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MPE position paper on the Commission's proposal addressing the negative trade-related effects of global overcapacity on the Union steel market

Metal Packaging Europe (MPE) represents the producers of steel packaging across Europe. Steel packaging is a vital part of the European steel value chain, a key contributor to the circular economy, and an enabler of sustainable consumer goods distribution.

MPE supports the EU's objective to address global steel overcapacity and unfair trade practices. However, the proposed Regulation risks creating serious unintended consequences for downstream users of steel, particularly the steel packaging sector and consequently for the European consumers.

Without adjustment, the Regulation would damage a highly circular and globally competitive European sector.

We therefore urge the EU decision makers to:

- **Protect the entire steel value chain, not just primary steel producers.**
- **Ensure that tinsplate quota and duties do not harm the competitiveness of the steel packaging sector.**
- **Shorten the two-year review cycle to six months to provide agility.**
- **Ensure that EU trade measures also support steel derivative products by including steel packaging & components in the scope (as in USA).**

Impact of the new steel measure on downstream users – steel packaging

If the proposal is adopted without adjustment, the impact on downstream industries and consumers will be significant:

- **Industrial competitiveness and employment**
 - Tinplate (flat-rolled steel coated with tin), a high-value-added product used for steel packaging, represents about 2 % of EU steel consumption.
 - Steel represents around 40-70% of the cost of production for packaging.
 - Tinplate price has increased over 50% between 2018 and 2024.
 - Further cost increase of 24-30 % will be devastating for the steel packaging sector.
 - Rising prices will force many producers to relocate production outside Europe, leading to a significant loss of 60,000 direct jobs.
 - Cheaper steel packaging from imports will replace European production.
 - The packaging sector is already under strain: plants are already closing or in insolvency, e.g. France (Sonoco plant), Germany (KLANN Packaging GmbH; Muller und Bauer GmbH & Co).



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- **Socio-economic / Consumer impact**
 - Metal packaging is a consumer-facing product; increased tinplate/steel costs will cascade down to consumer prices for essential goods: canned food, infant formula, pet food, paints and household goods.
 - Low-income households will be disproportionately affected, as these goods constitute a large share of everyday consumption. Thus, the effect is socially sensitive and politically salient.
- **Environmental impact**
 - If steel packaging becomes too costly or constrained, downstream users will shift toward plastic packaging or other lower-cost alternatives, which are less circular, less recyclable, and more carbon-intensive.
 - Substitution of metal with plastic will undermine EU goals in circularity, resource efficiency, waste reduction, and decarbonisation.

Key facts about steel packaging

Steel packaging is a cornerstone of Europe's circular economy:

- In 2023, 82 % of all steel packaging placed on the market was recycled.
- The metal packaging sector directly employs over 60,000 people across Europe.
- Steel packaging plays a crucial role in multiple consumer sectors, including food, beverages, infant nutrition, pet food, paints, and household products.
- Steel packaging ensures food safety, prevents waste, and contributes to resource efficiency and climate neutrality.
- Steel packaging operates in a highly competitive packaging market facing **severe competition from cheaper but less sustainable materials like plastics.**
- Steel components already **face rigorous competition from imports** (e.g. China) due to overcapacity and circumvention of existing measures.

Metal Packaging Europe stands ready to work with the EU policy makers to ensure steel packaging is made in Europe and remains competitive and viable to support the European economy and circularity ambition.



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