

INTERVIEW: EU's CBAM yet to tackle discounts, export issues: ERCST expert

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CBAM yet to address export treatment issue

Questions remain surrounding CBAM discounts

While the EU's [Omnibus bill](#) aimed to simplify certain aspects of the European Union's Carbon Border Adjustment Mechanism (CBAM), there are challenges that still have to be addressed, including notably the need to deal with the carbon cost disadvantages faced by EU exporters, according to Andrei Marcu, founder and executive director of the European Roundtable on Climate Change and Sustainable Transition, an independent think-tank.

"To me, the main challenge is exports," Marcu told Platts on the sidelines of the Innovate4Climate conference, held over June 10-12 in Seville, Spain.

He also highlighted circumvention, indirect costs, and the coverage of CBAM as other key issues.

The European Commission recently put forward draft legislation to tweak CBAM in order to address the issue of carbon leakage by enhancing the competitiveness of the EU's industry.

Under the changes, recently backed by the European Council, importers will be able to purchase CBAM certificates starting in February 2027 rather than from Jan. 1, 2026, to cover the emissions embedded in their imports for 2026, giving businesses more time to adapt to the new carbon pricing mechanism.

The proposal includes a 50 mt threshold that would exempt 90% of importers while still covering 99% of CO2 import emissions.

"The EU had the Omnibus bill, and CBAM, but they were simplification issues. They separated what they call the simplification of the legislation from the substantive issues," Marcu said.

The EU is expected to publish a report addressing export treatment by early 2026. Lack of clarity remains surrounding the effective carbon price and the criteria for exemptions, leaving many in the industry uncertain about future compliance.

One pending decision under CBAM concerns the "carbon price". This is a monetary amount paid in a third country, under a carbon reduction scheme, in the form of a tax or in the form of emission allowances under a greenhouse gas emissions trading system.

"There are a number of implementation acts that have to come in as a piece of work, and one of them deals with the carbon price that is being charged at the border," Marcu added. "The price of a certificate is clearly the weekly average of EUA prices, end of story, but you charge the effective carbon price and [...] nobody quite knows what an effective carbon price is. In the end, it is the responsibility and the prerogative of public authorities to make that declaration."

Another pending step is an implementing act setting out additional details for the calculation of the carbon price effectively paid in the country of origin.

"There's a lot of pressure on the Commission to produce this. I think that it would be better to have it as soon as possible, but it's absolutely necessary in my view that you have to have it before you make it the operational phase," Marcu told Platts.

Applying the carbon price to imported goods would allow for a reduction in the number of CBAM certificates to be surrendered, corresponding to the carbon price paid in the country of origin for the declared embedded emissions of CBAM goods.

"There's very little doubt that if you have any ETS price or a carbon tax, that will qualify [for a CBAM discount], there's little doubt about that," said Marcu. "After that, it's a very slippery slope."

“Let's say they accept international credits or offset credits from other sectors in the country. How will that be treated exactly? One of the problems that we see is that once you accept the use of credits into your effective carbon price somewhere, then you are almost obliged to do that for the EU ETS,” said Marcu. “If the Environment Council decides that they will accept 3% or 5% of international credits in the EU's nationally determined contributions, I think there's going to be a lot of pressure to accept some kind of credits in the CBAM.”

Looking ahead, discussions are underway regarding the potential expansion of CBAM to additional sectors. The expert stressed the importance of addressing the issue of expanding the scope of CBAM.

“If you have competing products [...] if you include one, you should include the other one, or else it's very difficult because one of them then will have to pay the free allocation and the other one will not have to pay allocation and all of a sudden you start having not only an issue of protection from outside competition, but also intra-European competition between different options and it's not the intention of CBAM to favor one or the other,” said Marcu.

Platts, part of S&P Global Commodity Insights, assessed the EUA contract for the nearest December 2025 delivery at Eur74.33/mtCO₂e (\$85.40/mtCO₂e) June 11. Platts further assessed the weekly average for the nearest December product at Eur72.50/mtCO₂e (\$83.29/mtCO₂e) June 6.

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