

(English version)

**Question for written answer E-003156/26
to the Commission
Svenja Hahn (Renew)
(28 July 2026)**

Subject: The impact of the benchmark-based design of CBAM pricing on EU metalworking SMEs

Despite innovative, patented products and processes, EU small and medium-sized enterprises (SMEs) in the metalwork industry are suffering from unfair competition, particularly from China and other non-EU countries. Of particular concern is the benchmark-oriented approach used to price CO₂ emissions embedded in foreign steel imports under the Carbon Border Adjustment Mechanism (CBAM). The ZEW — Leibniz Centre for European Economic Research's policy brief No. 26-10/2026 clearly identifies disadvantages of this approach. The CBAM's design, combined with regional subsidies for metalworking companies outside the EU, has damaged EU competitiveness and contributed to significant job losses in the sector, particularly among SMEs.

1. Will the Commission consider revising the benchmark-based methodology for CBAM pricing, e.g. to base it on average steel production values, including the energy sources used, which would reduce both distortions and administrative burden?
2. Can the Commission confirm that the CN codes 93052000, 87089499, 87089997, 84339000 and 84799070 fall unambiguously within the scope of the CBAM rules, and if not, what steps will it take to close this gap?
3. What measures does the Commission plan to take to address the competitive disadvantage and resulting job losses suffered by EU metalworking SMEs due to CBAM circumvention, unfair competition from non-EU countries and subsidised foreign production, pending any revision of the CBAM's design?

Submitted: 28.7.2026

**Answer given by Mr Hoekstra on behalf of the European Commission
(23 September 2026)**

From 2026 to 2034, the Carbon Border Adjustment Mechanism (CBAM) obligation is adjusted by the equivalent amount of free allocation that EU producers receive for the same goods.

This adjustment is based on CBAM benchmarks reflecting the performance of the best installations in the EU. No revision of this methodology is currently foreseen.

This approach ensures an equivalent carbon price for domestic and imported goods, thereby addressing the risk of carbon leakage and reducing market distortions.

The CBAM currently applies to a limited set of mostly basic material goods, listed in Annex I of the CBAM Regulation ⁽¹⁾. The Commission proposed in December 2025 ⁽²⁾ to extend the scope of the CBAM to steel and aluminium-intensive downstream goods. These goods were selected based on clear and objective criteria ⁽³⁾.

The legislative proposal is currently under discussion by the co-legislators. The Council adopted its general approach on 12 June 2026 ⁽⁴⁾, which includes the proposal to add Combined Nomenclature codes 87089499, 87089997 and 84799070 to the CBAM scope. The European Parliament adopted its position on the Commission proposal on 15 September 2026. ⁽⁵⁾

To ensure an effective implementation of the CBAM, the Commission, in collaboration with national authorities, will continuously monitor reported emissions and corresponding trade, to identify practices of circumvention and non-compliance with the CBAM Regulation and secondary legislation.

The Commission proposal of December 2025 includes a wide set of further measures aimed at addressing the risk of circumvention and avoidance of CBAM obligations, including strengthened reporting requirements for high-risk goods or origins.

⁽¹⁾ <https://eur-lex.europa.eu/eli/reg/2023/956/2025-10-20>.

⁽²⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52025PC0989>.

⁽³⁾ See also the relevant impact assessment: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52025SC0988&qid=1766791052353>.

⁽⁴⁾ <https://www.consilium.europa.eu/en/press/press-releases/2026/06/12/council-moves-to-strengthen-the-eu-s-carbon-border-adjustment-mechanism/>.

⁽⁵⁾ <https://www.europarl.europa.eu/news/en/press-room/20260911IPR47450/strengthening-the-eu-carbon-border-adjustment-mechanism-and-closing-loopholes>.