

(English version)

Question for written answer E-004266/25
to the Commission
Sofie Eriksson (S&D)
(30 October 2025)

Subject: Relationship between the Commission's steel tariff mechanism proposal and CBAM

In its European steel and metals action plan of 19 March 2025, the Commission announced that, by the fourth quarter of 2025 at the latest, it would conduct a comprehensive review of CBAM, accompanied by an anti-circumvention strategy and by an initial legislative proposal to extend the scope of CBAM to certain steel- and aluminium-intensive downstream products and include additional anti-circumvention measures. This was followed by a general consultation completed on 25 August 2025. We are currently awaiting the Commission's proposal for a legislative act. At the same time, EU legislators are currently discussing the proposal for a regulation on addressing the trade-related effects of global overcapacity on the Union steel market (COM(2025)0726), which sheds light on the relationship between these two sets of rules.

1. How does the Commission view the relationship between COM(2025)0726 and CBAM in the event that an item's tariff code is covered by both sets of rules?
2. Does an overlap mean that importers might have to pay fees under CBAM and under the new tariff mechanism, i.e. the cost of emissions plus 50% *ad valorem*?
3. To make things more predictable, can the Commission bring forward an overlap analysis on which products are covered by both CBAM and COM(2025)0726?

Submitted: 30.10.2025

Answer given by Mr Šefčovič on behalf of the European Commission
(19 January 2026)

The steel industry is a strategic industry for the EU's economy, for its strategic autonomy and for supporting its successful decarbonisation.

Therefore, on 7 October 2025 the Commission adopted a proposal to address the negative trade-related effects of global overcapacity on the EU steel market.

The proposal seeks to substantially limit the volume of free-of-duty quotas and to increase the out-of-quota duty to 50%, applicable against all origins except the European economic area countries which are uniquely integrated through bilateral agreement.

The proposed measure, if adopted, is independent from the Carbon Border Adjustment Mechanism (CBAM) ⁽¹⁾, that is entering into its definitive phase on 1 January 2026.

If an item's commodity code is covered by both sets of rules, both the proposed tariff measure and the CBAM financial liability would apply due to the distinct legal basis pursuing different policy objectives.

The CBAM aims at addressing the risk of carbon leakage and the steel measure addresses the negative trade-related effects of global overcapacity, therefore both need to apply to ensure effectiveness of the respective instruments. The overlap between the Combined Nomenclature codes covered by the proposed Steel Safeguard Measures and the CBAM is 299 codes.

Furthermore, on 17 December 2025, the Commission presented a comprehensive review of CBAM, as well as proposed a legislative initiative to extend to scope of CBAM to downstream goods and include additional anti-circumvention measures.

⁽¹⁾ https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en.