

Statement on U.S. steel tariffs by EUROFER President, Dr. Henrik Adam

Brussels, 11 February 2025

“The Executive Order signed by U.S. President Donald Trump imposing a 25% blanket tariff on all steel imports is a radical escalation of the trade war launched under his first administration. It will further worsen the situation of the European steel industry, exacerbating an already dire market environment.

Under the current implementation of Section 232 European steel producers had exemptions and the European Commission had negotiated a Tariff Rate Quota (TRQ). Despite exemptions and TRQs, the EU steel imports in the U.S. decreased by over 1 million tonnes per year.

If all product exemptions and TRQs are now removed, the EU could lose up to 3.7 million tonnes of steel exports to the U.S. The U.S. is one of the most important export markets for EU steel, representing 16% of the total EU steel exports in 2024 and the second export market for EU steel producers. Losing a significant part of these exports cannot be compensated by EU exports to other markets.

Additionally, this move risks causing significant, new trade flow deviations. In 2024, the U.S. imported about 23 million tonnes of steel products from third countries other than the EU. These volumes are now likely to be massively diverted into the European market.

Already today global steel overcapacity is being off-loaded massively on the vulnerable EU steel market at very cheap prices, mainly from Asia, North-Africa and the Middle East. This is leading to the inability to invest in the green transition and ultimately de-industrialisation of Europe. In 2024 alone, the EU steel industry had to close 9 million tonnes of capacity with over 18,000 job cuts announced. The Executive Order by President Trump will inevitably further exacerbate the situation.

The need for decisive EU action to preserve the European steel industry becomes even more urgent. Key measures we are expecting from the EU are:

- 1. **The revision of the current EU safeguard regime with impactful measures as a matter of urgency** to reflect the dramatic market and trade conditions. The EU safeguard was set up to contain the deflection caused by the first Section 232 action in 2018, but over the period of the last six years the safeguard has lost its effectiveness due to the increase of quota in the face of decreasing demand, by allowing imports to gain significant market shares in the EU.*

- 2. The continuation of a comprehensive tariffication system as an absolute necessity, as the current EU safeguard measure will terminate in less than a year and a half (end of June 2026) while global steel excess capacity is worsening and steel protectionism is increasing worldwide. It is important to note that WTO rules do not prohibit comprehensive tariffication as such.*

Without an immediate tightening of the current safeguard quota regime, the deflection provoked by the new U.S. steel tariffs will inevitably push EU steel capacity into additional idling and, ultimately, closure.”

Notes for editors

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 full members are steel companies and national steel federations throughout the EU. The major steel companies and national steel federations in Turkey, Ukraine and the United Kingdom are 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 €191 billion and directly employs around 303,000 highly-skilled people, producing on average 140 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.