



# Presentation: Thy-Marcinelle Riva Group

[rivagroup.com](http://rivagroup.com) | [thy-marcinelle.com](http://thy-marcinelle.com)



# Summary

1. Riva Group
2. History
3. Our Vision and Values
4. Our products
5. Key facts and figures
6. Thy-Marcinelle: a modern site integrated in the city of Charleroi
7. Problematic with wire rod imports from third countries
8. Electricity cost issue
9. Conclusion

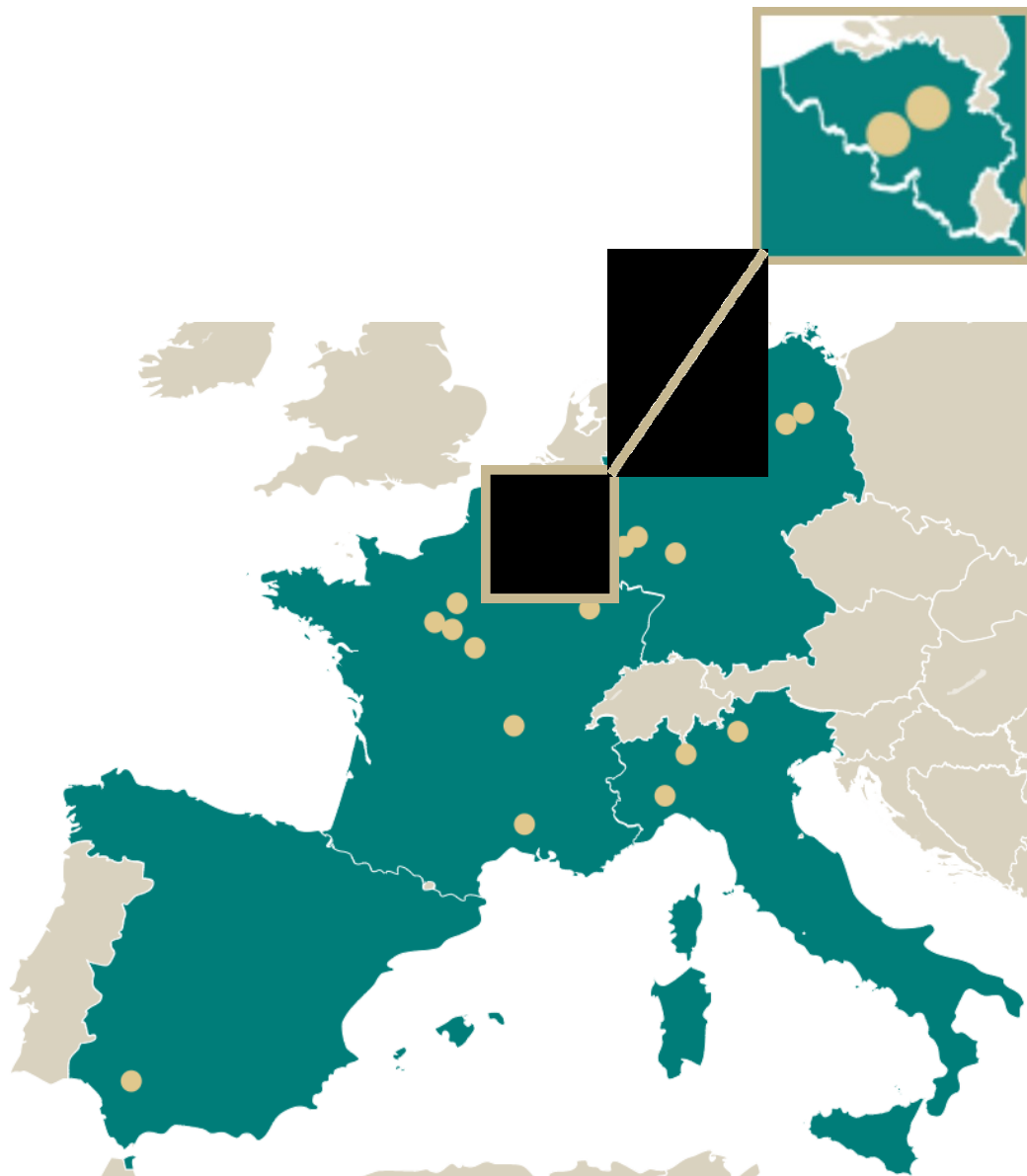


## Introduction: Riva Group

RIVA FORNI ELETTRICI Group (RFE) is active in the manufacturing of steel and its derivatives in the «long products» sector.

