



COMMISSION OF THE EUROPEAN COMMUNITIES

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Accompanying the

**Communication from the Commission to the Council and the European Parliament on
the Competitiveness of the Metals Industries**

{COM(2008) 108 final}

In 2005, the EU 27 metals industries generated a turnover of approximately € 316 billion and employed 1.1 million people.

Over the last few years, world metal markets have been rapidly changing under pressure from new producers and consumers. The growth currently being seen in some big emerging economies is accelerating the consumption of natural resources at a very fast pace; this phenomenon has put unprecedented pressure on commodity prices which have reached record levels.

The competitiveness of the EU metals industry is based on strength factors related to high added value given by integration, organisation, efficiency, skilled manpower, quality of production, innovation. Its weakness factors are namely linked to the raw materials and energy cost and availability, cost of manpower, regulations.

Table 1 Basic metals industries in EU 27: Structural data

| 2005 | Value added at factor cost | | Employment | | Turnover (billion €) | Value added per employee (1000 €) |
|--------------------------|----------------------------|---------------------------------------|------------|---------------------------------------|----------------------|-----------------------------------|
| | billion € | Share of total EU27 manufacturing (%) | Numbers | Share of total EU27 manufacturing (%) | | |
| Iron & Steel | 48,84 | 2,99% | 748.200 | 2,29% | 220,32 | 62.05 |
| Aluminium | 11,9 | 0,73% | 211.700 | 0,64% | 51,62 | 55.36 |
| Other non-ferrous metals | 8,33 | 0,51% | 132.200 | 0,41% | 44,01 | 62.32 |

Source: Eurostat

Iron & Steel include casting of iron & steel (Nace Codes DJ 27.1, 2, 3, 51, 52)

Aluminium: includes casting of light metals (Nace codes DJ 2742 and DJ 2753)

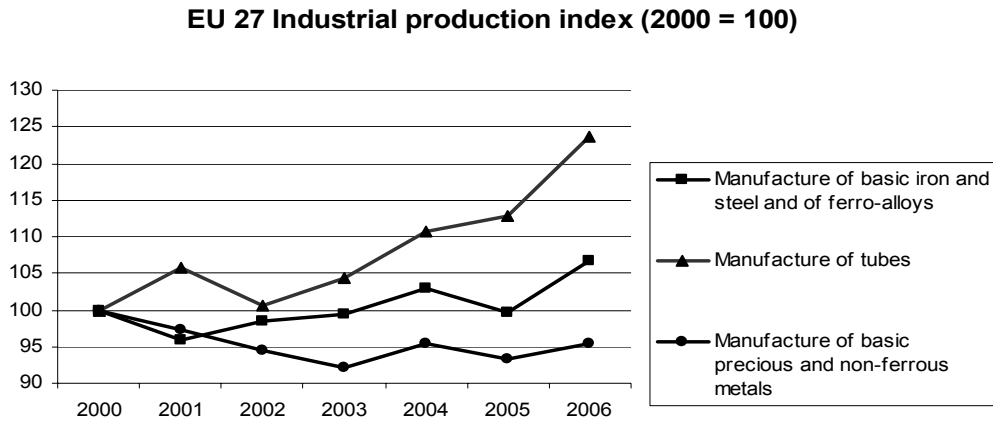
Basic precious and non-ferrous metals other than aluminium, including casting of other non-ferrous metals (DJ 2741, 2743, 2744, 2745, 2754)

