



EUROPEAN
COMMISSION

Strasbourg, 7.10.2025
COM(2025) 727 final

Recommendation for a

COUNCIL DECISION

**authorising the opening of negotiations with a view to modifying the Union's concessions
made in the World Trade Organization on import tariffs applicable to certain steel
products**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Steel is an essential material for the Union's economy, including for its green transition. Steel is used in a wide variety of sectors, such as buildings, infrastructure, railways, automotive, shipbuilding, windmills, industrial tools and machinery, household appliances, amongst others. Steel is also of strategic importance for increasing the defence and military capabilities of the EU.

The Union's steelmaking industry is the world's third largest steel producer. It employs around 300 000 people directly and it is estimated that it accounts for 2,5 million jobs (indirect and induced). There are many steel production sites across more than 20 Member States. Steel plants sustain many regional economies, underlining their socio-economic and political importance. The Union's steel industry is facing critical challenges which weaken its competitiveness in a global market and seriously threaten its long-term viability, creating high risks for the industry's existence and its ability to make new investments.

In particular, the Union's steel industry is facing serious trade-related challenges. Notably, a significant and sustained import pressure, both in volumes and prices, resulting from unsustainable levels of global overcapacity, which are negatively affecting the Union's steelmaking industry's economic performance: Union production has shrunk, and its current capacity utilisation is well below profitable levels, undermining steelmakers' ability to invest and as such, jeopardising decarbonisation objectives. In fact, several Union steelmakers have halted ambitious and costly investments in green steel projects needed to remain competitive and decarbonise its production as part of the Union's green agenda.

These critical trade-related challenges are taking place in an overall difficult context, as the steel sector is facing a lack of a level playing field, as well as higher energy and manufacturing costs. This situation also poses risks related to the Union's strategic autonomy. The combination of challenges is having a heavy impact on jobs. In fact, the Union steel industry has been seriously decimated, losing nearly 100 000 direct jobs since 2008 (around 25% of its workforce) and closing or reducing installed capacity in numerous factories across many Member States. The current situation is very fragile, and risks to seriously worsen if the challenges are not effectively addressed.

The Commission Communication "A Competitiveness Compass for the EU", adopted on 29 January 2025, establishes industrial competitiveness as a core priority and sets out cross-sectoral actions for the next years. It recognises decarbonisation as a powerful driver of growth when integrated with industrial, competition, economic and trade policies. The Communication identified steel and metals as key areas for action.

On 19 March 2025 the Commission adopted the Steel and Metals Action Plan (SMAP). The SMAP outlined actions across different policy areas, including trade. The SMAP recognised that the steel sector is vital for the EU's economic security and social stability, and it also set as an objective to promote and protect EU industrial capacities.

The SMAP concluded that, while the safeguard measure which is protecting the Union's steel industry from a flood of imports will expire on 30 June 2026, it is unreasonable to assume that the structural global overcapacities and their negative trade-related impact on the EU's steel

industry, which triggered the imposition of the safeguard measure, will disappear before 1 July 2026. On the contrary, the negative trade-related effects are likely to be exacerbated, as an increasing number of third countries are adopting measures aimed at limiting imports into their markets, resulting in the Union's market becoming the main destination for the production generated by global excess capacities. Therefore, the Commission committed to adopt a legislative proposal replacing the steel safeguards and providing a highly effective level of protection against negative trade-related effects caused by global overcapacities.

- **Consistency with existing policy provisions in the policy area**

The proposed policy action of modifying the Union's import tariff commitments in the WTO is consistent with the Union's attachment to multilateralism in its common commercial policy, including the commitment to uphold international law, which includes the WTO Agreement. The proposed policy action is instrumental to ensuring that the envisaged tariff protection for the Union's steel industry is compatible with the WTO Agreement.

- **Consistency with other Union policies**

The proposed policy action is consistent with other Union policies aimed at preserving and strengthening the Union's steel sector.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Article 207(4) in combination with Article 218(3) and Article 218(4) of the Treaty of the Functioning of the European Union (TFEU).

