

THE EUROPEAN STEEL PROCESSORS ASSOCIATION

FOR A FAIR AND EFFECTIVE STEEL FRAMEWORK: PROTECTING THE ENTIRE EU STEEL VALUE CHAIN

The European Steel Processors Association (ESPA) acknowledges the European Parliament's diligent work on the new trade mechanism and fully supports the objective of protecting the European steel ecosystem against distortions caused by global overcapacity.

In this context, we would like to share our position on the European Parliament's stance on the "melted and poured" (M&P) criterion in the ongoing trilogue negotiations on the proposed Regulation addressing the negative trade-related effects of global overcapacity on the EU steel market.

ESPA is concerned that if the M&P provision is implemented without appropriate safeguards and careful consideration, the new framework risks introducing substantive effects on origin definition, quota management and the EU trade policy in general.

In particular, the new framework risks:

- Penalising steel processing companies that have operated legitimately within the Union for over five decades, such as Marcegaglia, Vítkovice Steel or NBH, and represent a core component of the European industrial fabric.
- Redefining the existing rules of origin and replacing the WTO-compliant approach with the new method, not yet validated in practice.

A rigid and premature implementation of M&P, particularly where the origin of the steel input differs from the country of export of the final product, would create serious uncertainty in TRQ management and market predictability, putting at risk long-established EU processing steel plants.

As the European Union is placing renewed emphasis on industrial resilience, strategic autonomy and safeguarding its industry, it is essential that policy choices reinforce the European industrial base, including steel processors that generate a substantial share of value added and employment across the steel value chain.

ESPA therefore respectfully calls on the European institutions to take into account the following key recommendations in the context of the trilogue negotiations:

- A gradual, data-driven approach for the M&P concept is implemented to avoid market and supply chain disruption.
- The M&P concept is strictly limited to transparency and traceability purposes and is not used as a determinant for quota allocation or market access restrictions without a dedicated impact assessment and legislative review.
- Existing WTO-compliant rules of origin remain unchanged and are not replaced by a de facto new origin regime.
- Anti-circumvention concerns are addressed through strengthened transparency, traceability and enforcement mechanisms rather than structural changes to origin definitions.
- The final framework guarantees legal certainty, supply continuity and diversified sourcing for EU steel processors and re-rollers.

Establish practical and reliable tools for verifying M&P information, ensuring that compliance requirements remain proportionate and operationally feasible for industry.

ESPA remains at your disposal to continue engaging constructively with Members of the European Parliament and would welcome the opportunity to meet to safeguard competitiveness, employment, and legal certainty for the European steel processing industry.