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European Commission

CALL FOR EVIDENCE
FOR AN INITIATIVE (without an impact assessment)

TITLE OF THE INITIATIVE	**EU steel sector – measure tackling the negative trade-related effects of excess capacity**
LEAD DG – RESPONSIBLE UNIT	**DG TRADE**
LIKELY TYPE OF INITIATIVE	Commission proposal for a Regulation of the Council and the European Parliament
INDICATIVE TIMING	Q3 2025
ADDITIONAL INFORMATION	Commission strengthens protection for EU steel industry - European Commission A European Steel and Metals Action Plan - European Commission

This document is for information purposes only. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.

A. Political context, problem definition and subsidiarity check

Political context

In the Political Guidelines 2024-2029 for the Next European Commission, President von der Leyen underlined the need for Europe to 'go much faster and further to ensure competitiveness, prosperity and fairness'.[1] The Commission Communication: A Competitiveness Compass for the EU[2], adopted on 29 January 2025, identified steel and metals as key areas for action. On 4 March 2025 President von der Leyen hosted a Strategic Dialogue on Steel[3], involving stakeholders across the whole steel supply chain. The Dialogue reflected the critical challenges faced by the sector and the need for urgent actions.

On 19 March 2025, the Commission adopted a Steel and Metals Action Plan[4] (SMAP), outlining actions across different policy areas, including trade. In the field of trade, the Commission committed to propose, by the third quarter of 2025, a measure replacing the steel safeguards that will legally expire on 30 June 2026, providing a highly effective level of protection against negative trade-related effects caused by global overcapacities. This call for evidence and a parallel targeted consultation relate to this proposal.

Problem the initiative aims to tackle

Global overcapacities severely threaten the profitability and competitiveness of European industries. The EU is the only major steelmaking region seeing a decrease in capacity. In addition, the introduction by the US of import tariffs of 25% on steel and aluminium on 12 March 2025 (increased to 50% on 3 June 2025) not only negatively impact EU producers by limiting access to the US market, including for base metals processed into further downstream goods, but will also exacerbate pressure from trade diversion, that is exports previously destined to the US that could be redirected to the EU. The risk of trade diversion already existed; this will increase it further, thus requiring immediate EU action.

[1] commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political Guidelines 2024-2029_EN.pdf

[2] 10017eb1-4722-4333-add2-e0ed18105a34_en

[3] President von der Leyen launches Strategic Dialogue on the Future of the Steel sector

[4] 7807ca8b-10ce-4ee2-9c11-357afe163190_en

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Energy intensive sectors, such as steel, metals, and chemicals are the backbone of the European manufacturing system, as they produce inputs vital for whole value chains and provide many quality jobs across many EU member states (EU steelmakers employ directly over 320 000 people). Steel is an essential industrial input for the EU economy, including for its green transition. Steel is used for buildings, infrastructure, railways, cars, ships, windmills, industrial tools and machinery, household appliances and in many other industrial activities. Steel is also of strategic importance for increasing the defence and military capabilities of the EU.

The EU steel industry is facing critical challenges which weaken its competitiveness in a global market and threaten its long-term viability. These create high risks for the industry's existence and its ability to make new investments and decarbonise. These challenges include: the lack of a level playing field, as well as high energy and manufacturing costs and ambitious and costly investments needed to remain competitive and decarbonise its production as part of the EU's decarbonisation agenda. These challenges coincide with unfavourable market conditions. Indeed, the EU's steel demand remains depressed. In this difficult context, EU industry is also facing persistent import pressure at lower prices, resulting from global overcapacity, and a significant decrease in EU exports.

In trade, the EU needs to address the challenge posed by and the negative trade-related effects caused by global output overcapacities and by a proliferation of trade measures in third countries. These are often driven by systematic, state-induced over-investments and subsidies concentrated along supply chains in critical and strategic industrial sectors. Structural overcapacities in third countries translate into aggressive export strategies which increase pressure on European producers adding to an already unlevel playing field. As noted in the European Economic Security Strategy5, the loss of European-based production capacities and know-how in critical sectors could leave the EU overly dependent on imports in key segments of the economy.

Lastly, to protect the industry, the EU has already adopted several trade defence measures in the metals sectors against unfair trade practices. Currently, iron and steel are the sectors with the most trade defence measures in place, followed by the non-ferrous metals and minerals sector. However, these measures which can only address a limited share of the problem due to the magnitude of global overcapacity and its trade-related effects.

Furthermore, the existing safeguard measure, which takes the form of Tariff Rate Quotas (TRQs) with an out-of-quota duty of 25% and offers the EU industry wide protection against injurious import surges, will expire on 30 June 2026.

Therefore, in the context of the above-mentioned challenges and in view of the expiry of the safeguard, the viability of a strong and sustainable EU steel industry in the mid-long term will be at serious risk if the EU does not act.

Basis for EU action (legal basis and subsidiarity check)

The proposal will be presented as an action resulting from the commitments undertaken under the Steel and Metals Action Plan.