Table 2 Basic metals industries production in Member States

| 2006 | Steel 1000t | Refined Aluminium 1000t | Refined Copper 1000t | Refined Nickel 1000t | Slab Zinc 1000t |
|-------------------|------------------------|--|-------------------------------------|-------------------------------------|--------------------------------|
| Austria | 7.129 | 0 | 73 | 0 | 0 |
| Belgium | 11.631 | 0 | 383 | 0 | 220 |
| Bulgaria | 2.124 | 0 | 65 | 0 | 70 |
| Cyprus | | 0 | 0 | 0 | 0 |
| Czech Republic | 6.862 | 0 | 0 | 0 | 0 |
| Denmark | 0 | 0 | 0 | 0 | 0 |
| Estonia | 0 | 0 | 0 | 0 | 0 |
| Finland | 5.054 | 0 | 137 | 47 | 282 |
| France | 19.852 | 440 | 0 | 14 | 210 |
| Germany | 47.224 | 516 | 658 | 0 | 335 |
| Greece | 2.416 | 165 | 0 | 18 | 0 |
| Hungary | 2.089 | 0 | 0 | 0 | 0 |
| Ireland | 0 | 0 | 0 | 0 | 0 |
| Italy | 31.624 | 194 | 36 | 0 | 109 |
| Latvia | 550 | 0 | 0 | 0 | 0 |
| Lithuania | 0 | 0 | 0 | 0 | 0 |
| Luxemburg | 2.802 | 0 | 0 | 0 | 0 |
| Malta | 0 | 0 | 0 | 0 | 0 |
| Netherlands | 6.372 | 326 | 0 | 0 | 221 |
| Poland | 10.008 | 50 | 557 | 0 | 155 |
| Portugal | 1.400 | 0 | 0 | 0 | 4 |
| Romania | 6.263 | 258 | 20 | 0 | 40 |
| Slovakia | 5.093 | 157 | 0 | 0 | 0 |
| Slovenia | 628 | 140 | 0 | 0 | 0 |
| Spain | 18.391 | 349 | 255 | 0 | 503 |
| Sweden | 5.466 | 101 | 229 | 0 | 0 |
| United Kingdom | 13.871 | 360 | 0 | 37 | 0 |
| Total EU27 | 206.842 | 3.056 | 2.413 | 116 | 2.149 |

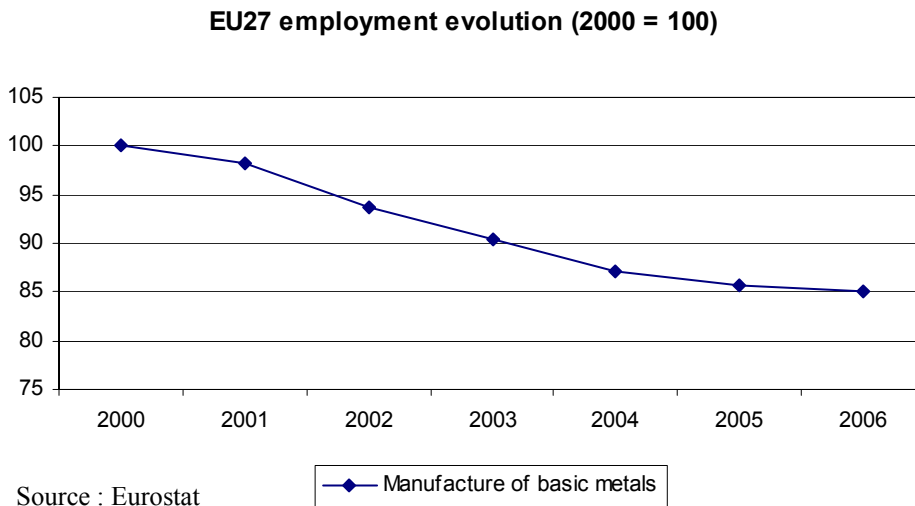
Source: IISI & World Metal Statistics

Figure 1 Production of basic metals 2000-2006 in EU 27



Source : Eurostat

Figure 2 Employment 2000-2006 in Basic metals industries in EU 27



Source : Eurostat

Table 3 Basic metals industries in EU 27: International trade 2000-2007 (1000 €)

