

1 August 2021

Response to public consultation on the revised Climate, Energy and Environmental Aid Guidelines (CEEAG)

European General Galvanizers Association (EGGA) is the industry organisation for Europe's general galvanizing sector. It is a federation of the National Associations of the European Union Member States together with the UK, Norway and Turkey. These National Associations represent about 600 general galvanizing plants of which the majority are SMEs.

The ability of galvanized steel to provide maintenance-free solutions and with high levels of recyclability have made it an attractive proposition in the circular economy.

Hot dip galvanizing is a process by which iron and steel can be treated to prevent rusting. Galvanized steel is all around us and plays a vital role in our everyday lives. It is used in construction, transport, agriculture, renewable energy and everywhere that good corrosion protection and long life are essential. For example, galvanized steel lighting columns light our roads and galvanized steel structures support solar panels that provide renewable energy.

There are many other important industries that make use of galvanizing. A large proportion of galvanized steel in Europe is used in construction. However, it is a very versatile process and articles ranging in size from nuts and bolts to large structural sections can be protected.

There are many hundreds of batch galvanizing plants across Europe, serving their local steel fabrication and manufacturing industries as sub-contract providers of a service or, in some cases, as an integrated plant connected to the manufacturing of the steel product.

Response to Proposal for the Revision of the Guidelines:

- Industry sectors that provide an industrial service (activities that do not have a NACE code), such as sub-contract galvanizing services, that are increasingly electrifying their activities, are unable to demonstrate eligibility through the measure of trade intensity based solely on statistical data → **an alternative approach to demonstrate a level of exposure to international trade and subsequent carbon leakage for sectors not listed in Annex I is required within the proposed Article 4.11.3.1.**
- A galvanizing business often provides a sub-contract industrial service that may also otherwise be integrated within the activities of a larger undertaking that may be defined within a sector listed in Annex I. When carried out as a sub-contract activity, the sector providing this service is equally exposed to the competitive disadvantage and risk of relocation but is not defined by Annex I → **a footnote should be added within Annex I to make clear that where these activities are carried out as a service on a sub-contract basis, the activity remains eligible for levy reductions.**

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