



# Policy developments in the EU impacting Base Metal Trade Flows

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Context

## COMPETITIVENESS COMPASS

Decarbonisation and competitiveness

Closing the innovation gap

Simplification

Reducing excessive dependencies and increasing security

Single Market

Coordination

Financing competitiveness

Skills & quality jobs

# Clean Industrial Deal



The Clean Industrial Deal is our business plan to **accelerate decarbonisation and competitiveness** for European industry - by boosting innovation and reinforcing our resilience.

Become **climate neutral by 2050**

## The Clean Industrial Deal **focuses on:**



### Energy-intensive industries

to safeguard competitiveness  
from high energy costs and  
unfair global competition



### Clean-tech sector

to allow it to expand in the EU  
as it is a key enabler of competitiveness  
and decarbonisation



## Clean Industrial Deal

- With rising geopolitical tensions, slow economic growth and technological competition, competitiveness and decarbonisation is also a security imperative.
- The EU and its industry face three urgent challenges once: climate crisis, competitiveness concerns and economic resilience.
- Initiatives to strengthen the business case for competitiveness and decarbonisation. Focus on Energy-intensive industries and clean-tech sectors
- 6 core business drivers (+ business enablers, including simplification):

Affordable Energy

Lead Markets

Financing

Circularity and Access to Materials

Global Markets and International Partnerships

Skills Enhancement

5



## Lead Markets

- Foster demand for clean products by strengthening non-price criteria: sustainability, resilience & Made in EU content requirements:**
  - Industrial Decarbonisation Accelerator Act (Q4 2025)
  - Public Procurement Framework (Q4 2026)
- Use of non-price and Made in EU criteria** in EU budget, national support programmes, as well as public and private procurement
- Product labels/standards** on carbon intensity to allow business to reap a “green premium” and inform consumers: Industrial Decarbonisation Accelerator Act (steel), Construction Product Regulation (cement)
- Stronger hydrogen business case:** clearer rules on low carbon hydrogen (Q1 2025); Hydrogen Mechanism to facilitate demand aggregation by industrial users (Q2 2025)



## Circularity and Access to Materials

- **Critical Raw Materials Act:** First list of Strategic Projects to step up supply chain resilience (approved March 2025)
- **EU Critical Raw Materials Centre** for joint purchases and management of strategic stockpiles (Q4 2026)
- **Ecodesign for Sustainable Product Regulation work plan adoption** (Q2 2025) and **Circular Economy Act** to ensure a true Single Market for waste and for secondary materials (Q4 2026)
- **Specific measures on black mass**
- **KPI** - Increase circular material use rate from 11.8% today to 24% by 2030



## Global Markets and International Partnerships

- Better access via **international partnerships and more targeted international cooperation**: launch negotiations for first Clean Trade and Investment Partnership;
- **Carbon Border Adjustment Mechanism (CBAM)**: Simplify (Q1 2025); review to possibly extend to other sectors (including downstream), support exporters, close loopholes (review Q3 2025, legislative proposal Q1 2026)
- **Promote and protect EU industry**:
  - Fast and efficient use of Trade Defence Instruments
  - FDI Screening Regulation review: opportunity to reduce differences in national policies
  - Foreign Subsidies Regulation: guidelines (Q1 2026); ex-officio investigations

# Steel and Metals Action Plan



Our European Union was built on a community of coal and steel. Today, this sector is a key building block of Europe's green and digital transition and defence capabilities, and more broadly of the EU's economic security and social stability.



## Steel and Metals Action Plan

- Steel and metals sectors are **vital for the EU's economic security and social stability**; the Competitiveness Compass identified steel and metals as a key area for action.
- These sectors all share major **common challenges** for their competitiveness: high energy costs, exposure to an unlevel playing field in the international competition, decarbonisation investment needs and regulatory burden.
- It follows the **Clean Industrial Deal** and the **Action Plan for Affordable Energy**, adopted on 26 February, which announced horizontal measures to support competitiveness and reduce energy prices.
- The Clean Industrial Deal is Europe's overall agenda for decarbonisation and competitiveness, but it needs to be complemented with more **sector-specific measures**, especially for the sectors that need it the most, such as automotive (action plan adopted 4 March) and steel and metals (action plan adopted 19 March).



## Steel and Metals Action Plan – scope and key pillars

- The **scope** of the Steel and Metals Action Plan include steel, aluminium, **copper, nickel** and ferro-alloys.
- Steel and Metals Action Plan is structured around six main pillars:
  1. ensuring clean, abundant, and affordable **energy**;
  2. preventing **carbon leakage**;
  3. promoting and protecting European **industrial capacity**;
  4. promoting the **circularity of metals**;
  5. defending quality **industrial jobs**; and
  6. de-risking investments through **lead markets** and **support to investments**.



## Steel and Metals Action Plan – key actions

### **Ensuring abundant and affordable clean energy**

- On energy, the Action Plan, provides further clarity on (1) ongoing and upcoming actions announced in the Action Plan for Affordable Energy, (2) the possibilities under the State aid rules, (3) addressing potential barriers to Power Purchasing Agreements for the energy-intensive industries, and (4) the additional measures to facilitate and accelerate grid access for the energy intensive industries.
- The Commission will also work towards ensuring adequate measures for indirect ETS cost compensation post-2030.

