

**Question for written answer E-002869/2024
to the Commission**
Rule 144
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Subject: Monitoring effectiveness and addressing circumvention under the Carbon Border Adjustment Mechanism

The Carbon Border Adjustment Mechanism (CBAM), entering its definitive regime in 2026, aims to prevent carbon leakage and promote fair competition by pricing carbon emissions associated with products entering the EU. However, besides its limited scope, the CBAM still has several weaknesses. For example, it only applies to the portion of a non-EU producer's output that is exported to the EU, while an EU producer incurs CO₂ costs on their entire production under the emissions trading system. Furthermore, there are opportunities to circumvent the CBAM, and the default values used in the mechanism are often significantly lower than the actual carbon emissions of certain imported products.

1. How does the Commission plan to rigorously monitor the effectiveness of the CBAM as a tool to prevent carbon leakage from the outset of its implementation?
2. What steps will be taken to prevent potential circumvention tactics that could compromise the CBAM's goals in order to ensure fair competition for EU (steel) producers and enable the fair distribution of carbon costs to end consumers?
3. How will the Commission maintain a level playing field after free emission allowances are phased out, given that non-EU producers only pay the CBAM levy on the part of their production that is exported to the EU?

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