda. In February 2016, the Commission therefore hosted a high level conference on energy intensive industries to take stock of measures taken in the current context, including the implementation of the

2013 Steel Action Plan[3]. The issue has been discussed with the Competitiveness Council in November 2015 and in February 2016, as well as with the European Parliament in the context of its Resolution on 'Developing a sustainable European industry of base metals'[4] in December 2015. The High-level Group on energy-intensive industries provides a forum for discussion between all relevant stakeholders.

The Commission is implementing and strengthening actions which are instrumental for bringing immediate relief to the industry and restoring a level playing field. But a joint effort is needed to go further. Short-term measures alone will not suffice to guarantee the long-term competitiveness and sustainability of energy intensive industries like steel. Their future depends on their ability to embrace modernisation and implement innovations. Past efforts have been rewarded by making the EU steel industry more dynamic, innovative and customer-oriented. These efforts need to be supported and stepped up if we are to tackle today's challenges.

The European Union and its Member States can help the steel industry and other energy-intensive industries by promoting investment and creating a favourable business environment. The Commission's strong focus on jobs and growth, as well as strategic initiatives such as the Investment Plan and the Capital Markets Union, the Single Market Strategy, the Digital Single Market Strategy, the Energy Union or the Circular Economy contribute to that objective. In addition, a number of European funding instruments can assist in implementing the necessary reforms and attenuating problems arising during the inevitable transformation of the industry of base metals. They should be used to the fullest extent and in an accelerated manner.

A. AN EFFECTIVE AND RESPONSIBLE TRADE POLICY

Acting together to strengthen our defences against unfair trade practices

The Commission is imposing a record number of trade defence measures to offset the detrimental effect of dumping on Europe's steel industry. The efficiency and effectiveness of our action can however be significantly enhanced, accelerated and further improved if Member States support the Commission's efforts.

Current efforts to strengthen trade defence

The number of trade defence measures on steel products has reached 37 in total with 16 measures concerning imports from China. The pace of adopting measures has accelerated with five measures imposed in 2014 and seven in 2015. The Commission is mobilising additional tools, for example it is now opening investigations based on a threat of injury. Moreover, the Commission ensures that the industry gets actual relief significantly before provisional measures are imposed. This is achieved by registering imports prior to the adoption of provisional measures. This allows the Commission to retroactively apply

[3] COM/2013/0407.

[4] P8_TA(2015)0460/ A8-0309/2015.

definitive antidumping duties three months before the adoption of provisional measures, where the relevant legal conditions are met.

Additional efforts to accelerate the process

The Commission will immediately use the available margins to further accelerate the adoption of provisional measures. For instance, while the current practice is to consult Member States in the Committee before adopting provisional measures, there is scope for increased use of written consultations. In case of extreme urgency, provisional measures can also be imposed after informing the Member States. The Commission will further optimise its internal procedures, follow a stricter approach when dealing with requests for deadline extensions of questionnaire responses and where feasible streamline hearings by grouping them together. This would allow speeding up the overall procedure by at least one month.

Modernisation of Trade Defence Instruments

- To further improve the efficiency and effectiveness of EU action, our trade defence instruments need to be modernised. Three years ago, the Commission already put forward a comprehensive package to that effect[5]. The European Parliament adopted its report in first reading. However, Member States have so far prevented this file from moving forward in the Council. It is now high time to back-up rhetoric with action and adopt swiftly the modernisation package.

- The recent experience furthermore shows that additional reforms need to be considered, taking into account the inter-institutional debate and most recent developments: for example, the rationale for the removal of the lesser-duty rule should apply also to the steel sector and more generally to situations where the market of the exporting country is subject to significant distortions. In addition, it may be appropriate with regard to the calculation of the injury margin to better define the target profit to ensure that injury is adequately removed.

- Additional steps, which require a change in the Basic Regulations, can and should be taken[6]. For instance, intermediary deadlines such as those for sampling of interested parties or parties' reaction to the disclosure of the essential facts and considerations should be adjusted. Moreover, the consultation process of Member States should be

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[5] Compared to other jurisdictions, the EU trade defence instruments are based on the involvement of Member States at key stages of the investigation. The Commission is required, among others, to conduct a full-fledged Union interest test analysis and detailed injury calculations to apply the lesser-duty rule. Under the lesser duty rule the level of the anti-dumping duty is equal to the lesser of the dumping and the injury margin, resulting in lower duties. This rule is mandatory under EU anti-dumping legislation, whereas it is simply recommended under WTO rules. The lesser duty rule is not applied by trade partners in a comparable situation as the EU.

