

Press release

Extension of EU steel safeguard provides long-term safety-net for the EU steel industry

Key messages

- The EU steel safeguard has been extended by three years.
- The extended EU steel safeguard will run from 1 July 2021 to 30 June 2024, with an automatic annual liberalisation of 3%.
- The conditions that required the launch of the safeguard initially are still very much present – including global steel overcapacity and US Section 232.

Main body of press release

Brussels, 28 June 2021 – The extension of the EU steel safeguard for another three years has been published today. This measure will ensure there is a modicum of certainty for EU steel producers, provide ample access to third-country supplies of steel for users, and help ward off disruptive post-COVID surges of steel imports.

“We welcome that the EU steel safeguard regime has been extended,” said Axel Eggert, Director General of the European Steel Association (EUROFER). “The conditions that required the launch of the safeguard initially are still very much present – including global steel overcapacity and US Section 232”.

The EU steel safeguard will, in principle, be prolonged by three additional years from 1 July 2021 to 30 June 2024, with an automatic annual liberalisation of 3%. The safeguard can also be reviewed every year after the first year. The extended safeguard would apply to the same products as it does now.

“This extension provides ample opportunity for users to source material they might require from abroad, as the tariff-free quota level is now at least 15% higher than the record import levels on which the safeguard’s tariff rate quota is set – the years 2015-2017”, added Mr Eggert. “This measure mainly provides a safety net in the event that a sharp surge in imports occurs”.

The EU steel safeguard is not a measure to stabilise prices on the domestic market, and it does not restrict normal supply to the market. European downstream users of steel can still access all the third-country steel they need based on traditional trade flows. Over the past three years, the size of the unused quota has grown – and there is plenty of space in the tariff-free quota for users to satisfy their material needs.

“The current state of demand-supply disruption in the global steel industry – and in many other sectors – follows in the wake of the COVID crisis. However, it has nothing to do with the safeguard”, Mr Eggert said. “Instead, the recovery of steel demand and the wider economic rebound has inspired a rush for material after the countercyclical destocking seen during the downturn”.

The EU steel safeguard extension was voted upon by EU Member States on 18 June 2021. WTO members were notified of the proposed extension on 11 June 2021. The Implementing Regulation was published on 28 June 2021.

Notes for editors

Contact

Charles de Lusignan, Spokesman and Head of Communications,
+32 2 738 79 35, (charles@eurofer.eu)

About the European Steel Association (EUROFER)

EUROFER AISBL is located in Brussels and was founded in 1976. It represents the entirety of steel production in the European Union. EUROFER members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in Switzerland and Turkey are associate members.

The European Steel Association is recorded in the EU transparency register: 93038071152-83.

About the European steel industry

The European steel industry is a world leader in innovation and environmental sustainability. It has a turnover of around €170 billion and directly employs 330,000 highly-skilled people, producing on average 160 million tonnes of steel per year. More than 500 steel production sites across 22 EU Member States provide direct and indirect employment to millions more European citizens. Closely integrated with Europe's manufacturing and construction industries, steel is the backbone for development, growth and employment in Europe.

Steel is the most versatile industrial material in the world. The thousands of different grades and types of steel developed by the industry make the modern world possible. Steel is 100% recyclable and therefore is a fundamental part of the circular economy. As a basic engineering material, steel is also an essential factor in the development and deployment of innovative, CO2-mitigating technologies, improving resource efficiency and fostering sustainable development in Europe.