| EUR 27 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007(*) |
|--|------------|------------|------------|------------|------------|------------|------------|-------------|
| STEEL | | | | | | | | |
| Import | 8.265.296 | 8.253.389 | 7.665.217 | 8.736.940 | 13.129.614 | 14.961.480 | 22.116.298 | 32.687.619 |
| Export | 17.312.610 | 17.421.642 | 17.872.649 | 18.688.903 | 23.525.243 | 29.592.271 | 32.873.359 | 36.865.969 |
| Balance | 9.047.314 | 9.168.253 | 10.207.432 | 9.951.963 | 10.395.629 | 14.630.791 | 10.757.062 | 4.178.350 |
| UNWROUGHT ALUMINIUM | | | | | | | | |
| Import | 6.298.724 | 6.204.657 | 5.788.240 | 5.726.391 | 6.607.540 | 6.607.581 | 10.106.789 | 11.685.605 |
| Export | 349.304 | 274.181 | 274.804 | 236.121 | 340.244 | 402.984 | 419.844 | 392.657 |
| Balance | -5.949.420 | -5.930.476 | -5.513.436 | -5.490.270 | -6.267.296 | -6.204.597 | -9.686.945 | -11.292.948 |
| UNWROUGHT NICKEL | | | | | | | | |
| Import | 2.549.055 | 2.000.216 | 2.023.073 | 2.323.583 | 2.011.225 | 1.779.221 | 2.529.465 | 2.999.079 |
| Export | 269.795 | 239.745 | 197.413 | 282.286 | 410.445 | 447.420 | 781.927 | 1.073.164 |
| Balance | -2.279.260 | -1.760.470 | -1.825.660 | -2.041.297 | -1.600.780 | -1.331.801 | -1.747.538 | -1.925.915 |
| COPPER, REFINED, AND COPPER ALLOYS, UNWROUGHT | | | | | | | | |
| Import | 4.197.893 | 3.777.313 | 3.036.135 | 2.709.911 | 4.382.043 | 4.742.033 | 10.195.225 | 9.999.923 |
| Export | 260.618 | 241.773 | 305.420 | 295.739 | 464.687 | 651.743 | 728.010 | 729.916 |
| Balance | -3.937.275 | -3.535.540 | -2.730.715 | -2.414.172 | -3.917.356 | -4.090.290 | -9.467.215 | -9.270.007 |
| UNWROUGHT ZINC | | | | | | | | |
| Import | 535.674 | 380.356 | 278.895 | 287.573 | 350.256 | 391.195 | 1.220.104 | 2.010.261 |
| Export | 152.867 | 132.834 | 146.183 | 103.324 | 149.612 | 181.326 | 351.090 | 318.977 |
| Balance | -382.807 | -247.522 | -132.712 | -184.249 | -200.644 | -209.869 | -869.014 | -1.691.283 |

Source :Eurostat , Comext

Steel CN codes from 7206 to 7307, other 7601,7502,7403,7901

(*) Dec. estimated

Table 4 Top 3 suppliers to EU 27 of basic metals 2000-2007 (1000 €)

| | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005 | | 2006 | | 2007(*) | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| | Value | Share | Value | Share | Value | Share | Value | Value | Share | Share | Value | Share | Value | Share | Value | Share |
| TOP 3 Suppliers of steel | | | | | | | | | | | | | | | | |
| EXTRA EU27 | 8.265.296 | 100,0 | 8.253.389 | 100,0 | 7.665.217 | 100,0 | 8.736.940 | 100,0 | 13.129.614 | 100,0 | 14.961.480 | 100,0 | 22.116.298 | 100,0 | 32.687.619 | 100,0 |
| China | 258.623 | 3,1 | 197.677 | 2,4 | 261.531 | 3,4 | 305.527 | 3,5 | 592.699 | 4,5 | 1.101.960 | 7,4 | 3.594.749 | 16,3 | 8.110.331 | 24,8 |
| Russia | 1.163.690 | 14,1 | 1.163.557 | 14,1 | 1.207.544 | 15,8 | 1.489.133 | 17,0 | 2.336.493 | 17,8 | 2.680.770 | 17,9 | 3.313.407 | 15,0 | 4.084.817 | 12,5 |
| Ukraine | 586.920 | 7,1 | 778.133 | 9,4 | 757.783 | 9,9 | 808.248 | 9,3 | 1.607.854 | 12,2 | 1.679.643 | 11,2 | 2.222.798 | 10,1 | 2.414.617 | 7,4 |
| TOP 3 Suppliers of unwrought aluminium | | | | | | | | | | | | | | | | |
| EXTRA EU27 | 6.298.724 | 100,0 | 6.204.657 | 100,0 | 5.788.240 | 100,0 | 5.726.391 | 100,0 | 6.607.540 | 100,0 | 6.607.581 | 100,0 | 10.106.789 | 100,0 | 11.685.605 | 100,0 |
| Norway | 2.047.378 | 32,5 | 2.045.173 | 33,0 | 1.910.109 | 33,0 | 1.949.680 | 34,0 | 2.268.409 | 34,3 | 2.503.172 | 37,9 | 3.427.956 | 33,9 | 3.629.955 | 31,1 |
| Russia | 1.955.317 | 31,0 | 1.439.442 | 23,2 | 1.211.299 | 20,9 | 1.312.662 | 22,9 | 1.515.415 | 22,9 | 1.233.984 | 18,7 | 1.823.859 | 18,0 | 1.968.838 | 16,8 |
| Mozambique | 21.576 | 0,3 | 380.383 | 6,1 | 463.799 | 8,0 | 483.879 | 8,4 | 733.389 | 11,1 | 882.206 | 13,4 | 1.112.804 | 11,0 | 1.158.448 | 9,9 |
| TOP 3 Suppliers of Copper, refined, and copper alloys, unwrought | | | | | | | | | | | | | | | | |
| EXTRA EU27 | 4.197.893 | 100,0 | 3.777.313 | 100,0 | 3.036.135 | 100,0 | 2.709.911 | 100,0 | 4.382.043 | 100,0 | 4.742.033 | 100,0 | 10.195.225 | 100,0 | 9.999.923 | 100,0 |
| Chile | 2.020.502 | 48,1 | 1.914.691 | 50,7 | 1.699.802 | 56,0 | 1.717.921 | 63,4 | 2.822.438 | 64,4 | 2.921.095 | 61,6 | 5.597.662 | 54,9 | 5.925.873 | 59,3 |
| Russia | 1.275.711 | 30,4 | 1.029.975 | 27,3 | 706.696 | 23,3 | 551.215 | 20,3 | 900.402 | 20,5 | 929.339 | 19,6 | 1.424.887 | 14,0 | 1.463.208 | 14,6 |
| Kazakhstan | 218.917 | 5,2 | 242.316 | 6,4 | 189.781 | 6,3 | 58.756 | 2,2 | 88.887 | 2,0 | 228.761 | 4,8 | 890.953 | 8,7 | 444.892 | 4,4 |

