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

2025/0726(COD) - 19/05/2026 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 606 votes to 16, with 39 abstentions, 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 European Parliament adopted its position at first reading by amending the proposal as follows:

Protecting the EU steel industry from the negative effects of the global steel surplus

The objective of this Regulation is to address the negative trade-related effects of global overcapacity on the Union steel market by establishing a **coherent and comprehensive framework** based, on:

- **opening of tariff quotas** and the setting of an out-of-quota duty in respect of the products within the scope of this Regulation imported into the Union and,

- the possibility, where appropriate, of applying **bilateral safeguard measures** in respect of those products originating in third countries with which the Union has concluded a free trade agreement.

Measures adopted under this Regulation will **not restrict trade** beyond what is strictly necessary to address the negative effects of global overcapacity on the Union steel market. This Regulation should therefore be designed and implemented in full compliance with the Union's obligations under the **WTO**, particularly as regards the distribution of tariff quotas.

Tariff quotas

The tariff quotas will be administered quarterly. From 1 July 2026 to 30 June 2027, the unused volumes of tariff quotas in one quarter will be carried over to the next quarter within the same yearly period of application.

The Commission should adopt **implementing acts** determining whether, for each product category listed in Annex I, the unused volumes of tariff quotas in one quarter are to be carried over to the next quarter within the same yearly period of application, taking into account, as applicable:

- the increased level of import pressure, in particular due to the concentration of a very high volume of free-of-duty imports in a certain quarter;

- the average use of tariff quotas during the first three quarters of the yearly period of application, in particular where that average use is above 80%;

- insufficient availability of supply for downstream steel users due to market developments.

Steel traceability

At the moment of import, importers of product categories listed in Annex I should provide verifiable appropriate evidence, such as a mill test certificate, to prove the country in which raw steel or iron was initially produced in liquid form within a steel- or ironmaking furnace and subsequently cast into its first solid state (**'country of 'melt and pour'**).

The Commission is empowered to adopt implementing acts to determine the type of evidence to be provided by importers while taking into account the specific situation of SMEs and avoiding disproportionate administrative burdens.

Allocation of tariff quotas by country

The Commission will adopt implementing acts determining the allocation by country of the tariff quotas set out in Annex II, taking into account the interest of the Union and, where appropriate, factors such as:

(i) trade-distorting effects of third country measures impacting the Union steel market; (ii) whether a third country is found to be in breach of ILO conventions or multilateral environmental agreements; (iii) the situation of a Union candidate country facing an exceptional and immediate security situation, where it previously benefitted from preferential access to the Union steel market for the product categories listed in Annex I.

Changes to tariff quota volumes

The Commission may adopt delegated acts to amend the volumes of the tariff quotas listed in Annex II, while ensuring that their total value is neither lower than **14 400 000 tonnes nor higher than 22 200 000 tonnes**. The Commission should take into account the interests of the Union and, where appropriate, factors such as:

- the evolution of demand;

- the decarbonisation path of the EU steel sector;

- potential supply availability problems concerning certain product categories linked to insufficient readily available capacity in the Union for certain product categories compared to demand;

- the EU's objectives in terms of common security and defence policy.

Assessment

By **31 December 2026** at the latest, the Commission must assess the need to amend the product scope to cover certain products. By **30 June 2027** at the latest, the Commission must assess the need to amend the scope of the products, in particular to determine whether it is appropriate to also include products made from steel or containing a significant amount of steel, giving priority to downstream iron and steel products not covered by the regulation.

In addition, the Commission will carry out a new assessment of the scope of the products no later than **30 June 2029**, and every two years thereafter, unless significant market disruptions or sudden changes in the structure of world trade require an earlier assessment.

By **30 June 2028** at the latest, the Commission will assess, based on the information collected under this Regulation, whether it is necessary to designate the country of 'melt and pour' as the basis for benefiting

from tariff quotas provided for in this Regulation. **By 30 June 2028 at the latest, and every two years thereafter**, the Commission will submit a report to the European Parliament and the Council on the implementation of the Regulation.