

CBAM uncertainties mount for stainless steel importers

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While the definitive stage of CBAM is approaching fast, significant gaps in clarity and preparation are leaving importers grappling with uncertainty and potentially severe financial consequences.



EURANIMI, the European association representing mill-independent importers of stainless steel and aluminum, outlined its main concerns and risks for European SMEs.

Not enough time for preparations

Less than a year before the definitive implementation of the Carbon Border Adjustment Mechanism (CBAM), when importers are obliged to buy CBAM certificates, critical details remain unknown, making it nearly impossible to assess the financial burden accurately. EURANIMI stressed that orders placed in the second half of 2025 would be impacted. Yet, key parameters for the official calculation formula, such as the CBAM benchmark, have yet to be published. Lack of information leaves businesses unable to make informed purchasing decisions.

In fact, for many distributors asked by SMR, the CBAM cost calculation is at the top of their agenda as the impact will be more severe than initially anticipated. "I need to understand how much more it will cost me to finance a deal, how and when do I buy certificates," one importer noted.

Higher costs than anticipated

Initially presented as a gradual tax increase, CBAM's reality paints a different picture. While many assumed the tax's impact in 2026 would be minimal at just 2.5%, the actual formula for calculating emissions (CBAM = embedded emissions – CBAM benchmark × CBAM factor (97.5% in 2026) shows that importers may face tax liabilities covering even 30% of embedded emissions from the very beginning. Of course, a lot will depend on the CBAM benchmark values, which are expected to be released by the EC in Q2 of 2025. However, the design of the CBAM formula turned out to be completely different from what was expected.

Verification process not ready

No verifications were required during the CBAM transitional period. However, starting in 2026, emissions data must be verified by EU-accredited bodies to prevent manipulation. The challenge is that the EC will only introduce the legal framework and begin certifying global installations in the second half of 2025, leaving little time for implementation.

"For the past two quarters, the EC has been requiring importers to report only actual emissions values rather than default values. It is a public secret that the embedded emissions reported by certain non-EU producers are fabricated to satisfy their European trading partners. Given the very large number of installations to be certified simultaneously, it is obvious that practical verification of emissions cannot be put in place in time for all installations whose CBAM products will be cleared through customs in the EU in 2026," EURANIMI warned.

Besides, according to EURANIMI, there is a high risk of retroactive taxation should the accredited verifier discover that previously reported emissions by the importers over which they had no control are much higher.

Unused CBAM certificates problem

Importers must buy CBAM certificates covering at least 80% of the estimated emissions from their imported goods. However, they can only resell up to one-third of the certificates if they go unused. The issue is that different formulas are used for purchasing and reselling, creating major inconsistencies. That forces importers to prepay for a large number of certificates - sometimes unnecessarily - especially for low-emission "green" products, with no way to recover the full cost of unused certificates. *"If this aberration in the regulation is not corrected, importers of "green" products will be severely penalized,"* EURANIMI stressed.

EPP's proposals could make things even worse

EURANIMI has also mentioned that the European People's Party (EPP) call to ease CBAM's bureaucratic burden is well-intentioned but misguided. Instead of advocating for simplification or a delay, they suggest exempting companies with fewer than 1,000 employees - an impractical idea that might distract the EC from real solutions and risk further delaying much-needed clarifications without delaying the definitive phase.

"Our association is not intrinsically against the CBAM-tax, as it contains a "green" idea that we are supporting as citizens of planet Earth. However, we deeply deplore that CBAM is implemented in such a precipitated way, leaving importers in such great uncertainty to deal with an insufficiently prepared definitive regime of the CBAM-tax," Rob Greve, Executive Board Member of EURANIMI, told SMR.