Negative trade-related effects of global overcapacity on the Union steel market

2025/0726(COD) - 03/02/2026 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Karin KARLSBRO (Renew, SE) on 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.

The committee responsible recommended that the European Parliament adopt its position at first reading by amending the proposal as follows:

Tariff quotas

The proposal provides for the opening of tariff quotas with regard to imports into the Union and defines the level of duties applicable in the event of exceeding these quotas. Measures under this Regulation should be applied in a manner consistent with WTO rules and should not restrict trade beyond what is strictly necessary to address the negative effects of global overcapacity as a result of unfair market conditions.

Steel traceability

At the moment of importation, importers should provide **verifiable appropriate evidence** proving the country of “melt and pour” of the steel used in the production of the product. Such evidence should include a **mill certificate** issued by the original steel producer, identifying the corresponding heat number and containing the technical and production data necessary to trace the origin of steel.

Imports of products for which the steel was melted and poured in **Russia or Belarus** should be strictly prohibited from entering the Union market and should under no circumstances benefit from any tariff quota. All such products should be subject to an automatic prohibition at the external borders of the Union.

The Commission may adopt guidelines on how to provide the appropriate evidence with the aim of limiting administrative burden and to facilitate the compliance of SMEs.

Allocation of tariff quotas by country

The Commission should adopt implementing acts determining the allocation by country of the tariff quotas set out in Annex II in order to take into account the following elements, as appropriate:

- tariff quota levels equal to the import market share that prevailed in the Union steel market in 2013 prior to the impact of global overcapacity on the Union market;

- the level of tariffs applied by a third country on Union steel products;

- whether a third country is compliant with its commitments under free trade agreements concluded with the Union, in respect of ILO Conventions and Multilateral Environmental Agreements;

- the existence of Union unilateral measures suspending the application of safeguards for the benefit of a third country, in relation to products falling within the scope of this Regulation.

The Commission should immediately and fully inform the European Parliament about negotiations with third countries under Article XXVIII GATT and shall ensure that it provides the European Parliament with access to the relevant documents. It should also regularly issue publicly available information about those negotiations.

Delegated acts

The Commission may also adopt delegated acts in order to:

- modify the volumes of the tariff quotas set out in Annex II taking into account factors such as: (i) the decarbonisation path of the steel sector in the Union; (ii) any potential supply availability problems concerning certain product categories and their impact on downstream value chains; (iii) the essential interests of the Union, in particular the Union's common security and defence policy;

- specify (i) the rules and procedures governing the evidence proving in which country the steel used in the manufacture of the product was melted and poured; (ii) the detailed rules aimed at ensuring the authenticity and traceability of factory certificates.

The first of the delegated acts must be adopted no later than **1 October 2026.** The power to adopt the delegated acts should be conferred on the Commission for a period of five years.

Assessment

No later than **six months** after entry into force, the Commission should assess whether the regulation should be extended (in particular to other steel products) and may propose a legislative amendment. This assessment will take place **every two years**, or sooner in the event of market disruptions, taking into account the competitiveness of the EU and its steel industry, in particular the situation of SMEs, as well as the Union's common security and defence policy.

By **31 December 2028** at the latest, **and every three years** thereafter, the Commission should assess the effectiveness and impact of the regulation. Furthermore, the Commission should submit an **annual report** on the implementation of this regulation to the European Parliament and the Council. This report will be made public.

The regulation is expected to apply from 1 July 2026.