

EUROFORGE

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Mr. Vicente Hurtado Roa
Head of Unit C.2.
Directorate-General for Taxation and Customs Union
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EUROFORGE proposal to extend the CBAM scope for forged goods

Dear Mr. Hurtado-Roa,

in the initial political process of deciding on the CBAM regulations and on the scope of the goods concerned, it was decided to include CN codes 7326 (Articles of iron or steel) and 7616 (Articles of aluminium) as some of the few downstream goods (following the steel and aluminium raw material value chain) in the CBAM scope.

As we learned from following the activities of the CBAM expert group during the transition period, the inclusion of further downstream goods is currently evaluated by the Commission.

In this context we are proposing to enlarge the CBAM scope by additional forged goods (out of CN-code groups 8455, 8483, 8487 and 8708) as they are bearing similar characteristics as the goods already included in terms of steel content and trade intensity. The current regulation allows to bypass the CBAM regime by declaring forged goods differently or by processing the goods one-step further along the value chain and importing them as forged parts, which are not protected by 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 defense 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.

Not taking the additional forged goods into account would bear a high risk of the 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 their assessment during the transition period.

We also ask the EU Commission to consider a relief regulation for goods that are affected by future CO₂-taxes when exported outside the EU as the cost increase resulting from these taxes mean a considerable competitive disadvantage against international competitors.

Detailed justifications for our proposals and the list of CN-codes of forged goods can be found in the attached annex. We are at your disposal for further explanations at any time.

Kind regards,

A handwritten signature in black ink, appearing to read 'T. Hain', is positioned to the left of a vertical line.

Tobias Hain
Secretary General EUROFORGE AISBL