Brussels, 6 January 2026

NEW STEEL SAFEGUARDS: A BLOW TO EUROPE'S INDUSTRIAL COMPETITIVENESS

Joint Statement by European Steel Using Industries

Our associations are concerned about the negative effects on Europe's downstream manufacturing industries that can be expected from the European Commission's proposal for continued protection of the EU steel market[1].

We understand and support the need to level the playing field for the European steel sector and address global overcapacities. However, we believe that the parameters as proposed by the Commission go too far in ring-fencing the European market. A better and fairer balance must be struck between the needs of European producers on the one hand, and users of steel on the other.

We foresee the following impacts resulting from the measure:

- The proposal almost halves the overall import quota volume and doubles the out-of-quota tariff to 50%. As more imports will fall outside the quotas, our industries would have to shoulder between **5 and 9 billion EUR a year** in extra tariff costs, assuming that imports stay at the same level as in 2024[2].

- The Commission foresees a **3.25% increase in average EU steel prices** as a result of the measure[3]. This is already significant, but it is a minimal assumption, as in some steel categories much higher price increases of up to **30%** can be expected. This means that not only importers, but also companies that rely on EU steel will see their European and international competitiveness deteriorate.

- The introduction of the "melt and pour" rule will greatly increase the **administrative burden** for steel users, penalising SMEs in particular. Obtaining origin information for low-value

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[1] Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL addressing the negative trade-related effects of global overcapacity on the Union steel market

[2] Extra tariff costs are estimated at approximately EUR 5 bn assuming full utilisation of the quotas and at approximately EUR 9 bn assuming only 50% of the quota volume will be used.

[3] COMMISSION STAFF WORKING DOCUMENT Accompanying the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL addressing the negative trade-related effects of global overcapacity on the Union steel market

consignments will be practically impossible. Such a burdensome rule needs to be implemented in a much more careful and practical way and phased in within realistic timelines.

- Finally, the proposal will make it much harder for our industries to source **specialised, high-quality steel inputs** that are needed for complex industrial applications. Such products are often manufactured by only a handful of suppliers worldwide and not in sufficient quantities in Europe.

These impacts are in addition to the combined effect of **other measures such as CBAM and the phaseout of free ETS allowances**. Together, they will raise the cost of both EU and imported steel and have a cumulative impact on the competitiveness of European downstream industries.

Also, the proposal affects close trade partners of the EU that do **not** contribute to global overcapacity. Rather, they are key suppliers of high-quality, sustainable and specialised steel products that are needed for high-end industrial applications, with closely integrated value chains with the EU. Close EU trade partners such as **Switzerland** should therefore be excluded from the scope of the measure.

In conclusion, if adopted in its current form, the measure threatens to exert a negative impact on Europe's steel users. We urge EU policymakers to ensure a more careful and balanced approach in the legislative process to adopt the measure, which must take into account and adequately reflect the significant concerns and challenges faced by European steel users.