

(English version)

**Question for written answer E-001826/26
to the Commission
Susana Solís Pérez (PPE), Esther Herranz García (PPE)
(5 May 2026)**

Subject: Protection of downstream steel and aluminium-processing industries against combined effects of CBAM, global overcapacity and non-EU country subsidies

EU downstream manufacturers using steel and aluminium face a compounding cost crisis. The phase-out of free allowances under the EU's emissions trading system raises domestic material prices, while the Carbon Border Adjustment Mechanism (CBAM) and forthcoming steel overcapacity regulation increase import costs. The EU has recognised unfair pricing of these inputs through the placing of anti-dumping duties on Chinese steel and aluminium of up to 50% and 24.5% respectively, yet these measures do not extend to finished products made from those same subsidised materials. Non-EU competitors benefit from export tax rebates of up to 10% on finished products exported to the EU, without facing equivalent charges, undercutting EU producers. The Commission has failed to extend the CBAM to downstream products such as cookware, cutlery and household articles (HS 7615, 7323, 7324, 8211, 8212, 8213, 8214).

1. How does the Commission intend to protect downstream manufacturers facing rising input costs, while their finished products receive no protection?
2. Given that trade defence measures protect upstream but not downstream producers, how will the Commission address the competitive distortion amplified by subsidised non-EU exports of finished products, and is it considering an anti-subsidy investigation into these products?
3. What monetisable compensation does the Commission envisage for downstream producers whose embedded costs originate upstream, and who do not qualify for the decarbonisation fund?

Submitted: 5.5.2026

**Answer given by Mr Hoekstra on behalf of the European Commission
(14 July 2026)**

To address the risk of downstream carbon leakage, the Commission has proposed to extend the scope of the Carbon Border Adjustment Mechanism (CBAM) to selected steel and aluminium-intensive downstream goods.

The proposal includes intermediate goods and final consumer goods. As the CBAM is an environmental measure, the list of goods to be included in its scope needs to be justified on the basis of clear carbon leakage risks. To this end, only products meeting the criteria set for identifying the carbon leakage risk and climate relevance were included in the proposal.

The Commission also proposed a Temporary Decarbonisation Fund ⁽¹⁾ to address remaining risks of carbon leakage. While targeting operators of EU Emissions Trading System (EU ETS) installations producing CBAM goods identified as being at increased remaining risk of carbon leakage, the Fund may also decrease associated downstream costs.

The proposed Fund is temporary, addressing the production years 2026 and 2027, while a structural solution to remaining carbon leakage risk will be sought as part of the review of the EU ETS ⁽²⁾.

The Commission is committed to protecting EU producers from unfairly traded imports and defends EU industry against dumped or subsidised imports that cause injury.

There are over 240 measures in place a third of which concern steel, the sector most protected by measures, including a safeguard measure.

These cover steel products from rolled steel to ropes and cables to wind towers. Aluminium products are also covered by measures ranging from aluminium extrusions to finished products like road wheels.

The Complaints Office of Trade Defence Services can be contacted by any industry in the steel or aluminium value chains to discuss the procedures ⁽³⁾.

⁽¹⁾ Proposal for a regulation of the European Parliament and of the Council establishing the Temporary Decarbonisation Fund, COM(2025)990, accessible at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52025PC0990>.

⁽²⁾ On the legislative initiative see https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14549-EU-emissions-trading-system-for-maritime-aviation-and-stationary-installations-and-market-stability-reserve-review_en.

⁽³⁾ trade-defence-complaints@ec.europa.eu.