

(English version)

**Question for written answer E-003621/25
to the Commission
Pascal Arimont (PPE)
(18 September 2025)**

Subject: Impact of CBAM on energy-intensive industries

In the light of the recent public consultation procedure on extending the carbon border adjustment mechanism (CBAM) to downstream products, and the upcoming general review of CBAM's scope — including raw materials — significant uncertainties remain about its final coverage and impact on EU industrial sectors, particularly energy-intensive industries under the EU Emissions Trading System.

In the light of the above:

1. During the last consultation, the Commission sought input on a broad list of goods that could potentially be covered by CBAM. Given this, which categories, such as those listed under the statistical classification of economic activities in the EU codes, does the Commission intend to prioritise?
2. How will the Commission protect EU production and keep a level playing field if raw materials and downstream products used as manufacturing inputs are covered by CBAM while finished goods are excluded, particularly those that are progressively losing free allowances under the EU Emissions Trading System?
3. Will CBAM revenues be earmarked to support lower production costs in the EU, strengthen critical raw material supply chains and promote the market uptake of low-carbon products?

Submitted: 18.9.2025

**Answer given by Mr Hoekstra on behalf of the European Commission
(11 November 2025)**

In its recent public consultation ⁽¹⁾, the Commission gathered views from a broad range of stakeholders, including producers and importers of goods further down the value chain from Carbon Border Adjustment Mechanism (CBAM) basic goods (i.e. downstream goods).

This input will feed into the Commission work as laid out in the European Steel and Metals Action Plan ⁽²⁾. More specifically, the Commission will present a proposal that covers an extension to steel and aluminium-intensive downstream goods. Furthermore, the Commission will also present a comprehensive review of CBAM before the end of this year.

When considering a potential scope extension, the Commission assesses the risk of carbon leakage, the relevance in terms of emissions and technical feasibility, as outlined in the CBAM Regulation.

In that context, it should be noted that downstream goods are not typically covered by the EU Emissions Trading System (ETS) but face a cost push from the phase-out of free allowances for their inputs and from the phase-in of CBAM.

On 16 July 2025, the Commission presented its proposal for the Multiannual Financial Framework (MFF), including CBAM as one of five new own resources.

The proposal on CBAM-based own resources is for 75% of CBAM revenues to enter the EU budget. Furthermore, as announced in the communication on Delivering on the Clean Industrial Deal I ⁽³⁾, by the end of 2025, the Commission intends to table a proposal on using the CBAM revenues to support production at risk of carbon leakage.

The scheme would be in place for an initially defined period, with a review in 2027, its scope would be based on objective criteria and subject to deliverables on long term decarbonisation.

⁽¹⁾ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14748-Carbon-Border-Adjustment-Mechanism-CBAM-downstream-extension-anti-circumvention-and-rules-on-electricity-emissions/public-consultation>.

⁽²⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — A European Steel and Metals Action Plan, COM(2025)125 final. <https://single-market-economy.ec.europa.eu/publications/european-steel-and-metals-action-plan>.

⁽³⁾ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions — Delivering on the Clean Industrial Deal I, COM(2025)378 final. <https://commission.europa.eu/publications/delivering-clean-industrial-deal-i>.