



Outokumpu Welcomes Stronger EU Steel Trade Measures

Introduction

Outokumpu, Europe's leading stainless steel producer, welcomes the European Commission's proposal to strengthen trade protection measures for the European steel industry. The decision marks a decisive step towards safeguarding Europe's industrial base, ensuring economic stability, and advancing the green transition.

The proposed measure would:

1. **Reduce safeguard tariff rate quotas** for foreign steel imports by up to **50%**.
2. **Increase customs tariffs** on imports exceeding the cap from **25% to 50%**, in line with measures adopted by the United States and Canada.
3. Identify the country in which the steel has originally been **melted and poured**.
4. **Make safeguards permanent** but include **periodic reviews** to ensure quotas and tariffs remain aligned with EU demand

These actions are necessary to secure fair competition, protect sustainable European production, and prevent import surges that threaten jobs, innovation, and decarbonization.

Context: The Need for Robust Trade Defence

Steel imports into the European Union were originally duty-free. Since 2019, the EU's Safeguard Measure on certain steel products has imposed tariff rate quotas (TRQs) and additional duties to counter global overcapacity and unfair trade practices, particularly from Asia.

The current safeguards are not efficient enough and the EU steel industry faces a challenging situation exacerbated by an increase of global overcapacity, together with a continued decrease in EU demand for steel. These circumstances rightly require a reassessment of the distribution of tariff quotas.

We must regain our competitive edge and ensure the EU's strategic autonomy in the current geopolitical reality. EU's economic resilience guarantees Europe's energy, climate, and environmental transition. The trade defence measures will protect Europe's competitiveness, attract investments, and generate jobs. Europe needs to keep its industrial base competitive and a new and more efficient mechanism is needed to ensure continuity and resilience of the European steel sector.

Tariff Rate Quotas – The Most Effective Protection

Outokumpu supports **global Tariff Rate Quotas (TRQs)** as the most appropriate and effective instrument to protect the European steel industry from the effects of global excess capacity.

To be effective, new TRQs should:

- **Be linked to import market shares** from a period of weak demand (e.g. 2012–2013), reflecting today's market conditions.



- Be permanent but include **periodic reviews** to ensure quotas and tariffs remain aligned with EU demand.
- Have **above-quota tariffs** that effectively limit imports to sustainable levels supporting healthy EU capacity utilization and profitability.

A **review mechanism** must be built into the system to assess effectiveness based on transparent market data and enable **swift corrective action** where necessary. Emergency reviews should be triggered by sudden or extraordinary demand shocks.

Per-Country Limits to Ensure Fair Competition

Strict **per-country caps** on steel imports are crucial. During the previous safeguard, smaller supplier countries without specific quotas suffered from the **crowding-out effect** caused by Chinese overcapacity displacing exports from third countries.

A clear per-country limit:

- Prevents aggressive export surges,
- Reduces circumvention risks, and
- Ensures a fair balance for all operators in the European value chain.

No Carry-Over of Unused Quotas

Outokumpu welcomes the proposal **not to allow carry-over** of unused TRQs between quarters. Rolling over unused quotas can cause **short-term import surges**, distorting the EU market and undermining stability. A quarterly reset preserves predictability and helps the EU industry plan production efficiently.

Sustainability: Safeguarding Europe's Climate Leadership

Europe's stainless steel industry is a **global leader in sustainability**, using mainly scrap as raw material. This results in a significantly lower carbon footprint compared to production based on **Indonesian nickel pig iron (NPI)** and coal-intensive processes in Asia.

Allowing NPI-based stainless steel to dominate the EU market would:

- Increase Europe's overall carbon footprint,
- Undermine circular material use,
- Reduce European smelting capacity, and
- Create dependency on Indonesian and Chinese supply chains.



Outokumpu's average product carbon footprint (2024): 1.6 kg CO₂e per kg of stainless steel and Circle Green steel 0,5 kg CO₂e per kg of stainless steel

Global average (2024): 7 kg CO₂e per kg of stainless steel

(Source: Outokumpu calculation based on CRU, worldstainless, and Kobil & Partners AB data)

Background and Outlook

The new trade defence framework aims to counter **global overcapacities and market distortions**, particularly from China and other state-subsidized producers.

The situation is aggravated by the **50% U.S. tariff on steel imports**, which diverts global excess production toward the EU. Without firm action, Europe risks becoming the world's **dumping ground for cheap, high-carbon steel**.

Outokumpu therefore calls for **urgent adoption** and swift implementation of the proposed new measures — ideally before the current safeguards expire in **June 2026** — to maintain industrial competitiveness, support the EU Green Deal objectives, and secure Europe's strategic autonomy.

Conclusion

Strong and permanent EU trade defence measures are essential to:

- Protect Europe's strategic industrial capacity,
- Enable sustainable and circular production,
- Safeguard jobs and innovation, and
- Maintain Europe's climate leadership.

Outokumpu stands ready to work with the European Commission, Member States, and industry stakeholders to ensure these measures are implemented effectively and fairly.

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Outokumpu Corporation

About Outokumpu

Outokumpu is the European market leader in stainless steel and the second largest in the Americas. Our turnover in 2024 stood at EUR 5.9 billion and our European production is in Finland, Germany and Sweden. We also have the only chromium mine in the EU, which is a critical raw material for producing stainless steel. Our business is based on the circular economy with over 90% recycled material content – enabling up to 75% lower carbon footprint compared to the industry average. Outokumpu also brought to the market the first towards-zero stainless steel which has up to 93% lower carbon footprint.