

New EU steel safeguards: a tough puzzle of competing asks

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The EU public consultation on the future of steel safeguards wrapped on August 18, drawing close to 150 submissions from across the global value chain. The official EC proposal is expected in Q3.

Most public consultation participants see a new measure as necessary, but stress that it must comply with WTO and EU law. They also require that enforcement should be uniform and predictable, all affected stakeholders should be heard, and operators need time to adapt. Many are open to tariff rate quotas (TRQs), but only with significant adjustments that vary by supply chain segment.

EU producers' case

Producers argue the EU needs a tougher, long-term border instrument that resets import market shares to levels that would allow for maintaining a viable capacity utilization rate in the EU.

Eurofer proposes a global tariff-rate quota covering all steel, including downstream steel-intensive goods, set as market-share caps by segment. For instance, a 15% cap was offered for carbon flat, 5% for carbon long, and 15% for stainless. The idea was earlier seen in an unofficial proposal from eleven EU Member States presented in July.

The quotas should be global, with a cap applying for each individual exporting country, without introducing country-specific/residual subquotas. Those would be applied quarterly with no carry-over and enforced by a meaningful above-quota tariff (at least 25%), on top of all existing measures.

Eurofer also wants an introduction of "melted & poured" regime to trace the products' origin, a formal review clause, and no preferential treatment for third countries.

Big integrated players go even further. **ArcelorMittal** backs all Eurofer's demands but requests a higher out-of-quota duties: "A 50% tariff must apply from the first ton above quota."

Swiss Steel Group and its stainless subsidiary **Ugitech** describe urgent pressure on bar and wire niches that face accelerating imports and ask for the inclusion of all product types. They support quotas based on capping import shares and a 50% tariff. However, Swiss Steel and other Swiss organisations ask for exclusions of Switzerland from the scope, given its tight integration with the EU market.

Arvedi echoes the demands: "The Arvedi Group strongly supports the introduction of a robust, highly effective long term trade instrument... apply coverage to all relevant steel, stainless steel and tubes categories... introduce a persuasive tariff level above quota, aligned with international standards (notably the U.S. 50% benchmark)... and strict rules of origin (melted and poured) and a review mechanism."

Distributors and users case

Import-reliant distributors accept the need to address overcapacity but demand legal certainty, uniform application across all 27 customs administrations, and full cost predictability.

Euranimi has been among the loudest voices, speaking for independent stainless-steel distributors. Euranimi argues that stainless is a small, already heavily protected segment with at least 10 anti-dumping or countervailing measures in place. Additionally, the stainless and carbon steel sectors differ in their production processes, raw material requirements, end-use markets, and economic realities. Hence, a one-size-fits-all approach is not correct.

Euranimi opposes TRQs, preferring a simple, uniform tariff limited to a few targeted stainless products. Should the EU opt for TRQs anyway, the association requests that the quota system be as flexible, neutral, and predictable as possible. The best option is a hybrid approach: maintain some country-specific quotas to protect traditional suppliers and promote supply diversity, while also establishing a global pool open to others.

In addition, Euranimi stresses that the EU Carbon Border Adjustment Mechanism (CBAM) will add substantial costs, especially for nickel pig iron (NPI)-route imports. According to Euranimi, Brussels should not add another layer of protection before CBAM's real-world effects are known. *"CBAM charges could easily exceed EUR 300 per tonne as early as 2026, thereby acting as a de facto trade barrier for NPI-based stainless steel..."*

Euranimi also calls the "melted & poured" clause unworkable because the melt location cannot be proven scientifically, industry-wide traceability tools are not deployed, and the origin would still rest on paperwork that is often inconsistent. They argue that the rule is not neutral under WTO norms, conflicts with the EU's substantial transformation test, cannot be enforced in practice, and would even fuel fraud by tying duties to easily falsified documents.

Besides, any new framework should also close loopholes, such as the slab and billets exemption, and regulate EU mills' own imports, whether from subsidiaries or external suppliers, which absorb a significant share of the quotas.

Eurometal states that if TRQs are kept, they need a workable per-country caps that prevent first-day exhaustion, transparent and consistent customs monitoring, stronger anti-circumvention, and quota sizing that reflects real demand so downstream users can plan.

The **European Steel Processor's Association (ESPA)** also opposes "melted & poured," urging instead stronger anti-circumvention, better customs monitoring, and mandatory end-to-end traceability and digital audit trails. At the same time, they favour a global TRQ architecture with fixed per-country caps to diversify sources and prevent market concentration.

Foreign suppliers

Among foreign suppliers and associations, the most active participant was POSCO. POSCO VST (Vietnam) and POSCO (Korea) urge that any successor to the safeguard be strictly compliant with the WTO, with full consideration of importers, users, exporters, and other stakeholders. They request a thorough and predictable review process, as well as the preservation of non-discriminatory market access.