CBAM trilogue:
Protect Europe's entire industrial value chain

Joint call by European downstream manufacturing industries

ARGE
THE EUROPEAN FEDERATION OF LOCKS & BUILDING HARDWARE MANUFACTURERS

CEO
Comité Européen de l'Outillage
European Tool Association

CIELFFA
Comité International d'Étude du Laminage à Froid du Feuillard d'Acier

EUROFORGE

IVSH
Industrieverband Schneid- und Haushaltwaren

FVK Fachvereinigung Kaltwalzwerke e. V.

FACHVERBAND SCHLOSS- UND BESCHLAGINDUSTRIE
FVSB

FEC

European Foundry Federation

Metal Packaging Europe

DEUTSCHE MASSIV UMFORMUNG
NEUE IDEEN SCHMIEDEN

WSM
Wirtschaftsverband Stahl- und Metallverarbeitung e.V.

30th September 2026

Dear Members of the European Parliament,
Dear Ministers,
Dear Commissioners,
Dear Trilogue Negotiators,

The undersigned European industry associations call on the European Parliament, the Council and the European Commission to ensure that the forthcoming agreement on the extension of the Carbon Border Adjustment Mechanism protects the entire industrial value chain, from basic materials to the finished products used by companies and consumers every day.

Political attention to Europe's strategic basic-material industries is both necessary and justified. However, securing industrial production in Europe also requires a clear and equally ambitious focus on the downstream industries that transform iron, steel, aluminium and other metals into marketable products.

These industries represent Europe's industrial breadth. They include approximately **415,000 companies, provide 3.8 million jobs and generate around €700 billion in annual turnover**. They are predominantly characterised by small and medium-sized enterprises, regional manufacturing clusters, specialised industrial expertise and deeply interconnected European supply chains.

Their products are equally diverse: from cookware, cutlery and household goods to locks, fittings, tools, forged components and numerous other essential industrial and everyday products. They are used in European homes, businesses, buildings and production processes every day.

Yet their position within European climate, trade and industrial policy remains insufficiently considered.

Avoid a structural disadvantage for European manufacturers

CBAM and other climate and trade instruments frequently begin with basic materials. In their cumulative effect, however, they can impose additional costs on companies that process iron, steel and aluminium in Europe, while competing semi-finished or finished products from third countries may not bear an equivalent carbon cost.

This creates a fundamental imbalance:

Processing iron, steel and aluminium in Europe becomes more expensive, while importing the finished product may become comparatively more attractive.

Such an outcome would run counter to the objectives of CBAM. It would not prevent carbon leakage, but could shift manufacturing, investment, employment and emissions outside the European Union.

This is not a downstream detail. It concerns the industrial core of Europe and the continued viability of hundreds of thousands of companies that turn basic materials into competitive products. European instruments designed to strengthen industry must not unintentionally encourage processing to move outside Europe.

Contact Association: IVSH - Industrieverband Schneid- und Haushaltwaren e.V. / German Association of the Cutlery, House- and Cookware Industries
"cook, cut and care", D-42657 Solingen, Transparencyregister (EU): 019720894760-48, Lobbyregister (Bund): R004424

Our joint requests

We therefore call on the trilogue negotiators to:

1. Preserve the progress already achieved

All relevant downstream product codes already included in the European Commission proposal and in the negotiating positions of the Council and the European Parliament must be retained in the final agreement.

The trilogue must not result in a step backwards for downstream manufacturers.

2. Support the broader downstream coverage adopted by the European Parliament

The European Parliament has recognised that CBAM must cover a broader range of metal-intensive downstream products if it is to prevent carbon leakage and avoid circumvention.

The final agreement should maintain this ambition and avoid limiting CBAM protection primarily to basic materials and a narrow selection of downstream products.

3. Include the complete priority code sets identified by the affected industries

The final CBAM scope should include the priority CN and HS codes submitted by the signatory associations.

These include, among others:

- metal household and kitchen articles under headings 7323, 7324, 7615 and 7616; knives, cutlery, scissors and related products under headings 8211 to 8214;
- Padlocks, locks, keys, mountings, fittings and automatic door closers under headings 8301 and 8302
- hand tools, power tool accessories and measuring tools under the relevant headings in chapter 82 and 90 (see attached list of the European Tool Association CEO)
- additional tools, forged products, components and other iron, steel- and aluminium-intensive goods identified by the respective signatory associations, especially: 4029, 7315, 7320, 7323, 8202, 8208, 8212, 8305, 84029000, 84069010, 8410, 8411, 8413, 84189910, 84553031, 84553039, 84831025, 84831029, 84879057, 85030098, 86071910, 8708, 9401, 9506, 9603, 9613

These sectors face the same structural problem: European manufacturers bear the increasing carbon costs embedded in their materials, but compete with imported finished products that may not face an equivalent burden.

4. Ensure coherent treatment of comparable products

Products with comparable material inputs, production processes, carbon-cost exposure and competitive conditions must be treated consistently.

Including only selected subcategories, materials or product variants would create new distortions within the European market. It could also encourage substitution, rerouting and circumvention.

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CBAM should therefore follow the economic and industrial reality of the value chain, rather than drawing artificial boundaries between closely related products.

5. Deliver an effective solution for exports

European downstream manufacturers also compete in global markets. They cannot be expected to absorb increasing carbon costs while competing against producers that do not face comparable obligations.

The final agreement should therefore establish a predictable, WTO-compatible, monetisable and administratively workable export solution.

This solution must:

- cover downstream manufacturers and relevant finished products;
- be accessible to SMEs;
- avoid excessive documentation requirements; and
- provide effective relief from the carbon costs embedded in European materials.

A coherent climate and industrial policy

The undersigned associations support effective climate, trade and protective instruments. Our objective is not to weaken these instruments, but to make them more precise and effective.

Europe cannot protect the production of iron, steel and aluminium while leaving the companies that transform these materials structurally exposed.

Downstream manufacturers create marketable products from European materials. They provide regional employment, preserve specialised industrial expertise and maintain important manufacturing capacity across Europe. Their products range from industrial components to the essential everyday goods used by millions of Europeans.

A coherent European industrial policy must therefore look at the entire chain:

from the basic material to the finished product.

The trilogue negotiations provide an opportunity to correct the current gaps and make CBAM an effective instrument of both climate and industrial policy.

Our common message is clear:

CBAM must protect the entire European value chain. It must not make European materials more expensive to process in Europe while making it more attractive to import the finished product.

We respectfully call on the European Parliament, the Council and the European Commission to reflect this principle in the final agreement and to include the priority product codes identified by the affected downstream industries.

Yours sincerely,

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Industrieverband Massivumformung e.V.

Metal Packaging Europe