



About the Author:

Iohanne Holt

Iohanne is a Politics and International Relations student at the London School of Economics, studying across Lisbon, Paris, and Berlin with Forward College. Her research examines EU migration governance and identity in Italian foreign policy under Giorgia Meloni. Alongside an independent Italian language project, she seeks to connect research and policy in European diplomacy.



About the publication:

3 Main Points:

What does the EU's first-ever use of Article 112 against Norway reveal about the limits of the EEA model? The tariffs reflect a broader shift towards a more interventionist EU trade policy, exposing how EEA market access can become conditional in times of economic pressure. As the EU increasingly uses safeguard measures to protect strategic sectors, being a non-EU member while relying on the Single Market has become more risky for non-EU EEA states.

Highlight Sentence:

“The unprecedented use of Article 112 to impose tariffs on non-EU ferroalloys challenges long-standing assumptions of predictable EEA market access.”

Definition:

Article 112 allows unilateral safeguard measures, enabling the EU to act without the consent of non-EU EEA partners, whose role is limited to consultation.

When the EU Tests the Limits of the EEA: Market Access under Increasing Conditionality

Introduction

On November 18th, the European Union launched tariffs on non-EU ferroalloys, including those from Norway and Iceland, both members of the European Economic Area (EEA). The EU activated Article 112 of the EEA agreement for the first time in history, which enables the unilateral imposition of protective measures in the event of 'serious economic, societal or environmental difficulties of a sectorial or regional nature' (Agreement on the European Economic Area [EEA Agreement], 1992, Art. 112).

The decision followed the EU's conclusion that increased ferroalloy imports were causing serious economic difficulties for producers within the Union, who face intense price competition from exporters in countries such as India, China, and Kazakhstan (European Commission, 2025). This move signals a more interventionist EU trade posture, challenging long-standing assumptions of predictable EEA market access.

Rather than an isolated trade dispute, the tariffs reflect a broader shift in EU trade policy, in which economic openness is increasingly balanced against strategic and industrial concerns. In short, the imposition of these tariffs can be seen as a symptom of a deeper change in how Europe approaches trade under conditions of crisis and strategic competition. For Norway and Iceland, it also raises the question of whether it has become riskier to stand outside the Union in unstable times, despite access to the Single Market through the EEA.

The ferroalloy case

Ferroalloys are essential inputs in steel production and other downstream manufacturing sectors, including construction, automotive, and defence-related industries (European Commission 2025). Because ferroalloy production is energy-intensive, differences in electricity prices across regions can significantly

affect production costs and price competitiveness.

Following an 11-month investigation, the Commission concluded that increased imports were contributing to 'serious injury' in the EU ferroalloy sector, pointing in particular to competitive pressure from exporters in countries such as India and China, as well as global overcapacity. Between 2019 and 2024, imports increased by 17 per cent, causing the market share of EU producers to fall from 38 per cent to 24 per cent (European Commission 2025). To impose tariffs on EEA exporters Norway and Iceland, the EU activated Article 112 of the EEA agreement, a safeguard clause allowing unilateral protective measures in the event of serious economic, societal or environmental difficulties. In the agreement, this clause is framed as temporary and proportionate, not permanent (EEA Agreement, 1992, Art. 112). In this case, protective measures are set to last for three years, until November 2028 (European Commission 2025).

From openness to assertiveness in EU trade policy

To understand the EU's use of safeguard measures in the ferroalloy case, the decision must be situated within a broader reorientation of EU trade policy. The 2021 Trade Policy Review identified several pivotal challenges for EU trade policy. Its diagnosis was familiar: multilateralism is in decay, fuelling global uncertainty. Furthermore, it pointed to the negative effects of globalisation, the rise of China, climate change, and the digital transformation as requiring a rethinking of the EU's economic policy (European Commission 2021). In this new environment, the EU concludes it will pursue a trade policy that is not only open but also assertive. This reflects a move away from the assumption that openness alone guarantees resilience.