- **Head Office:** Milan
- **Production Process:** based on the recycling process of scrap through the electrical sector
- **Personnel:** 5385 employees
- **Production (2019):** 6,3 Mt raw steel (EU Top 5)





## Location: Riva Group

21 Production sites located in 6 countries : :

- Italy
- **Belgium – Thy-Marcinelle + Tréfileries de Fontaine-l’Eveque**
- France
- Germany
- Spain
- Canada



1992

Erection of the electric arc furnace in the steel mill and manufacture of the 1st billet



2001

Installation of cold-drawn production lines



2019

Thy-Marcinelle 30 year anniversary



1989

Take-over of Cockerill Sambre by Riva Group and birth of Thy-Marcinelle's rolling mill N°3



2000

Take-over of Tréfileries de Fontaine-L'Evêque



2016

Set-up of welded mesh production lines





## Safety

The well-being of our staff is a priority to us, our aim is to reach a « zero accident » rate.



## Environment

Environment plays a fundamental role within our company. We commit ourselves to reduce our environmental footprint by favouring electricity and reducing air emissions.



## Quality

Quality is a key value at Thy-Marcinelle. We are ISO 9001 certified.



## Circularity

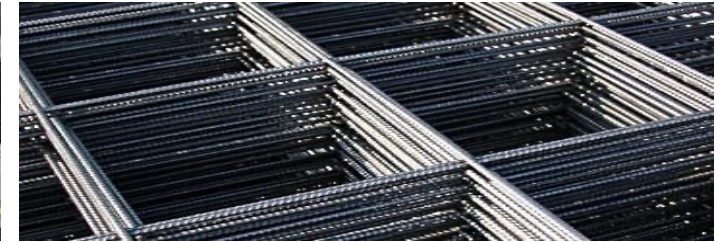
Thanks to its production procedures based partly on recycling, our industry takes part in the circular economy



**Wire rods (TM)**



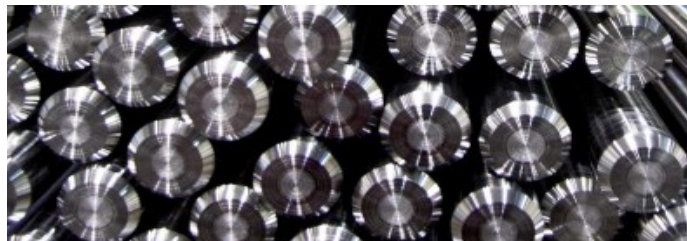
**Reinforcing bar in coils (TM)**



**Welded mesh (TM, TFE)**



**Reinforcing bars**



**Merchant bars**



**347 M€**

Turnover



**550**

Employees



**800.000**

Tons of steel per  
year



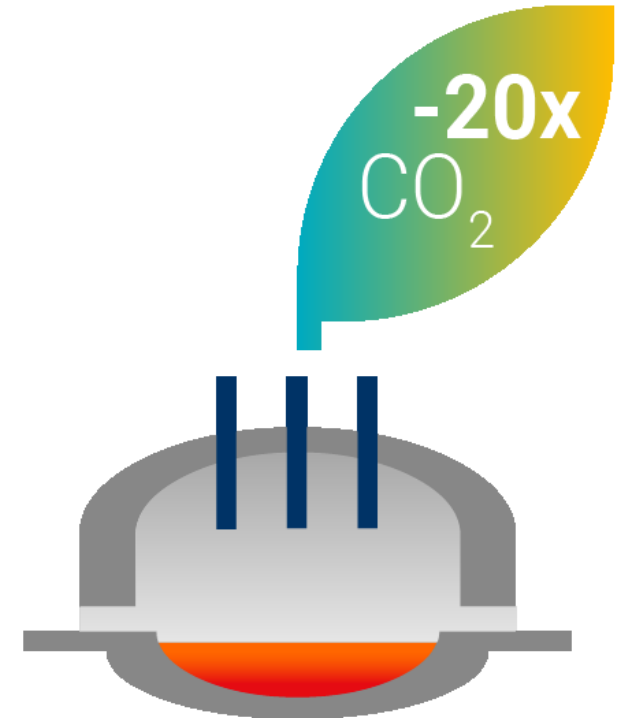
**32%**

of the Belgian EAF  
steel production



## A manufacturing process for the green and circular economy

- Electric Arc Furnace Steelworks: the CO<sub>2</sub> emissions of the process used are 20 times lower than those of the blast furnace process. Water and energy consumption is reduced in the same proportions.
- Steel is an infinitely recyclable material (100% recyclable). Indeed, recycling steel does not affect its quality and allows it to retain exactly the same properties. Steel is therefore a versatile and sustainable product.



## Advanced environmental technology

- Efficient dust abatement and treatment system below the European benchmark
- Closed-circuit water treatment
- No waste goes to landfill
- All industrial waste is recovered (by-products)



## Mobility

A few figures:

- 640.000 t of incoming scrap metal by barge
- Shipment of 200.000 t of wire rod by barge
- Slag shipping capacity by barge: 60.000 t



Intensive use of inland waterways (70-80% of scrap reception and 20-25% of shipments)

➔ This enables Thy-Marcinelle to reduce its environmental footprint and the amount of traffic on the road network.

