



## Commission's Action Plan to secure a competitive and decarbonised steel and metals industry in Europe

Brussels, 19 March 2025

Today, the Commission takes action to maintain and expand European industrial capacities in the steel and metals sectors. The [Action Plan](#) on Steel and Metals is designed to strengthen the sector's competitiveness and safeguard the industry's future.

The European steel industry is fundamental for European economy, providing inputs to critical sectors such as automotive, clean tech, and defence. A strong steel and metals industry in Europe is crucial to guarantee the EU's security in the current geopolitical context and to deliver on the "[ReArm Europe Plan/Readiness 2030](#)" also presented today. At the same time, this sector is at a critical turning point, challenged by high energy costs, unfair global competition, and the need for investments to reduce greenhouse gas emissions. The Plan is delivered in a time when market distorting measures, such as non-market support to global overcapacities and unjustified tariffs on EU steel and aluminium, can negatively impact our economy.

Commission President, **Ursula von der Leyen**, said: *"The steel industry has always been a core engine for European prosperity. Next-generation, clean steel should therefore continue to be manufactured in Europe. That means we have to help our steelmakers who are facing strong headwinds on the global market. To make sure they remain competitive, we must reduce energy costs and help them introduce innovative, low-carbon technologies to the market. With today's Action Plan we are offering concrete solutions for a thriving European steel industry."*

With this Action Plan, the Commission supports these sectors in facing the current challenges in the short to medium term. The sector-specific priority measures are the result of an inclusive and collaborative process, which involved multiple discussions and stakeholder engagement, including the [Steel Dialogue](#) that took place on 4 March 2025. The Action Plan will:

- **Ensure an affordable and secure energy supply for the sector:** Energy costs represent a larger share of production costs for metals than for other sectors. The Action Plan promotes the use of Power Purchase Agreements (PPAs) and encourages Member States to leverage energy tax flexibility and reduced network tariffs to alleviate electricity price volatility. The Plan **promotes faster grid access** for energy-intensive industries and supports the increased use of renewable and low-carbon hydrogen within the sectors.
- **Prevent carbon leakage:** The Carbon Border Adjustment Mechanism (CBAM) must ensure a level playing field. It should also ensure that non-EU industries do not "greenwash" their metals to appear low-carbon while still relying on high-emission energy sources. In the second quarter of this year, the Commission will issue a communication on how to address the problem of carbon leakage for CBAM goods exported from the EU to third countries. In addition, the Commission will conduct a review of CBAM, with a first legislative proposal by the end of 2025 extending the scope of CBAM to certain steel and aluminium-based downstream products and including additional anti-circumvention measures.
- **Expand and protect European industrial capacities:** Global overcapacity is a serious threat to the profitability and competitiveness of this sector. The EU has already acted with trade defence measures against unfair competition in steel, aluminium, and ferroalloys, but the situation continues to worsen. This is why the Commission is tightening the current steel safeguards. Before the end of the year, the Commission will propose a new long-term measure to maintain highly effective protection of the EU's steel sector once the current safeguard expires in mid-2026. To prevent exporters from bypassing trade defence measures, the Commission will also assess the introduction of the "**melted and poured rule**" to determine the origin of metal goods.

- **Promote Circularity:** Improving recycling is crucial for cutting emissions and energy use in the metals industry. The Commission plans to set targets for recycled steel and aluminium in key sectors and assess whether more products, like construction materials and electronics, should have recycling or recycled content requirements. Additionally, the Commission will consider trade measures on **metal scrap**, a vital input for decarbonised steel, to ensure sufficient availability of scrap.
- **De-risking decarbonisation:** The future Industrial Decarbonisation Accelerator Act will introduce **resilience and sustainability criteria** for European products in public procurement to boost demand for EU-produced low-carbon metals, creating lead markets. The Commission will allocate **€150 million** through the **Research Fund for Coal and Steel in 2026-27**, with an additional **€600 million via Horizon Europe** devoted to the Clean Industrial Deal. At the scale-up stage, the Commission targets **€100 billion** through the Industrial Decarbonisation Bank, drawing on the **Innovation Fund** and other sources, with a €1 billion pilot auction in 2025 focusing on decarbonising and electrifying key industrial processes.
- **Protect quality industrial jobs:** The steel and metals industry are vital to the EU economy, employing directly and indirectly nearly 2.6 million people. Active labour policies will support skills development and fair job transitions. The European Fair Transition Observatory and the Quality Jobs Roadmap, part of the Clean Industrial Deal, will oversee employment impacts, ensuring workers' rights are protected.

## Background

The Action Plan for Steel and Metals builds on measures from the [Clean Industrial Deal](#) and the [Action Plan for Affordable Energy](#). The Action Plan follows the strategic dialogue chaired by the President of the Commission and the Executive Vice-President in charge of the Prosperity and Industrial Strategy. It is the second sectorial plan of this Commission after the automotive industry action plan presented the 5<sup>th</sup> of March 2025. The plan also drew on insights from the [Transition Pathway](#) for the metals sectors, published together with this action plan, providing additional background and bottom-up analysis of the needs and challenges of the metals industries and the views expressed by the different stakeholders.

The European steel industry, with approximately 500 production sites across 22 Member States, contributes around €80 billion to the EU's GDP and supports over 2.6 million jobs.

## For More Information

[Action Plan on Steel and Metals](#)

[Questions & Answers](#)

[Factsheet](#)

[Speech by Executive Vice-President Séjourné](#)

[President von der Leyen launches Strategic Dialogue on the Future of the Steel sector](#)

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Quote(s):

*"The steel industry has always been a core engine for European prosperity. Next-generation, clean steel should therefore continue to be manufactured in Europe. That means we have to help our steelmakers who are facing strong headwinds on the global market. To make sure they remain competitive, we must reduce energy costs and help them introduce innovative, low-carbon technologies to the market. With today's Action Plan we are offering concrete solutions for a thriving European steel industry."*  
 Ursula von der Leyen, President of the European Commission - 19/03/2025

*"The European Steel and Metals Action Plan will protect our industry from unfair commercial practices, consolidate our decarbonisation strategy and boost domestic demand for low-carbon industrial products. We owe this to all European economic sectors that rely on a strong EU steel and metals industry, to all the workers in our steel plants and to our next generations that will inherit a European Union with an independent and prosperous industry. There can be no reindustrialisation, and no European path to climate neutrality without a resilient steel and metals industrial base within the borders of the EU."*  
 Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy - 19/03/2025

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[Press conference by Stéphane Séjourné, Executive Vice-President of the European Commission, on the Steel and Metals Action Plan](#)