EUROPEAN METALS

The European non-ferrous metals association.



European Metals: Dutch zinc smelter shutdown is a wake-up call for Europe's industrial competitiveness – urgent ETS reform needed

Press Release

Brussels, 27 November 2026 – Yesterday Dutch smelter Nyrstar has halted zinc production at its Budel smelter citing the unbearable cost of electricity in Europe. With average European day ahead electricity prices over 250Eur/MWh, five times higher than the Clean Industrial Deal benchmark of 50Eur/MWh, operating a metal smelter in Europe is becoming increasingly challenging.

"Budel must be a wake-up call for European policymakers. When energy costs make industrial production economically unviable, Europe risks losing not only production capacity but also the strategic capabilities and industrial expertise that will be extremely difficult to rebuild. Metals are the foundation of every electric vehicle, wind turbine, power grid and defence system. Producing them cleanly and competitively in Europe is not simply an industrial priority. It is fundamental to Europe's economic resilience and security objectives." said **Dr James Watson, Director General of European Metals**.

With an annual production capacity of around 300,000 tonnes, Budel is an important part of Europe's zinc production capacity. Its shutdown highlights the risk of further erosion of Europe's industrial base at a time when securing domestic supply is increasingly important for Europe's ambition to be strategically autonomous.

The situation requires a fundamental rethink of the EU's approach to electricity prices and the EU Emissions Trading System (ETS), which is a further cost borne by industry in Europe alone. "The design of the ETS must better reflect the competitiveness challenges facing energy-intensive industries exposed to international competition and recurring energy shocks. The promises of Alden Biesen are falling flat, the ETS reform gives virtually nothing to industry, instead it saddles further obligations on them such as conditionalities. These must go", added James Watson.

The closure of Budel is a first warning shot that industry in Europe can no longer handle the burden of high electricity prices, high ETS costs and red tape. The limited extension of METSAF makes the challenge even more acute, reducing the breathing space available to companies at the very moment they are being asked to absorb higher costs while investing in decarbonisation.

Europe cannot afford to continue losing its smelting capacity while becoming increasingly dependent on imports for the metals essential to its strategic value chains. Without urgent action to address Europe's structural electricity-cost disadvantage and reform the ETS, more European smelters will shut down.

Notes for editors

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About European Metals: European Metals is an umbrella association representing the interests of the combined non-ferrous metals industry towards EU policymakers. We bring together the companies and associations shaping Europe's non-ferrous metals ecosystem: from upstream mining and refining to downstream use and high-quality recycling. By connecting technical expertise with policy action, we ensure that the importance of the metals sector is recognised, valued, and that our sector's future is secured.