

PRESS RELEASE (EN)

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## Coalition of scientists expresses support for a tailor-made agreement with Tata Steel

Scientists from the National Growth Fund programme “*Groeiën met Groen Staal*” express their support in the economists’ journal ESB and through a letter to Members of Parliament for a tailor-made agreement between Tata Steel Nederland and the Dutch government. In their argument, they underline the necessity of steel produced in the Netherlands for the Dutch economy. Within *Groeiën met Groen Staal*, scientists from different disciplines work together to make the entire steel sector more sustainable. The aim is to reduce CO<sub>2</sub> emissions from the production, processing, and use of steel. In doing so, the future earning capacity of the Dutch economy and society is strengthened. The programme also contributes to the development of knowledge on green steel for all employees in the sector. Another important objective of the programme is to strengthen the position of the Dutch steel sector globally and thereby ensure that the Netherlands maintains strategic relevance in this important material.

In the article, the group presents steel as a precondition for the energy transition and numerous other economic activities. The energy transition can only take place if sufficient high-quality steel is available that is produced in a climate-neutral way. In addition, steel is used in countless indispensable products, from batteries to washing machines and from cars to machines used to manufacture semiconductors. According to them, steel production is “an integral part of the High Tech Sector in the Netherlands.” They also state: “Steel production in Europe is not a historical relic but an industrial-strategic necessity.”

The scientists state that the Netherlands ranks among the global leaders in steel production and steel applications. The entire chain of companies, from production to processing and use of steel, together forms a strong ecosystem. “Competitive advantage does not rest solely on the individual factory, but on the broader network of suppliers, specialised labour, knowledge institutions, and downstream users,” the scientists state in their letter and article.

Erik Vegter, director of the Materials Innovation Institute and programme director of the National Growth Fund programme “*Groeiën met Groen Staal*”:

“We have observed that it is mainly macro-economists who oppose the tailor-made plans for green steel. From other scientific disciplines, the importance of developing the Dutch steel industry towards climate neutrality is clearly recognised. That is why we have written this article and sent the letter.”

### Location

In earlier articles, the suggestion has been made that electricity in the Netherlands is too expensive or insufficiently available. This is a misconception. Sweden and Spain are not the energy paradises that those earlier articles portray them to be. Swedish electricity from hydropower is limited and is threatened by climate change. The steel industry in Spain is mainly located in the Basque Country. Due to Atlantic influences, this part of Spain has a climate that closely resembles that of the Netherlands. The energy situation for IJmuiden is therefore not structurally worse than in Spain or Sweden.

However, it does require that the Netherlands invests in grid infrastructure and ensures that costs are not higher than elsewhere in Europe, something the new government has also acknowledged in its coalition agreement.

The location of Tata Steel in IJmuiden is therefore not energetically worse than other locations in Europe. The site also has competitive advantages. "A coastal location such as IJmuiden, directly connected to a deep-sea port and with good links to the Rhine corridor and the European core markets, offers a structural logistical advantage," the scientists state in their article in ESB.

### **Health**

In the article, the scientists point out that the decarbonisation of steel production at Tata Steel will have a direct impact on the plant's emissions. This will improve the living environment and reduce health risks. They highlight the fact that Tata Steel will close both a blast furnace and a coke and gas plant. This closure, together with various other investments such as covering raw materials, will lead to a reduction in the emissions of substances that are harmful to health.

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