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New rules to protect EU steel industry from damaging impacts of global overcapacity enter into application

A new regulation that protects the EU steel sector from the damaging impacts of global overcapacity enters into application on 1 July 2026. This represents a vital step towards ensuring the long-term viability of a strategically crucial European industry.

As part of these new rules, the European Commission published today the implementing regulation setting out the distribution of tariff quotas to the EU's trading partners. The new system – comprising reduced overall tariff quotas and a higher out-of-quota duty – aims to protect the EU's steel industry following the expiry of the EU's steel safeguard.

The distribution of tariff quotas is based on a set of clearly defined criteria in the EU's new Steel Regulation. It ensures a predictable level of access to the EU market for third-country suppliers through a fair and objective methodology, ensuring also diversity of supply for EU downstream users.

The implementing regulation seeks to minimise as much as possible the impact of the EU's Steel Regulation on its Free Trade Agreement (FTA) partners, without compromising the measure's effectiveness – 80% of EU imports of steel come from FTA partners.

Half of the EU's annual import quota – set at 18.3 million tonnes by the Steel Regulation – has been reserved exclusively for preferential trading (FTA) partners, with the remaining half available to all trading partners without discrimination, including FTA partners.

The EU's FTA partners will, therefore, retain a significantly higher share of EU market access than the average reduction of 47% foreseen by the Steel Regulation.

The EU has addressed the concerns of its trading partners through constructive discussions at the WTO (Article XXVIII GATT negotiations), with a significant number of partners provisionally agreeing to their allocated quotas as a result.

Next steps

Given the need to distribute quotas as from 1 July, the Steel Regulation provides for the use of the urgency procedure. This means that Member States will be asked to vote within 14 days after the adoption of the Implementing Regulation by the College of Commissioners and that the Implementing Regulation will be in force for a maximum of 6 months.

The Implementing Regulation will then be re-submitted to the relevant Member State committee under the normal comitology procedure before the end of 2026.

The Commission will continue engaging with trading partners at the WTO under the ongoing Article XXVII GATT negotiations.

Background

The recently adopted Steel Regulation is part of the EU's response to persistent global overcapacity in the steel sector, which remains a serious global problem and continues to distort international markets.

The measure sets tariff-free quotas at 18.3 million tonnes per year, introducing an out-of-quota duty of 50% for 26 categories of steel products imported into the EU. It also introduces a traceability requirement to improve transparency of the EU steel supply chain. Companies will need to provide information on where the 'melt & pour' stage of the imported steel production takes place.

As such, the measure restores fair competition in a market affected by distortions linked to overcapacity, defending jobs in EU steel production and giving European steelmakers the necessary economic breathing space to invest in cleaner, more innovative steel production in the EU. It balances different interests in the best possible way, taking into account the needs of EU steel producers, steel users, importers and the Union's international obligations.

European Commission President Ursula **von der Leyen** identified the EU's steel industry as a core engine for European prosperity. The [Competitiveness Compass](#) for the EU, adopted in January 2025, identified steel and metals as a key area for action, with the [Steel and Metals Action Plan](#), adopted in March 2025, outlining a trade measure to replace the steel safeguard. The Commission first introduced the latter measure on imports of certain steel products in July 2018, to prevent economic damage to EU steel producers from trade diversion and rising imports.

For more information

[Implementing act distributing tariff quotas](#)

[Questions and answers](#)

[Factsheet on tariff quota distribution](#)

[Steel Regulation](#)

Quote(s)



‘ With today’s implementing regulation, the Commission is putting in place the practical arrangements needed to ensure that the EU’s steel measure operates effectively from day one. We are providing market participants with predictability through clear and transparent quota distribution rules, while applying a fair and objective methodology. The approach strikes a careful balance between our FTA commitments, the Article XXVIII negotiations in the WTO and the need to maintain diversified supply. The constructive progress made with our trading partners also shows that the EU’s WTO-compliant approach is effective in practice. ’

Maroš Šefčovič, Commissioner for Trade and Economic Security; Interinstitutional Relations and Transparency

Related topics

Trade

Contacts for media

Olof GILL

Deputy Chief Spokesperson

Phone +32 2 29 65966

Mail olof.gill@ec.europa.eu 



Saul Louis GOULDING

Press Officer

Phone +32 2 29 64735

Mail saul.goulding@ec.europa.eu 



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