Tackling the trade-related challenges facing the EU's steel industry requires action at EU level.

Legal basis

Article 207 of the Treat on the Functioning of the European Union (TFEU)

Practical need for EU action

The initiative falls under a policy area where the EU has exclusive powers (under Article 3 of the TFEU). Therefore, the subsidiarity principle does not apply.

B. What does the initiative aim to achieve and how

Likely impacts

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As set out in the SMAP, the measure aims to provide a highly effective level of protection against negative trade-related effects caused by global overcapacities. To achieve this goal, the Commission is considering different options. These options are subject to the targeted consultation.

The measure will have an impact across the steel value chain. The Commission will carefully assess the impact of the different scenarios across the EU's steel supply chain and across stakeholders at different levels of the value chain (producers, processors, users, etc).

As a first step, the Commission will gather views from stakeholders through the targeted consultation. In parallel, the Commission will prepare a Staff Working Document that will include an economic model analysing different scenarios and their impact on the EU's steel supply chain.

Future monitoring

The nature of the steel market is very dynamic. Therefore, it is fundamental that the Commission reviews the measure regularly. The initiative will include a review mechanism that would allow the Commission to monitor the impact of the measure and adapt it quickly to market developments.

Ultimately, the objective of the measure is to help maintain a strong and sustainable steel sector in the EU. This objective can only be effectively achieved if the measure remains fit for purpose during its lifespan.

C. Better regulation

Impact assessment

The Steel and Metals Action Plan committed to have a Commission proposal ready in the third quarter of 2025. This accelerated timeframe is necessary given the magnitude of the challenges faced by the industry, including the risk stemming from the global overcapacity, which have been further worsened through the imposition of tariffs on steel imports by the United States since March 2025. The current protection offered by the steel safeguard measure will expire after 30 June 2026 but is already under pressure from these new market interventions. Some Member States and some stakeholders, including the metals industry have been calling on the Commission to accelerate work on the proposal so that it enters into force as soon as possible. Given the urgency, conducting a full impact assessment would seriously risk leaving a gap between the safeguard and the new steel measure that continues effective protection of the steel sector. However, in line with the European Commission's Better Regulation Guidelines and Toolkit (see SWD(2021) 305 final) where a fully-fledged impact assessment is not possible given the urgency, and a derogation is granted, an analytical document will be prepared in the form of a Staff Working Document presenting the evidence behind the proposal and cost estimates. This document will provide an economic analysis and will present an objective analysis of evidence including the potential impacts of various options to address the identified problems future legislative EU action aims to address.

Consultation strategy

The purpose of the consultation is to seek views from stakeholders across the EU steel supply chain on a trade measure and the impact it would have on their businesses. The consultation will include different scenarios, and we have planned the following steps and timeline:

1. Deadline to submit input 18 August 2025 (COB, Brussels time)
2. Languages where the questionnaire is available (English – with embedded machine translation available)
3. Replies can be made in any of the EU's official languages

The consultation is publicly available on DG TRADE's website. In addition to ensure that the largest possible number of stakeholders are made aware of it, the Commission will also reach out directly to all those stakeholders that have actively participated in trade-related proceedings in past years, notably in the safeguard proceeding. The Commission will also circulate the consultation package to relevant authorities in the Member States so they can pass it on to their national stakeholders.

Before the end of the third quarter of 2025 and once the targeted consultation is finalised, the Commission will make a factual summary report available.

Why we are consulting?

The purpose of the consultation is to seek views from stakeholders across the EU steel supply chain on a trade measure. The consultation will include different scenarios. Stakeholders can reply to the questionnaire available in EU Survey until 18 August.

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Target audience

We have identified the following key stakeholders within the EU: Steel producers, processors, distributors, service centres, importers, including their respective EU associations, as well as traders, and individual companies procuring steel for their business, and their respective EU associations, as well as social partners such as trade unions and employers' organisations engaged in the European and national social dialogue. Outside the EU, we have identified steel exporting producers across a large number of third countries.

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“Girişim İçin Görüş Çağrısı (Etki Analizsiz)” Dokümanında Öne Çıkan Hususlar

1. Çelik, Avrupa imalat sisteminin belkemiğini oluşturan ve yüksek nitelikli istihdam sağlayan (AB çelik üreticileri doğrudan 320.000’den fazla kişiyi istihdam etmektedir) temel bir sanayi girdisidir. İnşaat, altyapı, demiryolları, otomotiv, gemi inşası, rüzgâr türbinleri, sanayi makineleri, ev aletleri gibi birçok sektörde kullanılmakta; AB ekonomisi, yeşil dönüşüm süreci ve savunma/askeri kapasitenin artırılması açısından stratejik önem taşımaktadır.

2. Kritik ve stratejik sanayi sektörlerinde tedarik zincirleri boyunca yoğunlaşan, devlet destekli aşırı yatırımlar ve sübvansiyonlarla körüklenen küresel aşırı kapasite, Avrupa sanayilerinin kârlılığını ve rekabet gücünü ciddi şekilde tehdit etmektedir.

