

## **EUROFORGE Position on the**

### **Decision of the European Parliament on the European Carbon Border Adjustment Mechanism CBAM**

The forging industry (drop forging, open die forging, cold extrusion) is a global pioneer in innovation, occupational safety, environmental protection, energy efficiency and decarbonisation, and an important economic factor in Europe with 70,000 employees. Our technology is the driving force for the transformation of the user industries vehicle construction, railway technology, shipbuilding, mechanical engineering, agriculture, energy and wind energy, medical technology as well as defence technology to climate neutrality by 2050. The predominantly small and medium-sized companies thus secure our autonomy against global competition from China, India, Turkey, USA, etc.

EUROFORGE AISBL represents the interests of the European forging industry.

The European Parliament's decision on the European CO2 compensation system CBAM covers the steel and aluminium production sectors, but excludes the forging industry as well as other steel and aluminium processing sectors. This leads to a significant loss of competitiveness of our industry - both within and outside the European Union:

- Steel and aluminium as input materials are becoming more expensive for processors in the EU, whether produced here or imported
- Forgings produced in the EU will also become more expensive as a result - also outside the EU
- Forgings produced outside the EU will not become more expensive - not even when imported into the EU

Due to the considerable cost share of steel and aluminium costs in forged products and the high trade intensity, it is therefore absolutely necessary to extend the scope of CBAM to include the tariff headings, which are relevant for massive forming. This should already be taken into account in the transition period from 2023 to 2026.

The consequences of not taking this into account would be an almost complete loss of the volumes currently exported outside the EU and a significant increase in the volumes imported into the EU with simultaneous displacement of the existing production in the EU.

We ask the European Commission to support this extension of the CBAM scope in the context of the trilogue negotiations.

Detailed justifications for our demands can be found in the attached annex. We are at your disposal for further explanations at any time.

Best regards



Tobias Hain  
Secretary General