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6/6/2022

## **Technology Industries of Finland key points to the Carbon Border Adjustment Mechanism CBAM**

- **EU's Carbon Border Adjustment Mechanism (CBAM) should be aimed at reducing GHG emissions globally**, in line with the Paris agreement and WTO-rules.
- **The ETS free allowances and indirect cost compensation prevents carbon leakage efficiently** while keeping the European industries cost burden moderate, hence giving the **EU industry a possibility to invest in low-carbon technologies**. *(Recitals 10 & 11, Articles 1(3), 30 and 30 bis.)*
- **If implemented, CBAM needs to enforce the EU carbon leakage prevention and to secure the EU industries competitiveness while combatting climate change and GHG emissions**. *(Recital 11 bis)*
- At first stage, the mechanism should be applied only to products that have traceable value chains and calculable carbon footprints. Until there exists a global, practical and proven carbon footprint calculation tool, alternative measures need to be applied for more complex products. *(Art 7(6), Annex 7 point 4, Annex 7 point 4.1)*
- Appropriate criteria for selecting the products and measures covered by CBAM should be based on carbon leakage risk and trade intensity. Selected steel, cement, and non-ferrous metal products should be the first phase candidates to the CBAM implementation.
- Potentially, the CBA mechanism should include scope 1, 2 and 3 emissions, but due to the technical complexity related to the determination of indirect cost and emissions, it **should focus only on direct emissions (scope 1) at the initial stage**. *(Recitals 52 and 17 bis and annex)*
- CBAM should apply to all imports regardless the of source of origin. **A comprehensive impact assessment on downstream operators is required**. *(Article 30 and 30bis)*
- **Competition within the sectors selected to CBAM must be secured**. The implications of CBAM are at this stage highly unknown and hence a fact-based assessment of its effectiveness should precede the full-blown implementation of the proposed measure.
- Funds raised from the CBAM should be used to encourage investments in carbon-reducing technologies open to all ETS sectors and actors.

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*The Technology Industries of Finland (TIF) represents Finnish technology industries, comprised of 1,600 firms spanning the electronics and electrotechnical engineering, mechanical engineering, metal technology branches as well as health and information technologies and consulting engineering. Together they represent the Finland's largest manufacturing sector, generating annual turnover of over €77 billion euros and providing 311 000 jobs in Finland.*