### **Preventing carbon leakage**

- By Q2 2025, the Commission will issue a communication providing analysis and options on how to address the problem of carbon leakage for CBAM goods exported from the EU to third countries
- By Q4 2025, the Commission will conduct a comprehensive review of CBAM, accompanied by an anti-circumvention strategy and by a first legislative proposal extending the scope of CBAM to certain steel and aluminium-intensive downstream products and including additional anti-circumvention measures.



## Steel and Metals Action Plan – key actions, continued

### **Promoting and protecting European industrial capacities**

- We announced adjustment to the steel safeguards on 1 April, and no later than Q3 2025, the Commission will propose a trade measure replacing the steel safeguards as of 1 July 2026, providing a highly effective level of protection against negative trade-related effects caused by global overcapacities.

### **Promoting circularity for metals**

- The Commission will work on stimulating demand for recycled metals by using tools such as recycled content obligations in various product groups and by Q3 2025 at the latest, the Commission will consider trade measures to ensure sufficient availability of metal scrap.



## Steel and Metals Action Plan – key actions, continued

### **De-risking through lead markets and support to investments**

- In Q4 2025, the Commission will propose as part of the Industrial Decarbonisation Accelerator Act to introduce resilience and sustainability criteria to strengthen production of EU-made clean products.
- In Q4/2025, the Commission will propose a reform of the Research Fund for Coal and Steel.
- In 2025, in view of the future Industrial Decarbonisation Bank, the Commission will launch a EUR 1 billion pilot auction supporting industrial decarbonisation and electrification of key industrial processes across various sectors, thus also facilitating the electrification of steel and metal industrial processes.

# Strategic Projects in the EU under the Critical Raw Materials Act



## Benchmarks in the Critical Raw Materials Act

### Strategic Projects must ensure that

- EU's **extraction** capacity cover at least **10%** of the EU's strategic raw materials consumption
- EU's **processing** capacity cover at least **40%** of the EU's strategic raw materials consumption
- EU's **recycling** capacity cover at least **25%** of the EU's strategic raw materials consumption



## Background

The Critical Raw Materials Act entered into force on 23 May 2024.

The same day, the European Commission published a call for submission of proposals for recognition of projects as Strategic Projects with a cut-off date on 22 August 2024.

Applications considered complete were assessed by the Commission with the support of external experts to check the projects meet relevant criteria under the CRMA.

Based on this assessment, the European Commission identified a list of projects for the extraction, processing, recycling or substitution of strategic raw materials.

