

(English version)

**Question for written answer E-001522/24
to the Commission
Engin Eroglu (Renew)
(19 August 2024)**

Subject: Steel production and Europe's lack of autonomy

The steel industry is the first link in almost all industrial and regional connectivity value chains, making it one of the core building blocks for a strategically autonomous Europe.

The People's Republic of China is the world's largest crude steel producer, accounting for 54% of production. Trailing far behind is India in second place on 6.6% and Japan in third on 4.7%. As the only EU Member State to make it into the top ten steel producers, Germany is ranked seventh on 2%.

For years, global overcapacity and unfair trade practices have been distorting international trade in steel, creating serious disruption on Europe's steel market.

An effective course of action is in order. We need to deploy EU protective measures and other trade defence instruments.

1. Is the Commission aware of any illegal state aid that the Chinese Government might be providing for Chinese steel production?
2. What steps is the Commission taking to reduce the EU's dependence on certain countries for steel?
3. What measures is it using to encourage the recycling of steel?

Submitted: 19.8.2024

**Answer given by Executive Vice-President Dombrovskis on behalf of the European Commission
(6 November 2024)**

The Commission is committed to fight unfair and injurious trade practices. It has 198 trade defence measures in place: 88 of these concern China and 74 concern steel products.

The Commission has tackled many of China's subsidies in the steel sector by imposing anti-subsidy measures. The EU is the only jurisdiction to have countervailed cross border support provided by China to companies located outside China e.g. countervailed financial support provided by China to Indonesian subsidiaries of Chinese companies exporting steel to the EU.

The EU is the world's largest steel importer with many countries supplying the EU market, in all market segments. The EU steel industry holds 78% of EU market share. The steel safeguard ensures that a diversity of origins can still supply the EU market in all market segments.

Boosting steel scrap use is the fastest, cheapest contribution to decarbonise the steel industry and reduce EU's dependence, but demand for high-quality steel scrap faces significant competition ⁽¹⁾.

While the recycling rate for steel from end-of-life vehicles is high, the uptake of recycled steel, for instance by the automotive sector, is very limited.

Hence, in the proposal on circularity requirements for vehicle design and on management of end-of-life vehicles ⁽²⁾, the Commission formulated measures to better separate materials, to encourage higher quality recycling, to enable the EU to become more self-sufficient.

The same proposal will explore setting recycled content targets for steel to address investments in the uptake of more recycled materials.

The Commission is working on a study to lay the ground for potential ecodesign requirements for iron and steel products under the Ecodesign for Sustainable Products Regulation ⁽³⁾.

⁽¹⁾ See the measures on steel recycled content and higher quality recycling in respectively Annex 7.2.2 of the impact assessment of the end-of-life vehicles Regulation proposal: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=SWD%3A2023%3A256%3AFIN&qid=1689321960044>

⁽²⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2023%3A451%3AFIN&qid=1689318552193>

⁽³⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1781&qid=1719580391746>