3. Üçüncü ülkelerdeki yapısal aşırı kapasite, agresif ihracat stratejilerine dönüşerek Avrupa üreticileri üzerindeki baskıyı artırmakta ve hâlihazırda eşit olmayan rekabet koşullarını daha da bozmakta; bu durum Avrupa Ekonomik Güvenlik Stratejisi’nde de AB’nin kritik sektörlerde üretim kapasitesi ve bilgi birikimi kaybına karşı bağımlılık riskini artıran bir unsur olarak belirtilmektedir.

4. AB, kapasitenin azaldığı tek büyük çelik üretim bölgesidir.

5. AB’deki çelik talebi düşük seviyelerde seyretmeye devam etmekte; küresel aşırı kapasiteden kaynaklanan düşük fiyatlı ithalat baskısı ve AB çelik ihracatındaki belirgin düşüş sektörü zorlamaktadır.

6. ABD’nin 12 Mart 2025’te çelik ve alüminyum ithalatına %25 gümrük vergisi uygulamaya başlaması ve bu oranın 3 Haziran 2025’te %50’ye çıkarılması, AB üreticilerinin ABD pazarına erişimini sınırlamakta ve ticaret sapması baskısını artırmaktadır.

7. AB çelik endüstrisi, küresel pazarda rekabet gücünü zayıflatan ve uzun vadeli sürdürülebilirliğini tehdit eden; eşit olmayan rekabet koşulları, yüksek enerji ve üretim maliyetleri, üretimin karbonsuzlaştırılması için gerekli maliyetli yatırımlar gibi zorluklarla karşı karşıyadır.

8. AB, demir-çelik sektörünü adil olmayan ticaret uygulamalarına karşı korumak amacıyla çok sayıda ticaret savunma önlemi uygulamaktadır; bu sektör, AB’de en fazla ticaret savunma önlemi olan sektör konumundadır.

9. Ancak bu önlemler, küresel aşırı kapasitenin ve bunun ticaretle ilgili etkilerinin büyüklüğü karşısında sorunun yalnızca sınırlı bir kısmını ele alabilmektedir.

10. Mevcut korunma önlemi (kota dışı ithalata %25 gümrük vergisi uygulanması) 30 Haziran 2026’da sona erecek olup, bu önlem AB çelik ve metaller sektörüne geniş çaplı koruma sağlamaktadır.

11. Yukarıda belirtilen zorluklar ve mevcut korunma önleminin sona ermesi ışığında, AB’nin harekete geçmemesi hâlinde güçlü ve sürdürülebilir bir çelik sanayisinin orta-uzun vadede varlığını sürdürmesi ciddi risk altına girecektir.

12. Komisyon, yeni önlem kapsamında çelik değer zincirinin tamamında etkili koruma sağlayacak çeşitli seçenekler ve senaryolar geliştirmekte; bunların farklı paydaşlar (üreticiler, işleyiciler, kullanıcılar vb.) üzerindeki olası etkilerini analiz etmeyi planlamaktadır.

13. Ayrıca:

- **a.** Komisyon, Çelik ve Metaller Eylem Planı'nda yeni önlem teklifini 2025 yılı üçüncü çeyreğinde sunma taahhüdünde bulunmuştur.
- **b.** Bazı üye ülkeler ve sektör paydaşları, teklifin mümkün olan en kısa sürede yürürlüğe girmesi çağrısında bulunmaktadır.
- **c.** Küresel aşırı kapasitenin yarattığı riskler, ABD'nin Mart 2025'ten itibaren uyguladığı gümrük vergileriyle daha da artmıştır.
- **d.** Mevcut korunma önleminin sağladığı koruma, yeni piyasa müdahaleleri nedeniyle şimdiden baskı altındadır.
- **e.** Aciliyet nedeniyle tam kapsamlı bir etki değerlendirmesi yapılmayacak; bunun yerine, Komisyon'un "Daha İyi Mevzuat Kılavuzları" çerçevesinde, teklifin dayandığı kanıtlar ve farklı senaryoların ekonomik analizini içeren bir **Personel Çalışma Belgesi** hazırlanacaktır.

14. Çelik piyasasının dinamik yapısı nedeniyle uygulanacak önlem düzenli olarak gözden geçirilecek; bu amaçla önlemin etkilerinin izlenmesini ve piyasa gelişmelerine hızlı uyum sağlanmasını mümkün kılacak bir mekanizma oluşturulacaktır.

15. Hedef odaklı istişare tamamlandıktan sonra, 2025 yılı üçüncü çeyreği bitmeden Komisyon tarafından fiili bir özet rapor yayımlanacaktır.

16. Kamu istişaresinin hedef kitlesi; AB içinde çelik üreticileri, işleyicileri, distribütörleri, hizmet merkezleri, ithalatçıları, çelik tedarikçileri ve bunların AB düzeyindeki dernekleri ile sosyal taraflar; AB dışında ise farklı üçüncü ülkelerdeki çelik ihracatçısı üreticilerdir.