## Economic and social importance of the site

- Job creation: we are on the constant lookout for qualified and less qualified workforce
- Steel scrap supply from Belgium, France, Holland and Germany (short cycle)
- Sustained investment policy (in the last 5 years we have invested 39,209,020 euros)
- More than 800.000 tons of wire rod, rebar in coils and welded mesh shipped internationally



**+800.000 tons**

# Problematic with wire rod imports from third countries

European steel is a very competitive market, in particular the long product sector (many EU market players + high import penetration ratio).

Metric tonnes per month	Y 2013	Y 2014	Y 2015	Y 2016	Y 2017	Y 2018	Y 2019	Y 2020
Wire Rod	94.565	106.034	138.649	167.400	173.221	208.946	154.849	178.609

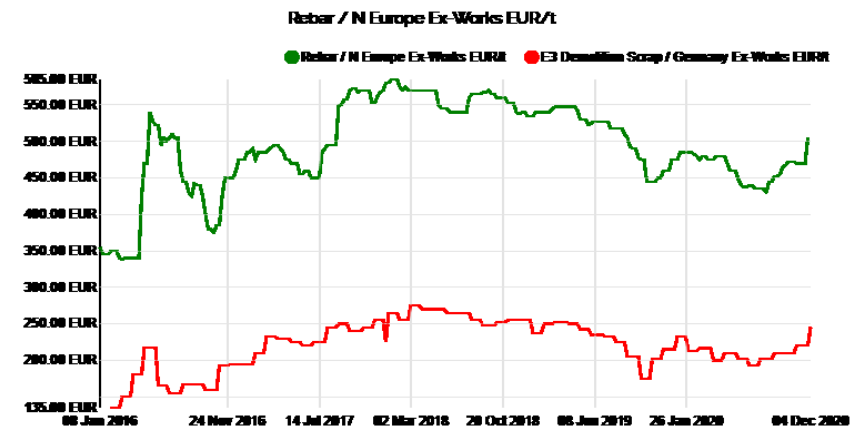
→ Origin of imports : Turkey, Ukraine, Russia, Belarus

Cause: US Section 232, weakness in the domestic markets, geostrategic reasons, chain reaction of protectionist measures in third countries.

→ Wire rod is a commodity :

Market is weakened due to massive imports.

→ Thy-Marcinelle's market share has shrunk not only due to imports, but also due to competition from neighbouring countries **with lower energy costs.**



## Measures to support competitiveness of the EAF sector

### A few principles

European State aid discipline allows in certain circumstances a reduction in regulated costs up to a certain level:

- *Electricity consumption tax: the Energy Taxation Directive grants total exemption for electricity used electricity in metallurgical processes*
- *Renewable energy support : contribution lowered to 0,5% of the added value for the power-intensive processes subject to global competition (Environment and Energy State-aid Guidelines 2014) -> currently under revision*
- *Indirect CO2 Compensation : The ETS Guidelines define the maximum authorized compensation level. Introduction of the 0,5% added value threshold as from 2021*
- *Preferential reduction in transport costs for certain types of network users and certain consumer profiles*

Certain Member States have implemented a special regime for the EAF sector, using fully the abovementioned possibilities, therefore leading to a lower level of surcharges.

**This allows the EAF sector in these States to better withstand competition from outside the EU**

## Neighbouring countries comparison (based on equivalent sites) :

EUR/MWh (2019)	Walloon region	F/D	Differential
Environmental Surcharges	7,73	1,50	-6,23
CO2 compensation	-6,26	-9,57	-3,31
Transport	5,97	1,50	-5,47
Total gap total RW vs France/Germany (with same electron price)			<b>-15 EUR/MWh</b>

\*Case of a plant consuming 400 Gwh/yr

## TOOLS TO CATCH UP THE COMPETITIVE SHORTFALL

- **INDIRECT CO2 COMPENSATION:**

The Flemish region, France, Germany and The Netherlands are granting a financial aid (in line with the EU ETS guidelines) up to the maximum allowed **cost: 3,3 EUR/MWh**

- **RENEWABLE ENERGY SUPPORT:**

Support for renewable energy to address the burden of the Walloon Green Certificates: the steel sector is eligible for a supercap of 0,5% of the added value (in line with the EEAG 2014). The Flemish Region applies this principle since 2018 to the cost of renewable support **cost: 5,5 EUR/MWh**

- **TRANSPORT:**

Transport costs (Elia tariffs) have decreased for the industry over the period 2020-2023, however only marginally. A bigger support could be granted such as in France (« TURPE rebate »): different abatement levels based on the electricity consumption profile as well as other conditions. Comparable industries to TM in France are benefitting from a 90% rebate **cost: 5,5 EUR/MWh**

