



Joint Statement

Key Requirements for an Effective and Predictable CBAM

The undersigned CBAM sectors strongly support CBAM and its objective to create a level playing field with third countries on carbon costs by mirroring the requirements imposed by the ETS on EU operators. It is an important piece of the wider puzzle to create the conditions for sustained investment in low-carbon technologies while supporting the EU's broader climate objectives and maintaining the international competitiveness of EU Industry.

In this context, we welcome the European Commission's (EC) proposal from December 2025 to strengthen CBAM by expanding anti-circumvention provisions, extending CBAM's scope to selected downstream sectors and tightening traceability provisions. While we support the general direction, we believe that certain provisions could be further reinforced or clarified to ensure the mechanism's effectiveness, predictability and coherence with the EU ETS.

More specifically:

Anti-circumvention. Ensuring that CBAM is protected against circumvention is essential to safeguard its environmental integrity and its role in maintaining a level playing field between EU production and imports.

Resource shuffling. While the Commission proposal introduces the concept of abusive practices, it does not explicitly cover resource shuffling, when cleaner production is channeled to the EU while more carbon-intensive production is redirected elsewhere or delivered for the national market. This practice must be explicitly addressed to prevent circumvention of CBAM obligations. Criteria for identifying it should be set, including where there is a demonstrable divergence of emission intensity between EU-bound goods with goods exported to non-EU markets or supplied domestically, to enable the subsequent inclusion of codes and origins in a dedicated Annex. The use of actual values for imports covered by the annex should be conditional upon an assessment that no resource shuffling has taken place.

Export solution. CBAM sectors call for a lasting solution covering exports to remedy the lack of equivalent carbon costs for foreign producers competing on foreign markets. This should be designed in a manner to ensure EU producers are not uncompetitive in non-EU markets due to the asymmetry in regulatory, carbon and energy costs, notably through a WTO-compatible continuation of free allocations for exports. It is a matter of survival within these export markets.

Removal of goods from CBAM. Ensuring that decarbonization investments of EU ETS sectors are not at a disadvantage from unfairly traded imports that do not bear a comparable carbon cost is essential. This is all the more critical given that CBAM sectors are progressively losing ETS free allowances, previously granted under ETS, in exchange for CBAM protection. Therefore, any mechanism allowing unexpected removal of goods from CBAM, whether to avoid short-term market or geopolitical disruptions, or to relieve political pressure from downstream sectors or users is counterproductive. Such measures would be detrimental to the proper functioning of the entire ETS system, and would undermine the predictability of decarbonization investments. While removal of goods from CBAM could, in principle, be envisioned, it should only be possible following a thorough, detailed analysis and consideration of all relevant factors and impacts. Such an assessment can only be credibly ensured through the full legislative procedure – with full involvement of both the Council and the European Parliament. For these reasons, proposed Article 27a should therefore be deleted in its entirety.

Removal of countries from CBAM. Similarly, any expedited exemption of countries from CBAM should be avoided for the reasons set out above. Also, considering that importers' obligations are calculated and settled on an annual basis, a limited delay – as required by Council and EP scrutiny of EC delegated acts - cannot be considered a material obstacle to removal of countries in duly justified and exceptional circumstances. In light of persistent international pressure from trading partners opposed to CBAM, despite the absence of a genuinely comparable carbon pricing system, is likely to intensify. For this reason, the European Commission should be immune to such pressures and exemption decisions should not be taken on the basis of short-term political considerations. Accordingly, proposed art. 28a should be deleted in its entirety.

Traceability and composition. Increased traceability of imported goods is key to proper risk assessment and effectiveness of CBAM. For this reason, identification of material and chemical composition of imported goods in their customs declaration via detailed TARIC codes, as well as identification of the specific place of production of goods for which circumvention risk has been identified – as proposed by the European Commission in its December proposal – should be encouraged and – where possible – become the norm, rather than the exception.

International Credits. Given the increasing price and expected shortage of EU ETS allowances, alternative methods for payment for carbon should be encouraged. However, an equal playing field for EU producers and EU importers must be ensured. For this reason, CBAM sectors oppose any introduction for 3rd country carbon price payments via international art. 6 carbon credits within the CBAM until EU industry has the same possibility under the EU ETS.

We look forward to working with the legislators to ensure an efficient and robust CBAM mechanism that helps to create the right conditions for EU climate goals while safeguarding industrial competitiveness.