Joint Position of
Downstream Metal Industries
on CBAM

The undersigned Associations represent one of the largest industries in the EU and a major contributor to European prosperity. This sector generates a greater number of jobs, companies, and value added compared to the metal-producing industries within the EU. With 430.000 companies, 3.300.000 employees and 740 billion € turnover, the European steel processing industry is comprised of over ten times as many companies and employees as the steel-producing sector in Europe, with a turnover approximately six times higher. As such, it is essential that the interests of these industries receive at least equal consideration during policy development.

The European Carbon Border Adjustment Mechanism aims to create a level playing field for CO_2 pricing by imposing a comparable price on imports into the EU. However, CBAM focuses on raw materials, particularly steel and aluminum. The steel processing value chain is not within its scope.

CBAM will have a significant impact on the European industries that use steel or aluminum for producing half-finished or finished products. It will lead to a remarkable increase in the cost of steel and aluminum as raw material, which will lead to a further shift of steel and metal processing production to non-EU countries (carbon leakage). Consequently, there will be an increase in imports of processed steel and aluminum, which is not covered by the climate tariff. Overall, the European Union will lose value added in the steel and metals value chain and disadvantage European consumers.

The impact of CBAM on downstream stages of the value chain is often overlooked. We urgently recommend:

- The European Commission must ensure that before the start of CBAM all steel and aluminum processing downstream industries that are to be covered by the scope must be included in the scope. The process of the inclusion of downstream stages of the value chains must be greatly simplified and accelerated. The criteria for including industries in the scope must be disclosed transparently. Only when this work has been fully completed can CBAM be introduced.

- An export rebate for the downstream industries of the value chain must be created before the definite phase of CBAM begins. All industries that compete internationally and use CBAM materials must benefit from a clear and transparent regulation.

CBAM must only be a transitional solution in a global process towards global CO_2 pricing. Export regions of the world with a comparable CO_2 price must be excluded from the CBAM regime from the outset.

Comité Européen de l'Outillage
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Wirtschaftsverband Stahl- und Metallverarbeitung e. V.

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