Clean Industrial Deal:

# „Strengthening the European steel construction industry for a sustainable future“

bauforumstahl e.V.
Sohnstraße 65 | 40237 Düsseldorf

www.bauforumstahl.de

Gregor Machura
Managing Director

**On 26 February 2025, Commission President Ursula von der Leyen presented the Clean Industrial Deal, an economic plan by the European Commission to boost the competitiveness and resilience of European industry. It focuses on two closely tied sectors – energy-intensive industries and clean technologies. The aim of the deal is to accelerate decarbonization, promote innovation and at the same time secure the future of the manufacturing industry in Europe.**
**The German steel construction industry, represented by the association bauforumstahl e.V., shares this goal and welcomes the Clean Industrial Deal as both an important and long overdue measure that has addressed a number of the steel construction industry's demands.**

## Introduction

The European and German steel construction industry makes a significant contribution to achieving climate targets and promoting European competitiveness. This contribution is particularly important due to the importance of the steel construction industry within the European economy. In addition to steel producers, this industry includes steel constructors, architects, construction companies and the steel trade. Together they form a central pillar of European industry.
In addition, steel construction plays an essential role in infrastructure and makes a significant contribution to sustainable mobility – particularly through long-lasting, resource-saving bridge structures. Both in new construction and in the renovation of existing structures, using steel offers streamlined, material-saving construction methods and outstanding recycling potential. This opens up new opportunities for housing construction in line with the Green Deal. In addition, steel construction makes a key contribution to the energy transition: Steel wind turbines fit seamlessly into the circular economy process and do not pose a disposal problem at the end of their service life but can be fully recycled. The steel construction industry is also a pioneer in the process of the comprehensive digitalization of industrial production. “Industry 4.0” is a reality – and thus a crucial prerequisite for competitiveness on a global scale. The industry is taking its responsibility seriously and is making full use of its innovation potential to meet the challenges of the future.
However, competitiveness does not depend solely on entrepreneurial performance but also on political framework conditions that must be designed fairly. The steel construction industry depends on targeted measures to maintain equal opportunities in global, often distorted

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competition. In view of high energy costs and tough, sometimes unfair, international competition, the industry urgently needs support – from lower energy costs to financial assistance for the transition to climate-neutral production processes and trade policy protection mechanisms. The steel construction industry is therefore calling for a sustainable and competitive political strategy that not only secures its future but also strengthens the economic stability of Europe as a whole.

## Challenges and opportunities for the steel construction industry

The steel construction industry has enormous potential but also faces a number of tough challenges that must be overcome in order to make full use of these opportunities.
The EU has set the ambitious goal of achieving climate neutrality by 2050 through decarbonization. This goal is achievable but requires enormous effort. The steel construction industry wants to and can make a contribution to this. The major challenges: Reducing $CO_2$ emissions in steel production, promoting low-emission manufacturing processes and expanding low-carbon manufacturing technologies. The necessary transformation process is in full swing. Even today, profile steel produced in Germany and Western Europe enables structures with a CO2 saving of around 35% compared to typical concrete construction. Even the end of blast furnace technology is near. New plants for the direct reduction process with hydrogen are already under construction. This will make it possible to produce “green steel” using “green hydrogen”.
There is no alternative to this transformation process and it is supported by the steel construction industry. However, it presents an initial burden in the struggle for competitiveness in global trade. Added to this are the challenges posed by imported steels with lower environmental standards, which are manufactured under conventional, often climate-damaging production conditions and, in conjunction with lower environmental and sometimes also quality standards, naturally have price advantages – thus making the costly transformation process of German and European structural steel manufacturers even more difficult. This cannot be in the Eu’s interest. What is needed is a fair global market with comparable starting conditions.
Producing primary steel and recycling steel are extremely energy-intensive processes. The comparatively high energy prices, especially in Germany, represent a significant competitive disadvantage. The steel construction industry therefore has a strong interest in a reliable, affordable and sustainable energy supply. Only through stable and economically viable energy concepts can the industry maintain its competitiveness, secure jobs in Europe and make its contribution to industrial value creation.

The transition to a largely circular economy with high resource efficiency is essential for a sustainable future not only in steel construction but in the entire construction industry in many other sectors beyond. The aim must be to make optimal use of the EU's limited resources and reduce dependence on raw material imports from third countries. Steel plays a key role in this change: It can be recycled with almost no loss, making it one of the most resource-efficient building materials. More use of standardized steel construction elements that can be easily dismantled, transported and reused without energy-intensive recycling processes, would increase sustainability even further. However, further advances in dismantling and recycling technology are required to reach the full potential of the circular economy in steel construction. The role of public and private procurement is an important aspect of the sustainable transformation of the steel construction industry. The targeted use of green steel – that is, steel produced in a climate-friendly manner with minimal carbon footprint – depends on the purchaser. However, at present, sustainable products are often associated with higher costs, meaning they are not always the first choice in purely economic competition. This influences demand and thus also the speed at which climate-neutral technologies advance in steel production. Public construction projects could play a special role here by specifically focusing on sustainable materials and thus contributing to market development. In the long term, this could not only reduce industrial $CO_2$ emissions but also influence the competitiveness of European steel companies in an increasingly sustainability-oriented global market.

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## Strategic recommendations for the Clean Industrial Deal

As a result, the steel construction industry has made various strategic recommendations for the Clean Industrial Deal.

