

Three of Europe's leading steelmakers - ArcelorMittal Europe, thyssenkrupp Steel, and voestalpine – are today issuing a joint call for urgent, pragmatic reform of the EU Emissions Trading System (ETS), warning that without adjustments the current trajectory risks destroying Europe's industrial base.

In an article published in the [Financial Times](#), ArcelorMittal executive chairman Lakshmi Mittal articulated the companies' shared position on how the ETS needs to be reconsidered, to safeguard European steelmaking and all the industries it serves.

Together, the three companies represent around 60% of Europe's integrated steel production, placing them at the heart of the EU's industrial value chains. All three have committed to decarbonising their operations, but stressed that the policy framework must enable, not inhibit, these transformations of the steelmaking process.

ETS costs rising, without enablers in place

The three companies note that while the ETS has driven emissions reductions in the power sector (by about 49% between 2005 and 2023), it is not yet delivering a viable pathway for energy intensive industries such as steel. Key enablers for economic decarbonisation remain insufficiently developed or unavailable at scale, including competitive electricity prices, affordable green hydrogen, Carbon Contracts for Difference, carbon capture and storage, and lead markets for low carbon steel.

Under the current EU ETS framework, the cost of producing steel in the EU is expected to increase by around 50% by the early 2030s. With steel-intensive imports not subject to an equivalent carbon cost, and EU steel exports receiving no rebate to recover the carbon cost, the implications of the sharp increase in ETS costs will be profound for European steelmaking and the entire value chain.

A risk to Europe's manufacturing backbone

The three companies estimate that without reforms to the ETS, the EU could face a 30–40% decline in steel intensive manufacturing activity, putting up to 5 million jobs at risk across the value chain.

Such an outcome would run counter to the EU's ambition, which is set out in the Industrial Accelerator Act, to increase manufacturing's share of GDP to 20% and would weaken Europe's economic resilience at a time of intensifying global competition significantly.

Pause ETS cost increases until decarbonisation is economically viable

ArcelorMittal, thyssenkrupp Steel and voestalpine emphasise that they fully support Europe's climate objectives and want to decarbonise. However, the ETS must be adapted to reflect the realities of industrial transformation.

The companies are jointly calling for:

- A temporary pause in ETS cost escalation, maintaining the current level until the key enablers of economically viable decarbonisation are in place.
- A framework that ensures first movers are supported, enabling early decarbonisation projects to proceed with confidence. ETS revenues should be directed toward industrial decarbonisation, ensuring funds accelerate the transition.
- A balanced approach to import and export competitiveness, addressing the unintended consequences of the current system.

The recent introduction of the Carbon Border Adjustment Mechanism (CBAM) and the upcoming Tariff Rate Quotas are important steps toward a level playing field. But the companies stress that ETS reform is the final piece of the puzzle needed to ensure Europe can both decarbonise and maintain a strong industrial base.

Marie Jaroni, CEO of thyssenkrupp Steel said: “The ETS needs a reality check. It does not reflect the current state of Europe’s industry, where competitiveness and transformation are becoming increasingly difficult to reconcile. That is why we need a cost pause in the ETS to safeguard the transformation and ensure that ‘first movers’ like us are not put at a disadvantage. The reform must help successfully bring climate protection and industrial development together for the future of Europe.”

Herbert Eibensteiner, CEO of voestalpine AG, said: “voestalpine is making significant investments through its greentec steel program and will drastically reduce emissions in the coming years. However, in a challenging economic environment, the phase-out of free allocation is already diverting financial resources needed for the decisive phase of transformation. A pause in the ETS framework, until enabling conditions are in place, is essential to safeguard these investments and enable further decarbonization steps.”

Lakshmi Mittal, executive chairman of ArcelorMittal, said:

“A future for the ETS that incentivises decarbonisation without compromising competitiveness must be found. It is not an easy problem to solve, but reform of the ETS is essential and we applaud Europe’s policymakers for putting the topic back on the agenda. The choice they face is not between climate ambition and competitiveness. The choice is between a climate strategy that strengthens Europe’s resilience and economic security, and one that hollows it out”.

Ends

About ArcelorMittal

ArcelorMittal is one of the world’s leading integrated steel and mining companies with a presence in 60 countries and primary steelmaking operations in 14 countries. It is the largest steel producer in Europe, among the largest in the Americas, and has a growing

presence in Asia through its joint venture AM/NS India. ArcelorMittal sells its products to a diverse range of customers including the automotive, engineering, construction and machinery industries, and in 2025 generated revenues of \$61.4 billion, produced 55.6 million metric tonnes of crude steel and 48.8 million tonnes of iron ore. Our purpose is to produce smarter steels for people and planet. Steels made using innovative processes which use less energy, emit significantly less carbon and reduce costs. Steels that are cleaner, stronger and reusable. Steels for the renewable energy infrastructure that will support societies as they transform through this century. With steel at our core, our inventive people and an entrepreneurial culture at heart, we will support the world in making that change.

ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

<http://corporate.arcelormittal.com/>

About thyssenkrupp Steel

thyssenkrupp Steel is one of the leading suppliers of high-grade flat steel and stands for innovations in steel and high-quality products for demanding applications.

Steel has a good 26,000 employees and produces about 11 million tonnes of crude steel per year – making it Germany’s largest flat steel manufacturer. Its capabilities range from custom material solutions to material-related services.

Together with our customers we continue to develop the long and successful story of our company, thereby shaping global markets, our region and a large number of powerful industries.

Steel fulfills the increasing demands for economical lightweight, growing construction and safety standards, researches and develops new high-tech steels and sets standards for high-quality surface and processing technologies as well as efficient steels for the energy and mobility revolution.

About voestalpine

voestalpine is a globally leading steel and technology group with a unique combination of materials and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. The voestalpine Group has been listed on the Vienna Stock Exchange since 1995. With its premium products and system solutions, voestalpine is a leading partner to the automotive and machinery industries, as well as to the aerospace and energy

industries. The company is also the global market leader in railway systems and special sections. voestalpine is committed to the global climate goals and has a clear plan for transforming steel production with its greentec steel program. In the business year 2025/26, the Group generated revenue of EUR 15.1 billion, with an operating result (EBITDA) of EUR 1.5 billion; it has around 48,800 employees worldwide.