



By: TA | AP Insight

EU proposes steel industry protections, rattling UK manufacturers



The European Union proposed Tuesday cutting free-trade quotas by 47% on steel and steel products, effectively adding large tariffs on **imports** from countries like China, India, Turkey, and the United Kingdom, which said the measures would wreck the British steel industry.

After importing 18.3 million tons, the new quota, additional imports will face up to 50% in new tariffs, a high price akin to U.S. President Donald Trump's steel measures.

Neighboring nations like Norway, Iceland and Ukraine will be exempt.

A proposal to thwart overcapacity

The proposal attempts to buttress Europe's traditional steel manufacturers by imposing trade barriers to stem the flooding of Europe's markets with imports diverted by those high American **tariffs**.

Steel importers would be required to clearly declare where the products were melted and poured, and a complex quota system would govern what enters the EU common market. The proposal replaces a current steel safeguard policy aligned with the World Trade Organisation that is set to expire in June 2026.

"A strong, decarbonised steel sector is vital for the European Union's competitiveness, economic security and strategic autonomy. Global overcapacity is damaging our industry," said European Commission President Ursula von der Leyen.

European Parliament and the European Council must now ratify or amend the proposal, which then might require negotiations with the WTO to check how member countries are affected by the measures.

This is the new safeguard clause on steel – Stéphane Séjourné

The EU exported 77 billion euros (\$89.7 billion) and imported 73.1 billion euros (\$85.2 billion) worth of steel in 2024, according to the EU's statistics agency Eurostat.

The European Steel Association estimates that growing global steel overcapacity is at around 602 million tonnes, or 4 times the EU's total annual steel consumption.

Judith Kirton-Darling, general secretary for the trade union bloc IndustriAll's Europe office, said in September during the Emergency Steel Social that, "steel is the backbone of Europe's economy, yet the sector is now at breaking point. That is why trade unionists from every corner of Europe have joined steelmakers at this summit to call for urgent action."

Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy, said the proposal would protect Europe's industrial future. "This is the new safeguard clause on steel. This is the reindustrialization of Europe," he said in a post on X.

Britain's steel sector rattled

Trade body UK Steel said the proposed drop in the tariff-free quota would spell disaster for the **embattled** British steel industry. It said more than three-quarters of British steel exports go to the EU.

"This is perhaps the biggest crisis the U.K. steel industry has ever faced," said UK Steel Director-General Gareth Stace. He said the British government "must go all out to leverage our trading relationship with the European Union to secure U.K. country quotas or potentially face disaster."

Stace said the EU move also risked "redirecting millions of tonnes of steel towards the U.K." from countries hit by the tariffs, which "could be terminal for many of our remaining steel companies."

Britain's once-mighty steel **industry** has **shrunk** dramatically from its 1970s peak and

now accounts for 0.1% of the economy.

Global overcapacity is a shared challenge and it is in both the UK and the EU's interests to work together to find a solution - Alasdair McDiarmid

Thousands of jobs are due to be lost at the country's biggest steelworks, at Port Talbot in Wales, as owner Tata Steel tries to make the unprofitable plant leaner and greener.

Meanwhile, Community, a trade union that represents many steelworkers, said the EU's proposal was "an existential threat to our steel industry."

Assistant General Secretary Alasdair McDiarmid urged Britain and the bloc to "begin urgent negotiations and do everything possible to prevent the crushing impact these proposals would have on our steel industry."

"Global overcapacity is a shared challenge and it is in both the UK and the EU's interests to work together to find a solution," he said. "A trade war, at what is already a turbulent time for the global steel industry, would be incredibly damaging for everyone involved, with workers in the U.K. and Europe paying the heaviest price."

Steel, an important European sector

Steel manufacturers employ about 300,000 people across 20 of the bloc's 27 nations. But it has been hard-hit over the past two decades, losing perhaps a quarter of its employees, according to Eurostat.



The steel tariffs and quotas would be discussed on Friday in South Africa - Maroš Šefčovič

Steel is a foundational industry in the EU. The bloc evolved out of the 1951 European Steel and Coal Community, a common market between Luxembourg, Italy, France, the Netherlands, West Germany and Belgium.

The United States and the EU have a tenuous trade agreement that has yet to include specific measures for products like whisky, wine and steel.

But American and European negotiators have said that they are working on a "ring-fencing" or coordinating steel tariffs to secure supply chains between the two economic juggernauts.

EU trade representative Maroš Šefčovič said the steel tariffs and quotas would be discussed on Friday in South Africa during a meeting of trade ministers from the Group of 20 countries.