[6] In line with Commission's Better Regulation Guidelines, SWD(2015) 111

significantly streamlined. This would allow speeding up the overall procedure by up to two months[7].

– The Commission calls on the co-legislators to work with it as a matter of urgency and it stands ready to propose swiftly the additional reform proposals mentioned above.

In addition, given the current context and the importance of the issue at stake, the Commission will propose a prior surveillance system on steel products. Prior surveillance measures are foreseen in the EU's safeguard instrument and are based on an automatic import licensing system. They can be introduced when import trends threaten to cause injury to Union producers.

Finally, stakeholders can provide their input on some of the elements of the EU's trade defence system as part of an ongoing public consultation: in the light of the upcoming expiry of certain provisions in China's Protocol of Accession to the WTO, the Commission is analysing whether, and if so how, the EU should change the treatment of China in anti-dumping investigations after December 2016. Before taking a view on this matter, the Commission is conducting an in-depth impact assessment and is consulting stakeholders. The impact assessment will carefully analyse the potential economic and social effects of any change in the treatment of China, with a particular focus on jobs and taking into account differences across Member States. The public consultation launched in February 2016 aims at collecting stakeholders' input regarding the options identified by the Commission. For the Commission, it is clear that no decision can be taken in this context without significant transitional periods and substantial attenuating measures.

Tackling the causes of global overcapacity

In addition to measures aiming to mitigate the effects of global overcapacities, the Commission is tackling the underlying causes of the problem with our main partners. A global problem requires a global solution.

In order to restore the global level playing field, the Commission is working with the main partners across the various fora:

– At bilateral level, the Commission has set up Steel Contact Group meetings with China, Japan, India, Russia, Turkey and the United States. Steel Contact Group meetings with Japan and China took place on 8 and 10 March 2016. On those occasions, the Commission specifically addressed the matters concerning overcapacity. The Commission will intensify and multiply its meetings with some of our main steel trade partners, notably China.

– At multilateral level, the Commission plays an active role in the OECD Steel Committee. Following concerns expressed by the EU and like-minded countries at the

[7] Achieving this objective would bring the Union significantly closer to the speed of imposing trade defence measures in other jurisdictions, despite a more demanding and complex legal framework. It can however only be achieved with the active support of the Member States and the industry.

last meeting regarding excess capacity, notably in China, the Committee will organise a high-level symposium addressing the challenge of reducing overcapacity through structural adjustment.

– In the WTO, the EU will remind China of the need to enforce its WTO obligations on transparency and the notification of subsidies. It will actively raise this issue at the WTO peer-Trade Policy Review of China in June 2016. The Commission is studying subsidy schemes in China, including for the steel sector. It will use any relevant means available and raise the issue within the G20 with the aim of addressing overcapacity.

– The Commission encourages third countries to apply the appropriate policy measures which respect the current needs of the market. The Commission is negotiating rules on the behaviour of state-owned enterprises and subsidies under Free Trade Agreements, following closely the subsidy notifications in the WTO. In this context, the Commission is also pursuing discipline on subsidies and State-Owned Enterprises in its negotiations of the Investment Agreement with China. The intention to negotiate a chapter on energy and raw materials in each trade agreement is of particular interest for the steel and other energy-intensive industries.

B. INVESTING TODAY IN A MODERNISED AND SUSTAINABLE STEEL INDUSTRY

Investments in future solutions and technologies for a more competitive industry

The steel sector faces longer-term challenges which require continued investment in breakthrough technologies. Several EU funds actively support the steel industry on its modernisation path by facilitating investment and helping the development and deployment of innovation. These possibilities should be used to the fullest extent.

The Commission is working to ensure that existing funding possibilities effectively support the industry in its modernisation efforts:

– The European Fund for Strategic Investments (EFSI)[8] helps bringing innovation also to the steel sector, by covering higher financing risks of innovative projects. EFSI provides flexible support to concrete projects by addressing market failures or sub-optimal investment situations. Project promoters also obtain assistance in the investment process by the European Investment Advisory Hub, so that the quality of projects can be enhanced and attract financing. In addition, business projects can boost their visibility for investors on a European Investment Project Portal. A first EIB loan under EFSI of EUR 100 million is already helping a mid-sized Italian steel producer attract other investors. The total investment expected to be mobilised amounts to EUR 227 million, enabling the company to modernise and optimise its products, processes

[8] Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments, OJ L 169, 1.7.2015, p. 1.

and environmental performance, and to remain a leader in its field. Other industrial players have already initiated contacts with the Advisory Hub. Others can benefit today of the opportunities provided by these new instruments.