| TOP 3 Suppliers of unwrought nickel | | | | | | | | | | | | | | | | |
|--|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| EXTRA EU27 | 2.549.055 | 100,0 | 2.000.216 | 100,0 | 2.023.073 | 100,0 | 2.323.583 | 100,0 | 2.011.225 | 100,0 | 1.779.221 | 100,0 | 2.529.465 | 100,0 | 2.999.079 | 100,0 |
| Russia | 1.295.026 | 50,8 | 992.662 | 49,6 | 946.186 | 46,8 | 1.291.082 | 55,6 | 1.212.193 | 60,3 | 1.008.735 | 56,7 | 1.547.108 | 61,2 | 1.514.859 | 50,5 |
| Australia | 323.767 | 12,7 | 279.526 | 14,0 | 301.353 | 14,9 | 256.812 | 11,1 | 338.270 | 16,8 | 328.997 | 18,5 | 454.726 | 18,0 | 636.146 | 21,2 |
| Norway | 115.867 | 4,5 | 106.068 | 5,3 | 128.257 | 6,3 | 129.956 | 5,6 | 132.979 | 6,6 | 146.887 | 8,3 | 220.051 | 8,7 | 334.478 | 11,2 |
| TOP 3 Suppliers of unwrought zinc | | | | | | | | | | | | | | | | |
| Extra EU 27 | 535.674 | 100 | 380.356 | 100,0 | 278.895 | 100,0 | 287.573 | 100,0 | 350.256 | 100,0 | 391.195 | 100,0 | 1.220.104 | 100,0 | 2.010.261 | 100,0 |
| Norway | 164.805 | 30,8 | 135.222 | 35,6 | 118.870 | 42,6 | 101.894 | 35,4 | 125.473 | 35,8 | 150.088 | 38,4 | 407.237 | 33,4 | 418.161 | 20,8 |
| Namibia | 0 | 0,0 | 0 | 0,0 | 0 | 0,0 | 9.366 | 3,3 | 18.946 | 5,4 | 55.776 | 14,3 | 155.588 | 12,8 | 272.914 | 13,6 |
| India | 0 | 0,0 | 0 | 0,0 | 97 | 0,0 | 0 | 0,0 | 44 | 0,0 | 4.663 | 1,2 | 114.609 | 9,4 | 192.104 | 9,6 |