- **Subsidiarity (for non-exclusive competence)**

The subject matter of the envisaged negotiations relates to the common commercial policy. According to Article 5(3) of the TEU, the subsidiarity principle does not apply in areas of exclusive competence. The common commercial policy is listed among the areas of exclusive competence of the Union in Article 3 of the TFEU. This policy includes the negotiation of trade agreements pursuant to, inter alia, Article 207 TFEU.

- **Proportionality**

The recommendation of the Commission is in line with the principle of proportionality, as the conclusion of an international agreement is the main instrument for assuming reciprocal rights and obligations with a subject of international law, such as a foreign country.

- **Choice of the instrument**

Decision of the Council of the European Union.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable.

- **Stakeholder consultations**

Not applicable.

- **Collection and use of expertise**

Not applicable.

- **Impact assessment**

Not applicable.

- **Regulatory fitness and simplification**

Not applicable

- **Fundamental rights**

The recommended action is coherent with the Union's human rights policy and consistent with the Charter of Fundamental Rights, because modifying the WTO Agreement so that it permits higher import tariffs on certain steel products, in and of itself, does not in any way limit fundamental rights. The lowering of Union import tariffs on other products which may theoretically be the result of compensation negotiated under Article XXVIII:2 of the GATT 1994, likewise, would not limit fundamental rights or would do so only in line with the requirements of the Charter. The increase of import tariffs in other WTO Members which may result from the failure to agree on the modification with all WTO Members having rights under Article XXVIII of the GATT 1994 and from those WTO Members's withdrawal of substantially equivalent tariff concessions would emanate from third countries and per se not be subject to the Charter of Fundamental Rights. If the Union's contribution to such action is relevant under the Charter, then it nevertheless complies with the requirement that the Union's action is taken on the basis of a proper legal basis, by the competent authorities, in pursuit of the legitimate objective of protecting the steel industry against competing imports, and in line with the principle of proportionality.

4. BUDGETARY IMPLICATIONS

Not applicable.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

The provisions aim to recommend the adoption by the Council of a decision authorising the opening of negotiations and nominating the Union negotiator. The Council may address directives to the negotiator.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), Article 218(3) and Article 218(4) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

- (1) The existing tariff concessions made by the European Union in respect of imports of certain steel products in the Agreement Establishing the World Trade Organization (WTO) will require certain adjustments following developments in the world markets. Accordingly, the existing concessions for import tariffs on those steel products included in the Union's schedule of concessions and commitments, annexed to the WTO's General Agreement on Tariffs and Trade 1994 (GATT 1994), as previously modified, need to be amended.
- (2) The Commission should therefore be authorised to open negotiations under Article XXVIII of the GATT 1994 with those WTO Members that have negotiating rights with a view to obtaining their agreement with the modification of the Union's current import tariff concessions on those steel products,

HAS ADOPTED THIS DECISION:

Article 1

The Commission is hereby authorised to open negotiations, on behalf of the Union, with the WTO Members that have negotiating rights, with a view to modifying the import tariff concessions currently included in the Union's schedule of concessions and commitments annexed to the GATT 1994, as previously modified, in relation to the steel product categories listed in Annex 2.

Article 2

The negotiating directives addressed to the Commission are set out in Annex 1.

Article 3

The negotiations shall be conducted by the Commission in consultation with the [name of the special committee to be inserted by the Council].

Article 4

This Decision is addressed to the Commission.