- EFSI opportunities are complementary to other EU funds like Horizon 2020 and Structural Funds and can and should be optimally combined. From the European Structural and Investment Funds (ESIF) EUR 44 billion will be allocated to priorities set in the research and innovation strategies for smart specialisation. Regions in Czech Republic, Slovakia, Spain, Finland and Sweden included support to modernising their steel industry in their priorities. The cooperation between regions with steel-related priorities offers an opportunity for exchange of experiences with policies and new technologies. The Integrated Strategic Energy Technology Plan, launched by the Commission in October 2015, is helping focussing existing Research and Innovation support as well as policy action in the area of energy efficiency, e.g. by a more sophisticated use of financial support and regulatory measures.

- Horizon 2020 and the ESIF are helping the steel industry, together with research institutes and other stakeholders, to develop enabling technologies in resource and energy efficiency along the value chain. Modernisation in the steel sector is also supported by the Research Fund for Coal and Steel with over EUR 50 million every year. The ultra-low carbon dioxide steelmaking project (ULCOS) and its follow up projects, as well as projects funded within the SPIRE[9] Public-Private Partnership are good examples in this respect.

- Through the European Innovation Partnership on Raw Materials, the industry cooperates with relevant actors at EU, national and regional levels to accelerate innovations that ensure secure, sustainable supplies of both primary and secondary raw materials.

Investing in people

Modernising Europe's steel industry is about investing in people and increasing employment opportunities.

As a social market economy, Europe cannot – and does not want to – compete on the basis of low wages or deteriorating working conditions and social standards. Europe needs to compete on the basis of innovation, cutting-edge technology, premium quality and efficient production. All this requires people with excellent skills. Building, running and maintaining a modern and competitive steel industry is only possible with a trained workforce. Preserving industrial know-how and a skilled workforce, in particular as regards young employees, is an important asset of EU's base metal industry. The need to invest in human resources will therefore be at the heart of the forthcoming New Skills Agenda, which will benefit a broad range of economic sectors, including the steel industry.

[9] Sustainable Process Industry through Resource and Energy Efficiency.

In some cases, structural changes may lead to job losses. This has serious social consequences for workers concerned, their families and the regions in which they live. The European Globalisation Adjustment Fund (EGF) can co-fund up to 60% of the total cost of active labour market measures helping workers finding new jobs where major redundancies have occurred. Approximately 5,000 workers have already been targeted by EGF assistance in the whole basic metals sector, and Member States have the possibility to request further assistance from EU in this field.

It is important to accompany workers and local economies affected in the case of major relocations of activities. To this end, the EU has developed instruments to support workers' employability and mitigate the adverse social consequences of restructuring. The EU Quality Framework for anticipation of Change and Restructuring[10] can help bring together companies, workers and their representatives, social partners and national and regional authorities to achieve a fair and socially responsible management of change and restructuring. The Commission will involve social partners via the relevant European social dialogue committees in the design and implementation of the necessary measures, e.g. mapping of jobs and skills needs, measures promoting internal and external mobility.

Information and consultation of workers at company level and at European level when transnational issues are at stake are also crucial for solving problems, easing conflicts and developing good practices in anticipating change and preparing and managing restructuring properly. That is why it is important for Member States and relevant stakeholders to fully implement and use the tools provided by the EU[11] to face the challenges of the steel industry.

The EU also stands ready to support Member States' broader efforts to pursue active labour market policies that seek to equip the unemployed with the skills and qualifications they need to return to the labour market. In 2015, the Commission tabled a proposal to improve the support given to long-term unemployed and to make active labour market policy more effective. The European Social Fund has allocated EUR 27 billion for measures in the field of education, training and lifelong learning. By 2023, over 10 million unemployed participants are expected to benefit from the ESF and 2.9 million people are expected to gain a qualification thanks to an ESF intervention. Workers affected by restructuring are likely to qualify for professional training, re-skilling and up-skilling under the European Social Fund, in the framework of regional and national operational programmes. Furthermore, investments in skills are eligible under the European Fund for Strategic Investments.

A modern competition policy for a strong European steel sector

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[10] COM(2013) 882.

[11] Directive 2009/38/EC on the establishment of a European Work Council of a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees, Directive 2002/14/EC establishing a general framework for informing and consulting employees in the EC, Directive 2001/23/EC relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, Directive 98/59/EC of 20 July 1998 relating to collective redundancies.

Competition policy is an important element to support the long term competitiveness of Europe's steel producers. The Commission encourages Member States to make best use of the modernised EU State aid framework by adapting support to national situations, priorities and constraints, as it is possible under the new framework.

