

To: Member of the Trade Council of
the European Union

Monday, 13 October 2025

Subject: Informal Trade Council on 14 October in Copenhagen / Rapid adoption of the Commission's steel trade proposal to safeguard European industry and jobs

Dear Minister,

On 7 October 2025, the European Commission presented its *Proposal for a Regulation addressing the negative trade-related effects of global overcapacity on the Union steel market*. **We strongly welcome this proposal and urge its swift adoption so that it can enter into force at the beginning of 2026.**

Europe's steel sector is facing exceptional pressure from unfair imports linked to massive global overcapacity, causing historical low EU steel capacity utilisation levels at around 65% that risk further closures and layoffs across the value chain. The Commission's proposal offers a WTO-compliant response built around a Tariff Rate Quota (TRQ) that preserves open supply while deterring market flooding.

This measure is a lifeline for steelmakers and steelworkers – one that supports the objective of restoring viable capacity utilisation (80–85%), stabilising employment, and providing the visibility companies need to pursue their decarbonisation investments. It also responds to the most urgent point of the Steel and Metals Action Plan.

Last week, U.S. ambassador Andrew Puzder addressed positively the Commission proposal, highlighting that it could make it easier to negotiate adjustments to the U.S. 50% blanket tariff on EU steel. The proposal is a good step forward for the trade negotiations with the U.S. and for jointly ring-fencing against products from countries that are responsible for global steel overcapacity and its spillover effects.

Given the urgency, with indications that current safeguard quota levels were exceeded by triple digits in just two days, we kindly call on your support to ensure that the Council will:

- **Prioritise a rapid adoption** of the Commission's proposal to ensure it is operational at the start of 2026, and

From the Director General

- **leverage the positive U.S. signal** and pursue a constructive resolution of U.S. tariffs on EU steel, using the **Commission proposal as a foundation to ringfence against global overcapacity and its spillover effects.**

We also support the possibility in the Commission proposal to swiftly extend the scope to steel derivatives that face increasingly similar spillover impacts from global overcapacity built up in China and other Asean countries. Europe's steel industry and its value-chains are central to our **industrial resilience**, climate **transition** and **strategic autonomy**, and require a timely and effective instrument to withstand the current shocks caused by global steel overcapacities.

We trust in your leadership in ensuring that this legislative proposal is successfully and rapidly adopted.

Yours sincerely,



Axel Eggert,
Director General
The European Steel Association (EUROFER)