On March 16, 2023, the European Commission presented the Net Zero Industry Act, which entered into force on June 13. It is intended to reduce the bureaucratic burden for certain “strategic technologies”. This includes improving approval procedures and access to finance. It is important to expand clean technology production capacity in the EU. These “net-zero technologies” are intended to help reduce emissions in Europe and move towards a CO2-free energy generation. The steel construction industry recommends the inclusion of the net zero strategy for the steel construction industry as part of the implementation of the “Net Zero Industry Act” and in the announced “Industrial Decarbonization Accelerator Act”. This is linked to the integration of steel construction components and the recognition of steel construction as an essential component of energy infrastructures, as well as the promotion of sustainable steel production processes.

To better protect competitiveness and promote clean technologies, the steel construction industry also recommends reforms for energy-intensive industries with the aim of ensuring stable prices that enable the industry to make long-term calculations. The creation of an “Industrial Energy Fund” would be a supporting measure.

Ensuring stable and competitive energy prices necessarily goes hand in hand with ensuring a stable, clean and affordable energy supply. Steel production requires affordable renewable energy sources in the long term. To this end, the creation of an EU funding program for sustainable production processes is recommended.

The steel construction industry also recommends the sustainable promotion of the circular economy and resource-saving construction methods, preferably where there are particularly favorable approaches for a consistently circular economy or where the transformation to resource-saving building material management is already at an advanced stage. For example, facilitating the reuse and recycling of steel in the construction industry would be beneficial and worthy of support. A drastic simplification of the sometimes unnecessarily bloated regulations on the reuse of steel structures would be recommended. It would also be helpful to link public tenders to sustainability criteria such as longevity, $CO_2$ balance and “made in Europe” and thus not only to consistently apply the EU’s own objectives but also to stimulate demand for clean products manufactured in the EU.

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It is not only the reuse of steel structures that is hampered by regulations. The steel construction industry is therefore calling for a general reduction in regulatory pressure on SMEs and steel construction companies. Simplifying bureaucracy for small and medium-sized enterprises in the steel processing industry would be an effective economic stimulus program because reductions in excessive bureaucracy would also reduce the competitive disadvantages of domestic companies. In this context, it is advisable, for example, to review the impact of new EU regulations, such as the Construction Products Regulation or sustainability reporting, on the steel construction industry. Reducing bureaucratic hurdles and streamlining complex regulatory requirements would reduce costly, laborious and time-consuming reporting obligations to the real essentials. Promoting digital processes would bring costs, work and time expenditure down further. Consistent digitalization of the remaining reporting obligations streamlines both documentation and archiving.

By way of binding specifications in tenders, politicians should also ensure that preference is given to climate-friendly steel produced with minimal $CO_2$ footprint. The consistent consideration of green steel in public construction projects would create strong demand and thus provide decisive impetus for the steel industry's transformation. This not only promotes targeted innovations and investments in climate-neutral production processes but also ensures the long-term competitiveness of European steel construction companies. It is therefore necessary to define clear and reliable criteria for the use of green steel in public tenders. At the same time, incentives should be created to ensure that private building owners also make increasing use of sustainable steel products. This is the only way to successfully advance the industry's decarbonization and create a sustainable competitive advantage for European steel.

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## Demands for EU policy

These strategic recommendations result in the following five demands on the European Commission's policy:

1. **Recognition of the steel construction industry as a strategic sector in the Clean Industrial Deal**

   The steel construction industry is calling for its recognition as an essential component of the Clean Industrial Deal. After a targeted action plan for the automotive industry was presented in March 2025, the action plan for steel and metals planned for spring offers the ideal opportunity to also anchor the importance of the steel construction industry in this transformation process. The involvement of the sector is crucial to strengthening a climate-neutral, resource-efficient and competitive European industry in a sustainable manner.

2. **Targeted financing programs for climate-friendly production technologies**

   The steel construction industry is calling for the development of targeted financing and funding programs to support investments in climate-friendly production technologies. The transformation process towards a $CO_2$-reduced steel production in line with the Green Industrial Deal represents an enormous economic challenge that cannot be met through private funds alone. Since this transition is in the public interest, government investment and financing programs are essential. Only through targeted financial support can secure the European steel industry's competitiveness and, with it, make a sustainable contribution to climate neutrality.

3. **Development of a Green Public Procurement framework for steel construction products**

   The steel construction industry is calling for the introduction of a mandatory "Green Public Procurement" framework for steel construction products. Green public procurement channels investment towards products made in line with the Green Deal objectives. Clear sustainability criteria in public tenders can boost the market for environmentally friendly steel construction products, promote innovation and provide an impetus for the transition to low-$CO_2$ construction.

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4. **Creating a fair competition framework that protects against $CO_2$-intensive imports**

   The steel construction industry is calling for the introduction of a fair competition framework that protects European companies from competition from $CO_2$-intensive steel imports. A labeling requirement for emission-intensive products and a quality seal for low-carbon steel would create more transparency and make the competitive conditions fairer.

5. **Long-term strategy for stable and competitive energy prices**

   The steel construction industry is calling for a reliable and long-term strategy to ensure stable and affordable energy prices for the industry. Energy prices must not become a structural disadvantage for European industry. A sustainable, cost-efficient and secure energy supply is therefore essential to enable long-term production and innovation decisions in the steel industry on a stable economic basis.

Fulfilling these demands not only serves specific interests but also has an impact far beyond the steel construction industry and acts as a catalyst to accelerate the common process towards reindustrialization, decarbonization, innovation and climate neutrality. And this is not just an environmental goal but a veritable growth strategy.

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