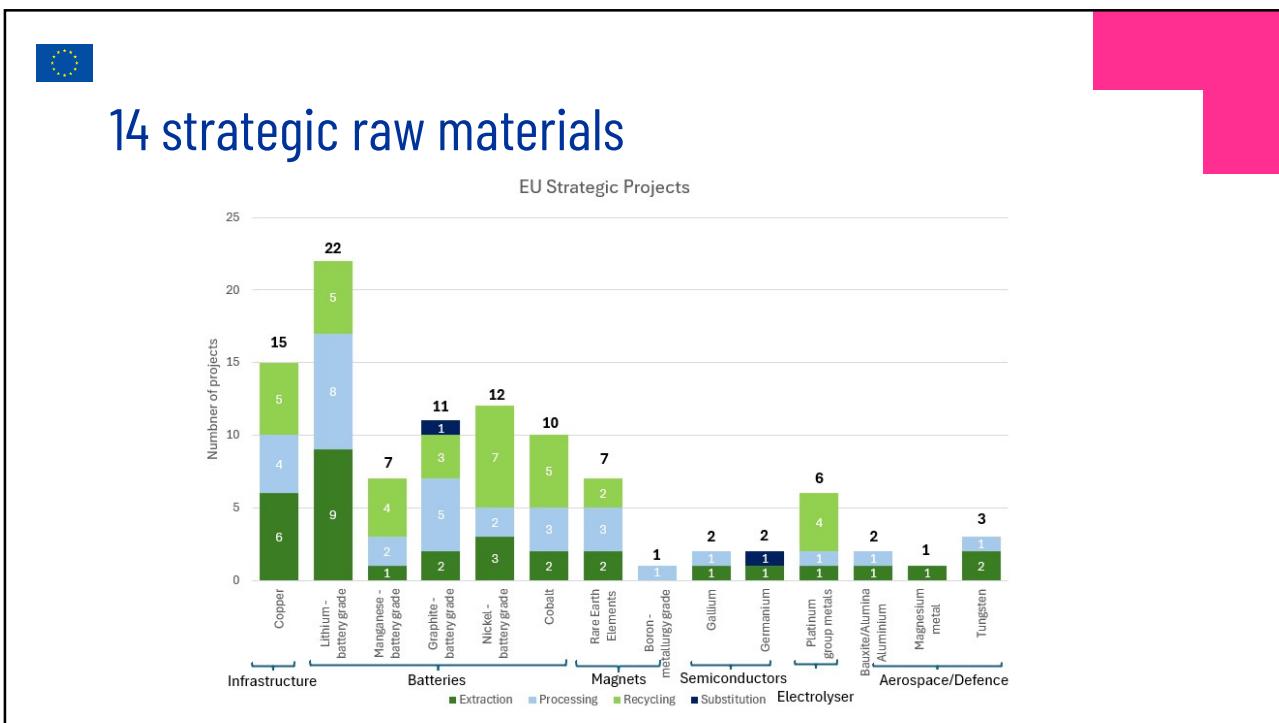
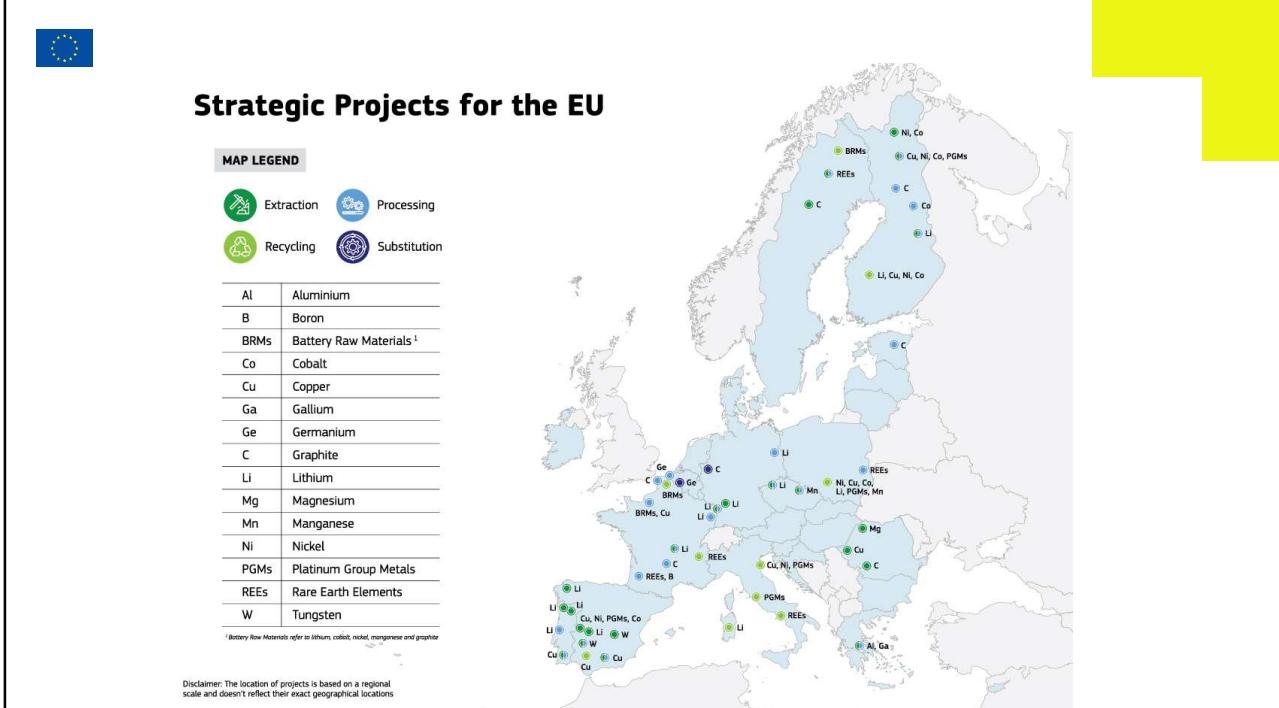


## Selection

- **124 EU projects applied then, the first list of 47 Strategic Projects selected to:**
  - Strengthen the European raw materials value chain
  - Diversify EU supply sources and limit dependencies
  - Provide our industry with the raw materials needed for EU's green and digital transition and for defence and security
- **Projects outside the EU will be published in the coming weeks**

### **Strategic Projects will benefit from:**

- Streamlined permitting and pre-set permitting length: 27 months for extraction projects and 15 months for others
- Coordinated support for access to finance
- Support to connect with relevant off-takers



# EU - US tariffs



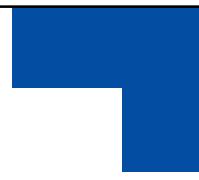
## Latest developments on EU-US tariffs

On 10 February 2025, the US announced that it would impose 25% tariffs on imports of steel and aluminium and derivative products. These US tariffs were imposed on 12 March.

In response, the EU announced a swift and proportionate plan to impose countermeasures on US goods exports, while consistently stating its preference for finding a negotiated solution with the US.

On 9 April, EU Member States voted in favour of the European Commission's proposal. Later on 9 April, the US announced a 90-day pause on all universal tariffs impacting the EU, and the EU swiftly responded by announcing a pause on its intended countermeasures.

On 14 April, the Commission adopted two implementing acts – one that adopts the EU countermeasures, and another act that immediately suspends them.



**THANK YOU.**