To ensure a level playing field for European producers internationally, the Commission is acting both multilaterally, in the OECD and WTO, and bilaterally through its Free Trade Agreements. It is working for increased transparency for all subsidies, a consultation mechanism and disciplines regarding the prohibition of unlimited guarantees and restructuring aid to non-viable companies, the most distortive kinds of subsidies. Support for this approach from the European Parliament and the Council is of crucial importance.

EU State aid rules avoid subsidy races in the internal market and promote fairness towards efficient manufacturers who restructure with their own resources. State aid rules have been thoroughly modernised. They allow support to the global competitiveness of efficient and productive steel producers. Member States should make best use of this new framework to support the steel industry. In particular:

- More support could be given to cross-border industry research or technology projects of common European interest (IPCEI);

- State aid rules for R&D&I allow public support to incentivise the energy intensive users to develop innovative solutions, such as carbon capture and use (CCU) technologies, and to bridge gaps with trade partners on private expenditure on investment. Some of this support does not need to be notified to the Commission. The Commission stands ready to assist national authorities in identifying swiftly such support measures;

- In respect of energy costs faced by energy-intensive industries, Member States are encouraged to compensate indirect financing costs of renewable energy support schemes.

The Emission Trading System (ETS) guidelines allow Member States to offset higher electricity costs faced by some energy intensive industries as a result of ETS rules on electricity generators (indirect ETS costs) under certain conditions. The Commission proposal for ETS reform encourages Member States to make use of this possibility. Upon request by individual companies, the Commission also stands ready to swiftly provide additional guidance on the competition assessment of long-term energy supply contracts.

C. TURNING THE RESOURCE AND CLIMATE CHALLENGES INTO OPPORTUNITIES

More competitive energy prices in EU Member States

Increased efforts to promote energy efficiency and competitive energy prices are key to competitive and sustainable energy-intensive industries.

In the light of the recent fall in energy prices, energy costs should now be a less important part of production costs. Wholesale energy prices, the proxy for energy prices paid by energy

intensive industries, are now at historically low levels, comparable to the lowest levels reached in the last decade or the wake of the economic crisis[12]. They however continue to vary across Europe, often as a result of taxes and levies which are in the hands of Member States. Relevant energy price gaps with trading partners still exist, but they have been evolving favourably over the past months, particularly with regard to the US. There has been a convergence in international energy prices and price gaps seem to be coming back to pre-crisis levels[13].

Energy prices are however very volatile and they could rise again. To contain them Europe needs to contain energy consumption, including by encouraging greater energy efficiency of its industry, and promote competitive energy prices by tapping into the potential of the single market and regional cooperation. To support these objectives, the Commission will soon put forward several initiatives under the Energy Union, e.g. proposals on the electricity market design, governance, renewable energy and energy efficiency. The energy prices and costs report the Commission intends to submit in summer 2016 will also assess the predictability of electricity prices over the period of high-capital investments in energy- and CO2-efficient technologies by energy-intensive sectors and further contribute to increasing transparency and understanding on energy costs. Different EU funding opportunities like EFSI and ESIF funds support energy efficiency. For instance, the ESIF will support EU industry's energy efficiency, environmentally-friendly production processes and resource efficiency with EUR 5.7 billion over the period 2014-2020.

Revision of the Emission Trading System

Innovation can help the steel sector to remain competitive and adapt to the new realities of climate change.

Lower carbon cost due to less ambitious climate policies still gives a number of third country producers an unfair competitive advantage vis-à-vis their European competitors. While the Paris Agreement is a game changer and sends a clear signal to investors, businesses, and policy-makers that the global transition to clean energy is here to stay, the risk of competitive disadvantages remains. Therefore, the Commission proposes in the proposal for the revision of the Emission Trading System[14] to distribute the free allowances in such a way that energy intensive industries, including the steel sector, receive an appropriate level of support and continue to reward the best performers. The strategic decision by the European Council to

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[12] Gas prices are now the lowest in six years (13 €/MWh). Electricity prices have been falling since the peak reached in 2012 (66 €/MWh). They are now at the lowest levels in twelve years (30 €/MWh). Coal prices, important for the steel industry, have also significantly decreased over the last few years and at the beginning of 2016 they are less than half of the price level five years ago. Finally, oil prices recently reached their minimum in 12 years.

[13] Gas prices in the EU now are twice (2.1 in January-February 2016), not four times those of the US as in 2012. EU electricity prices are now about 60-70% higher than those in the US, instead of twice as in 2012. As regards Japan, gas prices are now slightly above the EU prices (1.1 in 2016) and electricity prices 1.8 times the EU prices.

