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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (part 2)
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Subject:	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL addressing the negative trade-related effects of global overcapacity on the Union steel market- Presidency debriefing on the outcome of the trilogue

I. INTRODUCTION

1. On 7 October 2025, the European Commission submitted to the Council its proposal for a Regulation addressing the effects of global overcapacity on the EU steel market (documents ST 13702/25 INIT, ST 13702/25 ADD 1 and ST 13702/25 ADD 2). The proposal is intended to replace the current steel safeguard measure, which will expire on 30 June 2026.

2. On 12 December 2025, the Permanent Representatives Committee agreed on a mandate for negotiations with the European Parliament (ST 16902/25). The European Parliament adopted its position at first reading in plenary on 11 February 2026, thereby enabling the start of interinstitutional negotiations.

3. On 23 February 2026, a first political trilogue took place, followed by interinstitutional technical meetings held on 26 February and on 3, 4 and 12 March 2026. A second political trilogue was held on 17 March 2026. Despite the progress achieved on a number of elements and the Commission's efforts to put forward compromise solutions, and contrary to expectations, it was not possible to reach a political agreement. Divergences remained concerning the product scope and its review, the treatment of imports of steel melted and poured in Russia and Belarus, and the carry-over mechanism, as well as the need for further work on certain elements, including the "melt and pour" requirement. On 20 and 23 March 2026, additional interinstitutional meetings took place.

4. Additional interinstitutional technical meetings took place on 20 and 23 March 2026, with a view to further narrowing the differences between the co-legislators. The outcome of the second trilogue was presented to the Permanent Representatives Committee on 27 March 2026.

5. Following further guidance provided by the Permanent Representatives Committee on 1 April 2026, and subsequent discussions at the Working Party on Trade Questions on 8 April 2026, technical contacts continued with a view to preparing the third political trilogue. On that basis, the Presidency confirmed additional flexibility on the outstanding issues with the European Parliament, in particular on carry-over and the joint statement on imports from Russia and Belarus.

6. During technical discussions, convergence was reached on a number of key elements, including the structure of the Regulation, the three-stage approach to the "melt and pour" requirement, reinforced language concerning Ukraine, on the criteria under Articles 4 and 6, on Union interest and the alignment of provisions related to governance, including review timelines, the annual report and the creation of an online contact point.

7. Against this background, the main items discussed in the agenda of the third trilogue of 13 April 2026 were the product scope and its review, the joint statement on imports from Russia, carry-over of unused quotas, as well as the criterion of significant price increases in Article 6.

8. The Cyprus Presidency and the European Parliament reached a provisional political agreement during the trilogue held on 13 April 2026.

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II. ELEMENTS OF THE FINAL COMPROMISE TEXT

9. Several open issues were discussed during the trilogue. The compromises reached, as well as the final articulation of the compromise package, are presented below.

10. The Presidency defended successfully the Council mandate on carry-over of unused volumes as a key element of the Regulation. The agreement provides that, during the first year of application, unused import volumes may be carried over from one quarter to the next for all product categories, in order to provide flexibility for economic operators and support supply chains. From the second year onwards, the Commission will determine whether such quarterly carry-over should be allowed for specific product categories, based on certain criteria. These include factors such as the level of import pressure, the rate of quota utilisation and the availability of supply for downstream industries, with a view to preventing market disturbances while ensuring sufficient supply.

11. The Presidency showed certain flexibilities in areas which were important for the Parliament, while preserving the overall balance and main elements of the agreement, in particular as regards governance provisions, the strengthening of certain criteria under Articles 4 and 6, and enhanced wording concerning Ukraine.

12. As regards the product scope, the final compromise maintains the scope of the Regulation as proposed by the Commission and supported by the Council, while providing for an earlier targeted review within six months of four additional product categories, thereby addressing the European Parliament's concerns without affecting the legal robustness of the measure. A second review will take place within twelve months, allowing the Commission to assess whether further adjustments are needed, in particular with regard to products made of or containing a significant amount of steel, in light of market developments and possible risks of circumvention. Consecutive scope reviews will take place every 2 years thereafter.

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13. As regards the imports from Russia, the co-legislators and the Commission agreed on a joint declaration accompanying the Regulation, reaffirming their commitment to reducing economic dependencies on Russia, including through efforts to diversify sources of steel imports and with a view to the gradual phase-out of imports of Russian steel products. This solution reflects a balanced approach, taking into account the political concerns expressed by co-legislators while respecting the institutional framework and the distinction between the common commercial policy and the common foreign and security policy.

14. The provisional political agreement also included other remaining elements, such as the three-stage approach to the "melt and pour" requirement, reinforced language concerning Ukraine, on the criteria under Articles 4 and 6, on union interest, review timelines, the annual report, and the creation of an online contact point, as part of the final package.

15. In light of the above, the Presidency considers this to be a balanced compromise package that fully takes into account the main concerns expressed by delegations, while ensuring an effective, legally robust and operational instrument to address the effects of global overcapacity on the Union steel market.

III. THE WAY FORWARD/CONCLUSIONS

16. At the end of the trilogue, co-legislators agreed on the finalisation of the draft text of this Regulation as swiftly as possible. The text should be ready for adoption no later than the May Plenary session of the European Parliament, to ensure timely application from 1 July 2026.

17. Against this background, while the refinement of the few remaining technical aspects of this draft Regulation is ongoing and should be completed shortly, the Presidency believes that this agreement should be acceptable to the Member States.

18. In light of the above, the Permanent Representatives Committee is invited to take note of:

- the outcome of the trilogue;
- the intention of the Presidency to submit to the Coreper on 22 April 2026 the final compromise text of this Regulation for confirmation with a view to agreement, as an "I" item.

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