Trade is now framed as an instrument for managing economic adjustment, resilience, and strategic interests – rather than merely as a tool for liberalisation (European Commission, 2021). This change is closely linked to the concept of Open Strategic Autonomy (OSA), through which the Union seeks to remain open to trade while retaining the ability to act independently in strategically important areas when necessary. Scholars have described this shift as the 'geopoliticisation of trade', in

which trade and investment policies increasingly serve broader geopolitical goals (Meunier and Nicolaidis 2019). Accordingly, Farrell and Newman (2019) emphasise a dynamic of asymmetric interdependence, whereby economic integration reshapes power inequalities rather than eliminating them. When economic networks are organised around a small number of central markets, the actors in those positions can influence the outcomes for their more dependent partners. In this context, trade tools such as safeguards can function as sources of leverage, even when they are formally rules-based and sector-specific. Seen from this perspective, the ferroalloy tariffs demonstrate how control over access to the EU market can become a salient policy tool in times of economic tension.

The political meaning of Article 112

The significance of the ferroalloy case lies less in the tariffs themselves than in what their implementation reveals about decision-making within the EEA. The activation of Article 112 brings to the surface a broader question of authority and risk allocation. Article 112 allows a contracting party to adopt safeguard measures unilaterally, subject to procedural consultation under Article 113 (EEA Agreement, 1992, Arts. 112–113). In practice, this allows the EU to take action without the consent of affected EEA partners, whose role is limited to consultation. Consequently, the costs of such measures are borne primarily by non-EU exporters.

Essentially, the EEA provides extensive access to the EU's internal market while leaving formal decision-making authority with the EU institutions. This system has generally been stable under predictable trade governance. However, as EU trade policy becomes increasingly strategic and discretionary, the implications of this asymmetry become more apparent. From this perspective, Norway's high degree of dependence on access to the EU market creates a structural imbalance (Farrell and Newman 2019). The EU has a clear status as the central market in Europe, allowing it to shape the conditions of access for more dependent partners. In summary, the ferroalloy case raises questions about how the EEA will function in the long term for non-EU members under a more assertive EU approach to trade governance. These

dynamics also shape the context in which Norway must navigate its future economic relationship with the EU.

Implications for Norway's future path

Since its beginning in 1994, the EEA has been generally perceived as providing stable access to the EU market. The unprecedented use of Article 112 to impose tariffs on non-EU ferroalloys challenges this long-standing assumption. Although the measures are temporary, they may signal that market access is becoming more conditional going forward. Recent Norwegian commentary has expressed growing uncertainty regarding whether EEA access can still be taken for granted in a more protectionist trade setting. Despite 11 months of prolonged diplomatic efforts to secure an exemption, the EU decision ultimately did not change in Norway's favour. This illustrates the limited influence of non-EU EEA states in strategic trade decisions as the EU takes a more assertive stance (Alstadheim 2025).

The ferroalloy case highlights that although the agreement ensures Norway's access to the Single Market, it does not include participation in the EU's customs union or common commercial policy. Consequently, non-EU EEA states remain exposed to EU trade defence instruments. In a more assertive geo-economic environment, this structural exposure becomes more consequential. Essentially, these developments sharpen a long-standing dilemma in Norway's relationship with the EU. The EEA continues to deliver substantial economic benefits, yet it offers limited protection against a more strategic approach to trade policy. While this does not in itself trigger a debate on EU membership, it underscores the increasing costs associated with remaining outside the EU's formal institutions. As the EU's approach to trade governance evolves in response to a changing global landscape, the balance between EEA membership and non-EU membership may come under increasing pressure.

Conclusion

The activation of Article 112 marks a significant moment in EU-EEA relations. It

shows that even within deeply integrated market arrangements, safeguard instruments can be deployed. More broadly, it illustrates the limits of the EEA model under conditions of increasingly assertive EU trade policy. In this context, market access remains governed by established rules, but the use of existing safeguard provisions has become more salient. The EU initiated a record number of trade defence investigations in 2024, and the number of measures in force rose (EU Trade and Economic Security, 2025). This indicates that safeguards and related instruments are being deployed more actively. For non-EU EEA states, this shift matters because it reveals an underlying asymmetry between deep integration and limited influence over trade decisions. As safeguard instruments are being used more actively, predictability of market access in the EEA may be reduced, particularly in sectors deemed to be of strategic importance. The ferroalloy case can thus be read as an early indication of how EU-EEA relations operate in a more interventionist trade environment.

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