

Meeting report - Meeting between EUROFER and DG TAXUD , 12 April 2021

Participants: Gerassimos Thomas, [REDACTED] (DG TAXUD), Axel Eggert, [REDACTED]
[REDACTED] (EUROFER)

On request of EUROFER, this meeting took place to discuss the upcoming proposal for a CBAM.

DG TAXUD gave a state of play of the preparation of the proposal, with the draft Impact Assessment about to be finalised. The Impact Assessment assesses six different options for the design of the CBAM, including a notional ETS, an import tax and an excise duty.

EUROFER reiterated their support for a CBAM as such, but expressed opposition to the notion that CBAM is an alternative to the free allocation of EU ETS allowances as it was announced in the European Green Deal. In the view of EUROFER, a combination of CBAM with current measures to address carbon leakage, in particular free allocation of allowances, would be legally possible.

DG TAXUD explained that WTO compatibility is a key principle of the CBAM and thus interaction with the revised ETS and the ETS Free Allowances for CBAM sectors is an important consideration for the design of the measure.

It was agreed to remain in touch and possibly meet again closer to the finalisation of the proposal.