

voestalpine demands compensation for the price of electricity to secure investments and jobs

In a letter to the federal government, voestalpine has called for fair play for Austria's energy-intensive industry and therefore for the continued use of the electricity price compensation. Most EU countries have been using this instrument for more than 10 years and some have already extended it until 2030—but Austria has not. In the Steel and Metals Action Plan, the EU Commission recently expressly pointed out to the member states that they should make use of the effective option of the electricity price brake in order to improve the competitiveness of energy-intensive companies with national measures.

voestalpine welcomes the reconsideration of subsidies in what are undoubtedly challenging times in terms of budget policy. However, electricity price compensation is not a questionable subsidy, but an EU instrument that is protected by EU law in order to protect Europe as an industrial location. "For companies like voestalpine, electricity price compensation is an important factor for competitiveness and investment, so that we can continue to secure our 23,600 jobs in Austria in the future. We provide our services for Austria; we create an annual production value of EUR 21.5 billion and directly and indirectly pay a total of EUR 2.4 billion in taxes and social contributions in Austria every year. We are one of the country's most powerful economic engines. In return, we want to be able to trust that politicians will ensure a future-proof framework for our competitiveness," says voestalpine CEO Herbert Eibensteiner.

Most EU countries, including all of voestalpine's major competitors, have been using electricity price compensation for years. This measure has already been implemented in 14 EU countries and in some cases extended until 2030. In Austria, however, the Electricity Price Cost Compensation Act currently provides only a temporary solution that retroactively applies to the year 2022. In contrast, the German coalition agreement provides for the earmarking of national emissions trading revenues for the (newly expanded) electricity price compensation.

"The failure to utilize electricity price compensation is causing lasting competitive harm to Austria's energy-intensive industries, particularly voestalpine. We are losing customers, particularly in Europe, as they are unwilling to bear the additional costs. The situation is serious, which is why we are urging federal and regional politicians to finally ensure fair competition—and to work with industry to develop future solutions for electricity price compensation," explains Eibensteiner, outlining voestalpine's key demand.

EUR 1.5 billion for greentec steel, yet minimal subsidies and over EUR 1 billion in CO₂ penalty taxes

voestalpine is currently in the early stages of transitioning from blast furnaces to electric arc furnaces, which require significantly more electricity, and is therefore much more affected by both direct and indirect additional costs related to electricity than ever before. Already now, voestalpine is facing significant competitive disadvantages due to excessively high energy costs, both in comparison to non-European competitors and increasingly within Europe.

voestalpine AG

The company is investing EUR 1.5 billion in the transformation, making greentec steel Austria's largest climate protection program. However, voestalpine is receiving less than EUR 100 million in support for this effort. Over the past four years, the company has paid EUR 1 billion in carbon certificate costs to the government. By 2030, this figure will increase by more than EUR 2 billion. Since these levies are not earmarked for climate and environmental protection, they are effectively a punitive tax. From voestalpine's perspective, it is all the more important now to promote trust and a strong site partnership. Only through a collective effort can we achieve greater growth, economic strength, and prosperity for Austria and its future.

The voestalpine Group

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 consumer goods industries, as well as to the aerospace and energy industries. The company is also the global market leader in railway systems, tool steel, 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 2023/24, the Group generated revenue of EUR 16.7 billion, with an operating result (EBITDA) of EUR 1.7 billion; it has around 51,600 employees worldwide.

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