Source :Eurostat , Comext

Steel CN codes from 7206 to 7307, other 7601,7502,7403,7901

(*) Dec. estimated

Table 5 Top 3 export markets for EU 27 Basic metals industries 2000-2007 (1000 €)

| | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005 | | 2006 | | 2007(*) | |
|---|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| | Value | Share | Value | Share | Value | Share | Value | Share | Value | Share | Value | Share | Value | Share | Value | Share |
| TOP 3 Markets of steel | | | | | | | | | | | | | | | | |
| EXTRA EU27 | 17.312.610 | 100,0 | 17.421.642 | 100,0 | 17.872.649 | 100,0 | 18.688.903 | 100,0 | 23.525.243 | 100,0 | 29.592.271 | 100,0 | 32.873.359 | 100,0 | 36.865.969 | 100,0 |
| USA | 4.935.296 | 28,5 | 4.154.119 | 23,8 | 3.517.744 | 19,7 | 2.682.798 | 14,4 | 4.248.397 | 18,1 | 5.012.640 | 16,9 | 5.671.991 | 17,3 | 5.765.182 | 15,6 |
| Turkey | 1.084.473 | 6,3 | 830.102 | 4,8 | 1.077.858 | 6,0 | 1.501.024 | 8,0 | 1.879.590 | 8,0 | 2.404.522 | 8,1 | 2.643.804 | 8,0 | 3.126.449 | 8,5 |
| China | 467.490 | 2,7 | 719.711 | 4,1 | 1.097.291 | 6,1 | 1.951.491 | 10,4 | 1.783.542 | 7,6 | 2.467.452 | 8,3 | 2.630.135 | 8,0 | 2.234.628 | 6,1 |
| TOP 3 Markets of unwrought aluminium | | | | | | | | | | | | | | | | |
| EXTRA EU27 | 349.304 | 100,0 | 274.181 | 100,0 | 274.804 | 100,0 | 236.121 | 100,0 | 340.244 | 100,0 | 402.984 | 100,0 | 419.844 | 100,0 | 392.657 | 100,0 |
| Switzerland | 67.291 | 19,3 | 71.791 | 26,2 | 54.855 | 20,0 | 55.760 | 23,6 | 55.997 | 16,5 | 64.735 | 16,1 | 106.161 | 25,3 | 115.244 | 29,3 |
| USA | 77.729 | 22,3 | 16.617 | 6,1 | 30.311 | 11,0 | 17.292 | 7,3 | 57.762 | 17,0 | 78.599 | 19,5 | 41.919 | 10,0 | 25.589 | 6,5 |
| Serbia | 0 | 0,0 | 0 | 0,0 | 0 | 0,0 | 0 | 0,0 | 0 | 0,0 | 6.127 | 1,5 | 32.491 | 7,7 | 13.820 | 3,5 |
| TOP 3 Markets of Copper, refined, and copper alloys, unwrought | | | | | | | | | | | | | | | | |
| EXTRA EU27 | 260.618 | 100,0 | 241.773 | 100,0 | 305.420 | 100 | 295.739 | 100,0 | 464.687 | 100,0 | 651.743 | 100,0 | 728.010 | 100,0 | 729.916 | 100,0 |
| China | 51.494 | 19,8 | 66.554 | 27,5 | 95.692 | 31,3 | 97.674 | 33,0 | 132.898 | 28,6 | 181.284 | 27,8 | 241.343 | 33,2 | 230.727 | 31,6 |
| USA | 43.416 | 16,7 | 16.809 | 7,0 | 18.019 | 5,9 | 22.772 | 7,7 | 81.078 | 17,4 | 165.667 | 25,4 | 158.415 | 21,8 | 71.985 | 9,9 |
| Serbia | 0 | 0,0 | 0 | 0,0 | 0 | 0 | 0 | 0,0 | 0 | 0,0 | 65 | 0,0 | 35.200 | 4,8 | 113.761 | 15,6 |

TOP 3 Markets of unwrought nickel

| | | | | | | | | | | | | | | | | |
|-------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|------------------|--------------|
| EXTRA EU27 | 269.795 | 100,0 | 239.745 | 100,0 | 197.413 | 100,0 | 282.286 | 100,0 | 410.445 | 100,0 | 447.420 | 100,0 | 781.927 | 100,0 | 1.073.164 | 100,0 |
| China | 17.798 | 6,6 | 24.296 | 10,1 | 26.430 | 13,4 | 24.845 | 8,8 | 63.360 | 15,4 | 78.483 | 17,5 | 204.366 | 26,1 | 168.178 | 15,7 |
| USA | 112.718 | 41,8 | 111.604 | 46,6 | 52.953 | 26,8 | 69.727 | 24,7 | 90.602 | 22,1 | 75.287 | 16,8 | 139.220 | 17,8 | 132.092 | 12,3 |
| Taiwan | 17.712 | 6,6 | 5.007 | 2,1 | 6.437 | 3,3 | 18.599 | 6,6 | 15.026 | 3,7 | 49.884 | 11,1 | 115.695 | 14,8 | 211.276 | 19,7 |

