

Valdis Dombrovskis, vice-président exécutif | *Executive Vice-President*
Commission européenne | *European Commission*
Rue de la Loi / Wetstraat 200
1049 Bruxelles | *Brussels*
Belgique | *Belgium*

27 November, 2024

Joint letter from Belgium, Bulgaria, Germany, Greece, France, Italy, Luxembourg, Austria, Poland, Portugal, Romania, Slovenia and the Slovak Republic

Dear Executive Vice-President Dombrovskis,

The steel industry in the European Union (EU) is of paramount economic, social and strategic importance. It has however been facing numerous difficulties and structural challenges: on the one hand, a decreasing demand for steel in the EU; and, on the other hand, massive excess capacities of steel production worldwide. According to the OECD's latest work, the gap between global steelmaking capacity and global demand reached almost 500 million metric tonnes (mmt) in 2023, almost twice as much as the global level of steel exports in the same year. The issue is expected to grow even further, as an additional 50 mmt of new capacity will enter the market in 2024 and investment projects accounting for 146 mmt of steelmaking capacity will potentially come on stream until 2027.

Bilateral efforts to address these issues in a timely manner – most prominently the work to reach an agreement on a Global Arrangement on Sustainable Steel and Aluminium between the United States and the EU – have not been successful. Plurilateral efforts in the GFSEC to develop tangible policy options for addressing global excess capacity continue to play an important role, but have so far not delivered the desired results.

We fully support the Commission in its determined trade defence action deployed to protect the European steel industry, in particular the introduction of safeguard measures in July 2018, and their extensions in June 2021 and June 2024. However, as the situation faced by the EU steel industry is quickly worsening, the current framework established by the safeguard measures is fast becoming less effective. Considering their expiration in June 2026, it is necessary to act as swiftly as we can towards adapting these measures.

For these reasons, and pursuant to Article 20 of Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports, we hereby request the opening of a functional review of Commission implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products. You will find enclosed documentation prepared by the EU steel industry, providing further information on the economic situation and suggesting amendments to some critical parameters from the current safeguard measures. We have urged the industry to provide further detail in order for the review to be done in a timely and targeted manner.

Additionally, we must keep in mind that the steel safeguards will expire in June 2026 and a further extension of the existing safeguards is not permitted under WTO rules. We therefore strongly urge

the Commission to examine possible ways to protect the steel industry after the expiration of the safeguards in June 2026.

Finally, let us take the opportunity of this letter to thank the European Commission for its efforts in these challenging times for the European economy. We would be grateful if you could keep us informed about the next procedural steps and timeline. Our teams remain at your disposal to further exchange at the technical level on your request.

Yours sincerely,

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*Federal Deputy Prime Minister
and Minister of the Economy and
Employment*
BELGIUM

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