

Mr Paolo Gentiloni
Commissioner for Economy
Rue de la Loi 200
1049 Brussels
Belgium

Wednesday, 17 March 2021

Dear Commissioner Gentiloni,

I would like to take this opportunity to thank you for the meeting you held on 8 March with several key stakeholders, including EUROFER, on the Carbon Border Adjustment Mechanism. Please find attached my answers to the questions you had set out prior to the meeting. Due to the limited time, I could not refer to all of them.

As the EU steel industry is among the few sectors being considered for the CBAM it is vital that we, and the Commission, exactly understand the implications of the measure on our industry, our value chain and the millions of jobs we sustain in Europe. This assessment needs to take into account the complexity and specificities of the steel industry, notably: the high exposure to international trade, often in the form of unfair practices like dumping and subsidies, the numerous product categories which are used as input to several value chains, the variety of production processes with different emissions profiles.

Therefore, I suggest to have a continued, detailed dialogue with your services in the coming months in order to secure effective carbon leakage protection. We need to understand how the Commission intends to address issues such as carbon footprint of imports, source shifting, absorption, exports, level of CBAM, the interaction with the current carbon leakage measures, and how this will be implemented through the legislation. The future viability of our industry depends on a granular discussion that needs to deliver effective solutions to these issues. On the contrary, any ineffective measure would have a disruptive impact on the viability of the transition towards low carbon technologies.

Please allow me to contact your services to continue such discussion without delay and if appropriate with the participation of steel company experts.

Yours sincerely,



Axel Eggert

Director General

EUROFER, the European Steel Association

CC: Gerassimos Thomas, Director General

Annex: CBAM Roundtable discussion with Commissioner Gentiloni on 8 March