Done at Strasbourg,

*For the Council
The President*



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ANNEXES 1 to 2

ANNEXES

to the

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ANNEX I

I. OBJECTIVES, SCOPE, AND KEY PRINCIPLES

1. In negotiations and consultations conducted under Article XXVIII, the Commission should endeavour to obtain agreement from the WTO Members that have negotiating rights and the satisfaction of the WTO Members having consultation rights pursuant to Article XXVIII of the GATT 1994 in relation to the envisaged increase to 50% *ad valorem*, subject to possible tariff-rate quotas for imports at lower duties, of the Union's import tariff concessions in relation to the products listed in Annex II set out in the Union's schedule of concessions and commitments annexed to the GATT 1994, as modified.
2. The Commission should follow the procedure for the modifications of the Union's scheduled concessions as set out in the relevant WTO provisions, in particular Article XXVIII of the GATT 1994, the Understanding on the Interpretation of Article XXVIII of the GATT 1994, the Interpretative Note to Article XXVIII, annexed to the GATT 1994 in Annex I, and the 1980 Procedures for Negotiations under Article XXVIII.
3. The Commission shall report to the Council on the outcome of the negotiations and, where appropriate, on any significant developments that may arise during the negotiations.

ANNEX II

Product categories

Product categories covered by this regulation

Product category number	Product category name	CN code
1A	Non Alloy and Other Alloy Hot Rolled Sheets and Strips	7208 10 00, 7208 25 00, 7208 26 00, 7208 27 00, 7208 36 00, 7208 37 00, 7208 38 00, 7208 39 00, 7208 40 00, 7208 52 99, 7208 53 90, 7208 54 00, 7211 14 00, 7211 19 00, 7225 19 10, 7225 30 10, 7225 30 30, 7225 30 90, 7225 40 15, 7225 40 90, 7226 19 10, 7226 91 20, 7226 91 91, 7226 91 99
1B	Non Alloy and Other Alloy Hot Rolled Sheets and Strips	7212 60 00
2	Non Alloy and Other Alloy Cold Rolled Sheets	7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7209 90 20, 7209 90 80, 7211 23 20, 7211 23 30, 7211 23 80, 7211 29 00, 7211 90 20, 7211 90 80, 7225 50 20, 7225 50 80, 7226 20 00, 7226 92 00
3.A	Electrical Sheets (other than GOES)	7209 16 10, 7209 17 10, 7209 18 10, 7209 26 10, 7209 27 10, 7209 28 10
3.B		7225 19 90, 7226 19 80
4A	Metallic Coated Sheets	7210 20 00, 7210 30 00, 7210 41 00, 7210 49 00, 7210 61 00, 7210 69 00, 7210 90 80, 7212 20 00, 7212 30 00, 7212 50 20, 7212 50 30, 7212 50 40, 7212 50 61, 7212 50 69, 7212 50 90, 7225 91 00, 7225 92 00, 7225 99 00, 7226 99 10, 7226 99 30, 7226 99 70
4B	Metallic Coated Sheets	CN Codes: 7210 20 00, 7210 30 00, 7210 90 80, 7212 20 00, 7212 50 30, 7212 50 40, 7212 50 90, 7225 91 00, 7226 99 10 TARIC codes: 7210 41 00 80, 7210 49 00 80, 7210 61 00 80, 7210 69 00 80, 7212 30 00 80, 7212 50 61 80, 7212 50 69 80, 7225 92 00 80, 7225 99 00 25, 7225 99 00 95, 7226 99 30 90, 7226 99 70 19, 7226 99 70 96
5	Organic Coated Sheets	7210 70 80, 7212 40 80,

