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Answer given by Executive Vice-President Séjourné
on behalf of the European Commission
(2.7.2025)

The Steel and Metals Action Plan¹ aims to maintain and expand European industrial capacities in the steel and metals sectors. In particular, the Commission announced the adjustment of the existing steel safeguard that entered into force on 1 April 2025 and committed to propose no later than third quarter 2025² a trade measure replacing the steel safeguards, providing a highly effective level of protection against negative trade-related effects caused by global overcapacities.

European electricity market design reform strengthens the role of power purchase agreements and contracts for difference to stabilise electricity prices.

The Action Plan for Affordable Energy³ sets out measures to encourage lower electricity taxation levels and more efficient network charges, and to enhance energy efficiency, renewable energy deployment, accelerating permitting and reducing systems costs. These efforts will help bring down energy costs.

The Commission adopted a first set of retaliatory measures against the unilateral imposition by the United States (US) administration of new tariffs on EU steel and aluminum imports – initially set at 25% and later increased to 50% - but decided to suspend those measures for 90 days. This suspension has created the necessary space for negotiations, which are now underway. Should these negotiations not result in a mutually beneficial outcome, EU tariffs will automatically enter into force. In addition, the Commission has also launched a public consultation on additional US imports which could become subject to EU response and has further prepared other countermeasures possible under EU legislation.

On 26 February 2025, the Commission adopted its proposal to simplify the Carbon Border Adjustment Mechanism⁴ (CBAM) by exempting importers of under 50 tonnes of iron and steel, aluminum, fertilisers and cement. This would exempt about 90% of importers while still covering 99% of emissions, maintaining strong protection against carbon leakage. On 18 June 2025, agreement was reached in trilogues with co-legislators. The proposed exemption was not altered on substance. The Commission is also working on solutions for carbon leakage for CBAM goods exported from the EU to third countries, on expanding the CBAM's scope to certain downstream products and introducing anti-circumvention measures.

¹ https://ec.europa.eu/commission/presscorner/detail/en/ip_25_805.

² https://ec.europa.eu/commission/presscorner/detail/fr/mex_25_872.

³ https://energy.ec.europa.eu/publications/action-plan-affordable-energy-unlocking-true-value-our-energy-union-secure-affordable-efficient-and_en.

⁴ https://taxation-customs.ec.europa.eu/news/cbam-new-commission-proposal-will-simplify-and-strengthen-2025-02-26_en#:~:text=As%20part%20of%20this%2C%20the,exemption%20of%2050%20tonnes%20mass.