TOP 3 Markets of unwrought zinc

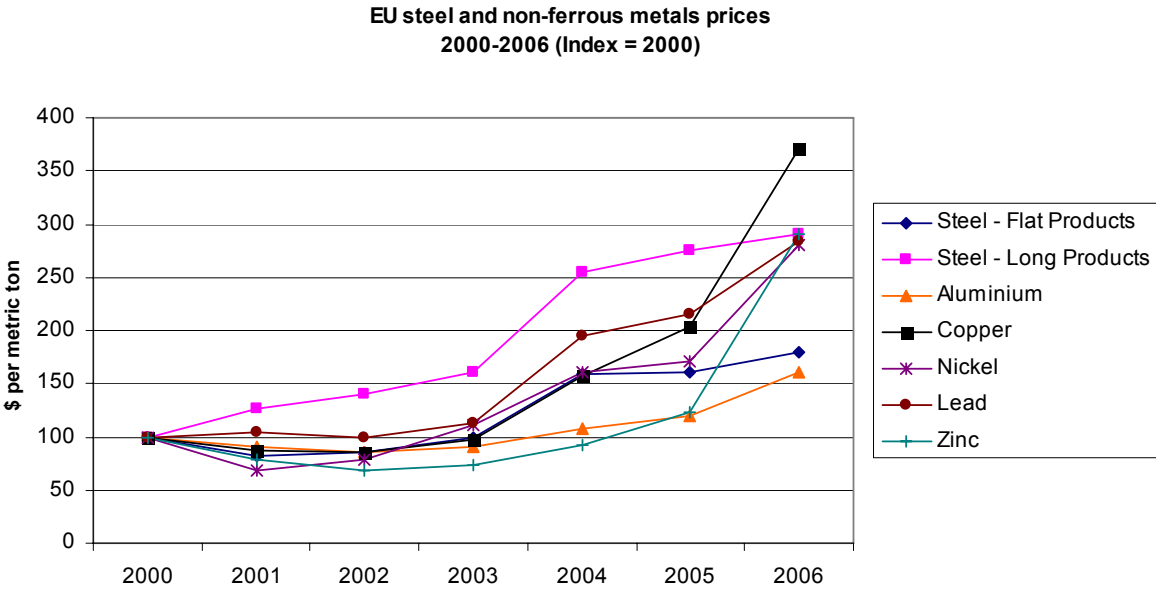
| | | | | | | | | | | | | | | | | |
|-------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| EXTRA EU27 | 152.867 | 100,0 | 132.834 | 100,0 | 146.183 | 100,0 | 103.324 | 100,0 | 149.612 | 100,0 | 181.326 | 100,0 | 351.090 | 100,0 | 318.977 | 100,0 |
| Turkey | 28.009 | 18,3 | 21.830 | 16,4 | 35.419 | 24,2 | 33.961 | 32,9 | 75.574 | 50,5 | 98.684 | 54,4 | 194.459 | 55,4 | 172.393 | 54,0 |
| Saudi Arabia | 5.933 | 3,9 | 3.020 | 2,3 | 3.654 | 2,5 | 1.309 | 1,3 | 1.259 | 0,8 | 10.489 | 5,8 | 29.730 | 8,5 | 37.723 | 11,8 |
| Russia | 699 | 0,5 | 774 | 0,6 | 288 | 0,2 | 210 | 0,2 | 154 | 0,1 | 106 | 0,1 | 15.476 | 4,4 | 203 | 0,1 |

Source :Eurostat , Comext

Steel CN codes from 7206 to 7307, other 7601,7502,7403,7901

(*) Dec. estimated

Figure 3 Steel and non-ferrous metals prices



Steel Average Transaction Price and Non-Ferrous Metal LME Prices