[14] COM (2015) 337.

preserve the free allocation regime beyond 2020 and the proposed carbon leakage provisions strike the right balance at this point of time. The proposal is currently being negotiated in the ordinary legislative procedure and the Commission calls on the co-legislators to advance as quickly as possible in the ordinary legislative procedure for the adoption of the reformed Emission Trading System and will provide additional input as necessary.

In order to support investments in innovation, such as carbon capture and use (CCU) technology projects, some 400 million emission allowances are proposed to be reserved from 2021 onwards for this purpose. In addition, a further 50 million of the unallocated allowances from 2013-2020 (that would otherwise be placed in the Market Stability Reserve) will be set aside to enable the Innovation Fund to start before 2021 and fund projects to support the uptake of new breakthrough technologies in industry.

Closing the loop: the circular economy

Recycling raw materials must reduce costs of production and the impact on the environment. It will open up new areas of business, encourage product development and create jobs.

Steel scrap is used by almost half of the current EU primary steel production, making the EU a global frontrunner in steel recycling. The production from scrap makes producers more independent from raw material imports. As the biggest part of production costs for recycled steel is the cost producers pay for ferrous scrap, an improved EU-market for scrap metal makes such production more competitive. Since their adoption in 2011, the end-of-waste criteria for iron and steel scrap have helped stimulate higher demand for recycled steel.

With the Circular Economy package the Commission has proposed to increase waste recycling rates and sorting systems for construction and demolition waste, and improve the functioning of the Extended Producer Responsibility schemes. It will develop targeted guidelines for use on demolition sites and facilitate the shipment of waste between Member States. These measures should result in more efficient supply chains and help create a real single market for secondary raw materials.

Moreover, the Circular Economy package contains several measures aiming to incentivise innovative industrial processes. For example, industrial symbiosis allows waste or by-products of one industry to become inputs for another and in the process creating new market opportunities. By stimulating these processes, the package will help increase material and energy efficiency of industrial processes and increase cost-competitiveness by facilitating the valorisation of by-products such as steel slag rather than imposing heavy disposal costs. Another example is the use of the content of blast furnace waste gases through carbon capture and utilisation.

But the EU is also taking significant steps to increase transparency in international raw materials markets and in related derivative markets, not least for critical raw materials with a high risk of supply shortage.

3. CONCLUSIONS

The European steel industry is facing a number of serious challenges, fuelled by global overcapacity, a dramatic increase of global exports and an unprecedented wave of unfair

trading practices. The Commission is aware of these challenges and is taking swift and determined action in a number of policy areas. While it is the responsibility of the industry itself to adapt and innovate in order to face these challenges in a sustainable way, the European Union and its Member States can support these efforts by preserving a level-playing field, promoting investment, particularly in a skilled workforce, and by creating a favourable business environment. Involvement and regular consultation with all stakeholders in a structured way, including at the local level, is particularly important in this context.

The Commission is acting with determination to respond to unfair trade practices resulting from global overcapacity. In addition to the current record-level of trade defence measures in place, it will pursue additional avenues to accelerate the adoption of such measures. The co-legislators should urgently adopt the Commission's trade defence modernisation proposal. Additional reforms will be proposed to further increase the effectiveness of these instruments. The Commission intends to put in place a prior surveillance system on steel products. These further efforts will however only be successful with the support and action from the Member States, the other EU institutions and bodies and the industry itself.

The long-term challenges of the steel sector will not go away. A range of investment instruments and focused policies in areas like trade, innovation, competition or the Energy Union will help the steel industry to compete through innovation, resource efficiency, modernisation and reform. Best and swift use needs to be made of all these instruments provided by the European Union.

Finally, modernising the steel industry is also about investing in people. Many of the tools in that area lie in the hands of Member States, but the Union will provide substantial financial and other support, including through the European Social Fund and, should rapid employment reductions become necessary, through the European Globalisation Adjustment Fund which supports the reconversion of redundant workers. With the forthcoming New Skills Agenda, the Commission will aim to build a shared commitment to invest in people and their skills, in close cooperation with Member States and social partners.

The current challenges for the steel industry are serious, but they can be overcome if all players work together in a spirit of sincere cooperation. The Commission will keep the situation of the steel industry under close review, stands ready to take further action, as necessary, and calls on Member States to support the joint European efforts and initiatives with a greater sense of urgency. There is no time to lose if we want to preserve sustainable jobs and growth in Europe.