Product category number	Product category name	CN code
6	Tin Mill products	7209 18 99, 7210 11 00, 7210 12 20, 7210 12 80, 7210 50 00, 7210 70 10, 7210 90 40, 7212 10 10, 7212 10 90, 7212 40 20
7	Non Alloy and Other Alloy Quarto Plates	7208 51 20, 7208 51 91, 7208 51 98, 7208 52 91, 7208 90 20, 7208 90 80, 7210 90 30, 7225 40 12, 7225 40 40, 7225 40 60, 7225 99 00
8	Stainless Hot Rolled Sheets and Strips	7219 11 00, 7219 12 10, 7219 12 90, 7219 13 10, 7219 13 90, 7219 14 10, 7219 14 90, 7219 22 10, 7219 22 90, 7219 23 00, 7219 24 00, 7220 11 00, 7220 12 00
9	Stainless Cold Rolled Sheets and Strips	7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7219 90 20, 7219 90 80, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81, 7220 20 89, 7220 90 20, 7220 90 80
10	Stainless Hot Rolled Quarto Plates	7219 21 10, 7219 21 90
12	Non Alloy and Other Alloy Merchant Bars and Light Sections	7214 30 00, 7214 91 10, 7214 91 90, 7214 99 31, 7214 99 39, 7214 99 50, 7214 99 71, 7214 99 79, 7214 99 95, 7215 90 00, 7216 10 00, 7216 21 00, 7216 22 00, 7216 40 10, 7216 40 90, 7216 50 10, 7216 50 91, 7216 50 99, 7216 99 00, 7228 10 20, 7228 20 10, 7228 20 91, 7228 30 20, 7228 30 41, 7228 30 49, 7228 30 61, 7228 30 69, 7228 30 70, 7228 30 89, 7228 60 20, 7228 60 80, 7228 70 10, 7228 70 90, 7228 80 00
13	Rebars	7214 20 00, 7214 99 10
14	Stainless Bars and Light Sections	7222 11 11, 7222 11 19, 7222 11 81, 7222 11 89, 7222 19 10, 7222 19 90, 7222 20 11, 7222 20 19, 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81, 7222 20 89, 7222 30 51, 7222 30 91, 7222 30 97, 7222 40 10, 7222 40 50, 7222 40 90
15	Stainless Wire Rod	7221 00 10, 722 10 90
16	Non Alloy and Other Alloy Wire Rod	7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50, 7227 90 95
17	Angles, Shapes and Sections of	7216 31 10, 7216 31 90, 7216 32 11, 7216 32 19, 7216 32 91, 7216 32 99, 7216 33 10, 7216 33 90

Product category number	Product category name	CN code
	Iron or Non Alloy Steel	
18	Sheet Piling	7301 10 00
19	Railway Material	7302 10 22, 7302 10 28, 7302 10 40, 7302 10 50, 7302 40 00
20	Gas pipes	7306 30 41, 7306 30 49, 7306 30 72, 7306 30 77
21	Hollow sections	7306 61 10, 7306 61 92, 7306 61 99
22	Seamless Stainless Tubes and Pipes	7304 11 00, 7304 22 00, 7304 24 00, 7304 41 00, 7304 49 83, 7304 49 85, 7304 49 89
24	Other Seamless Tubes	7304 19 10, 7304 19 30, 7304 19 90, 7304 23 00, 7304 29 10, 7304 29 30, 7304 29 90, 7304 31 20, 7304 31 80, 7304 39 10, , 7304 39 50, 7304 39 82, 7304 39 83, 7304 39 88, 7304 51 81, 7304 51 89, , 7304 59 30, 7304 59 82, 7304 59 83, 7304 59 89, 7304 90 00
25.A	Large welded tubes	7305 11 00, 7305 12 00
25.B		7305 19 00, 7305 20 00, 7305 31 00, 7305 39 00, 7305 90 00
26	Other Welded Pipes	7306 11 00, 7306 19 00, , 7306 21 00, 7306 29 00, 7306 30 12, 7306 30 18, 7306 30 80, 7306 40 20, 7306 40 80, 7306 50 21, 7306 50 29, 7306 50 80, 7306 69 10, 7306 69 90, 7306 90 00
27	Non-alloy and other alloy cold finished bars	7215 10 00, 7215 50 11, 7215 50 19, 7215 50 80, 7228 10 90, 7228 20 99, 7228 50 20, 7228 50 40, 7228 50 61, 7228 50 69, 7228 50 80
28	Non Alloy Wire	7217 10 10, 7217 10 31, 7217 10 39, 7217 10 50, 7217 10 90, 7217 20 10, 7217 20 30, 7217 20 50, 7217 20 90, 7217 30 41, 7217 30 49, 7217 30 50, 7217 30 90, 7217 90 20, 7217 90 50, 7217 90 90

