



To:

REDONNET Denis (TRADE); [REDACTED]

Art. 4.1 (b)

Cc:

Subject:

ACEA meeting report

Meeting report CTEO/ ACEA - 21 April 2021

DG Trade : D. Redonnet, [REDACTED]

Art. 4.1 (b)

ACEA had requested a meeting with D. Redonnet to discuss three specific issues: the steel safeguard, the Dispute settlement case with Algeria and CBAM.

ACEA took a critical position in relation to any prolongation of the **EU's steel safeguard** although they made clear that most of their demand in steel is sourced within Europe . They referred to the current increase in steel prices that according to them is even higher than the increase in input costs. They also pointed out that it is very difficult to get steel deliveries outside the agreed volumes provided for in the framework agreements concluded between car manufacturers and steel producers. COM pointed out that the services currently analysed the numerous submissions received in the course of the investigation including those from Acea. It sill still take some time until more will be known about the outcome of the investigation.

On CBAM, ACEA raised concerns on the impact of the competitiveness of the automotive industry, its costs and supply chains, the risk of retaliation from third countries on European exporters and raised questions with regard to the design and scope of the measure. In particular ACEA and its members were interested to know what would be the precise design of the CBAM, how the EU will ensure WTO compatibility, whether the EU intends to

take into account the cumulative impacts of the CBAM when a sector is affected with respect to different inputs (e.g. chemicals, glass, steel for the automotive industry), and how the EU will ensure that the emission efficiency of producers is taken into account.

D. Redonnet noted that the Commission is well aware of the concerns of the industry, and that the work on the CBAM is ongoing, therefore it would be premature to discuss certain details that are not yet defined. On WTO compatibility, C. Galiffa noted that the discussions are still ongoing on the design of the CBAM but that whatever design is ultimately chosen, the EU would need to ensure that the measure meets the requirement of non-discrimination (national treatment, MFN) and that, if need be, the measure can be justified under Article XX GATT. On the question concerning cumulative effects, it was stressed that the Commission has not yet decided on which sectors the CBAM will apply, therefore it is premature to talk about cumulative effects. Concerning the efficiency of producers, the Commission is discussing ways to take this into account in the specific design of the measure. ACEA thanked for the answers and indicated that it will be in touch in the future with DG TRADE units dealing with CBAM (C4, F3) to discuss additional questions at the technical level.

On the EU-Algeria dispute under the Association Agreement, this was only discussed very shortly due to time constraints. D. Redonnet provided an update on the state of play of the and in particular with regards to the car import ban and the measures that Algeria has adopted to replace it. ACEA took note.

It was agreed to have another meeting on 26 May.