

Joint Statement

CBAM trilogues: Europe must protect its industrial value chains, investments and quality jobs through a broad scope extension

As negotiations on the extension of the Carbon Border Adjustment Mechanism (CBAM) enter a decisive phase, European industry and trade unions call on the European Parliament, Council and Commission to deliver an ambitious agreement ensuring the broadest possible coverage of downstream products.

The fundamental choice facing EU policymakers is clear: **products covered by CBAM will benefit from a more level playing field, supporting their continued production in Europe. Products left outside its scope will face growing risks of being replaced by imports or having their production relocated to third countries**, where producers are not subject to equivalent carbon costs. This risk will become increasingly pronounced as free allowances under the EU Emissions Trading System (ETS) are progressively phased out.

Downstream sectors, including energy, mobility, machinery, cookware, cutlery, catering equipment, packaging, construction, clean tech, defence, home appliances, hand tools and metal goods, are increasingly exposed to competition from imports of carbon-intensive finished products that currently fall outside the CBAM scope.

Without a broad extension of CBAM, European manufacturers will face increasing carbon costs throughout their steel and aluminium intensive value chains, while competing finished and semi-finished products imported from third countries may continue to enter the EU market without bearing equivalent costs.

A broad CBAM scope is about ensuring that products manufactured in Europe are not systematically disadvantaged by the carbon costs imposed by EU legislation, as well as preserving the economic rationale for investing in cleaner industrial production in the Union.

We therefore call on the European Parliament, Council and Commission to:

- **Agree on the broadest possible extension of CBAM to downstream products**, building on the ambition demonstrated by the European Parliament and Council and ensuring comprehensive protection of European industrial value chains against carbon leakage.
- **Put European industrial production, investments and quality jobs at the centre of the final agreement**, recognising their fundamental contribution to Europe's economic security, prosperity and climate transition.

EUROPEAN INDUSTRY ASSOCIATIONS





EUROPEAN TRADE UNION

