

Consultation response

AmCham EU response to the consultation on the carbon border adjustment mechanism



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

Introduction

The American Chamber of Commerce to the European Union (AmCham EU) is committed to the values of global and free trade. We recognise the need for urgent action to achieve a lower-carbon economy, mitigate climate change and remain committed to supporting the objectives detailed in the Paris Agreement. Our member companies are willing to play an active role in this transition and have been researching, investing in and developing a wide range of lower-carbon technologies in Europe for decades.

The introduction of a carbon border adjustment mechanism (CBAM) presents both challenges and opportunities for the business communities to play a constructive role in facilitating a low-carbon transition in Europe and across the globe. We acknowledge the challenge of maintaining the competitiveness of manufacturing production in jurisdictions with strong climate ambitions in the absence of equivalent measures in other jurisdictions of the global economy. In this regard, we strongly encourage the European Commission to closely engage with third countries during the development of the CBAM to generate global consensus with key trading partners and with like-minded countries with high climate ambitions to avoid unnecessary trade tensions and to minimise any negative impacts on international trade.

The success of a future CBAM will be largely dependent on thorough Impact Assessments. The results of which should be clearly communicated to the public and impacted stakeholders. AmCham EU believes that transparency is a prerequisite for data-driven, science-based policymaking and is essential to create the most efficient, economically viable and effective solutions to address climate change.

AmCham EU and its member companies have the required expertise to contribute to the policy debate and we welcome opportunities to engage in the discussion on the best possible policies to encourage low emission production and to support a fair and level playing field.

Below we have detailed our perspectives on the following: **objectives of CBAM; the design of the mechanism; Scope; WTO compatibility; potential exemptions and the calculation of carbon content of products.**

Objective of the CBAM (Q4)

The European Commission's proposal for a European Green Deal is an important political milestone and delivering on the EU's objectives will require equally ambitious policy and regulatory frameworks as well as adequate financial resources. The world has seen cosmic changes over the last several months due to the COVID-19 crisis and in Europe we now look towards economic recovery from the impact of the pandemic and beyond. We encourage the Commission to strike the right balance between economic recovery and environmental protection.

The introduction of CBAM is a key component of the Green Deal and, similarly to other proposals within the Green Deal, CBAM should be clearly defined in terms of the objectives, pathway towards a future mechanism and detail on how the revenue will be used to support climate ambitions. The Commission has emphasised that a CBAM should be fair and promote a level playing field while incentivising the reduction of greenhouse gas emissions. However, we underscore that the primary objective of CBAM must be to address climate change by avoiding the risk of carbon leakage. This would be important not only to avoid discrimination against foreign companies when introducing the CBAM, but also to defend such measure under GATT Article XX (General Exceptions).

These objectives will require a clear framework that balances sustainability, competitiveness and innovation. Such a framework should encourage industry to invest in solutions that meet societal needs and consumer demands. Any framework should be clearly defined by the following:

- A CBAM must be implemented in coordination with all relevant areas of EU policy and regulatory competence in order to make the EU more attractive to foreign investment and to avoid the risk of undermining industrial competitiveness while ensuring equal opportunity for global market players. Implementation should take into account sectors where environmental and climate regulations and policies are already in place. As per above, the primary objective of CBAM should be to address climate change so there shouldn't be double taxation.
- CBAM revenues should be used for the development and deployment of climate change mitigation initiatives and technologies. AmCham EU encourages the Commission to set out a revenue distribution policy to ensure that the CBAM is socially just and does not disproportionately impact low-income households.
- AmCham EU supports the EU's leadership in global climate negotiations under the framework of the Paris Climate Agreement. Climate change is a global issue that requires international cooperation and this is especially important in the context of the development of the CBAM. We welcome the Commission's ambition to ensure that the CBAM adopts an inclusive and global approach when it comes to emission reductions and the Commission's plan to work with other countries on climate change.

Type of CBAM mechanism (Q6)

A well-designed CBAM can provide an important policy tool to incentivise companies to reduce the emission intensity of their products, provide a level playing-field for domestic industry, and encourage governments globally to increase their climate ambitions.

As a general principle, AmCham EU believes that a market-based ETS linked approach offers the best option as it is transparent and allows the market to determine the most efficient and effective price level to drive emissions reductions. Such an approach sets a level playing-field for domestic industry and importers, helping to reduce significant risks posed by potential trade tensions and WTO challenges.

Without knowing the details around scope, sectors, design, etc, it is challenging to assess the impact and to provide answers that can be applied generally irrespective of the subsequent design choices. AmCham EU would be happy to provide additional comments as further details are known.

- **Option 1 (Q6.1): A tax applied on imports at the EU border on a selection of products whose production is in sectors that are at risk of carbon leakage. This could be a border tax or customs duty on selected carbon intensive products.** While this design option may be more manageable and feasible to operationalise under certain circumstances, price setting (as opposed to a market-based carbon price) is not transparent and policymakers may be challenged to set the appropriate price level given trade complexity. We do note that this may inadvertently also be the option the most at risk of trade compliance.
- **Option 2 (Q6.2): An extension of the EU ETS to imports.** By clearly linking the CBAM to domestic carbon pricing, this mechanism reduces the carbon leakage rate, provides a level playing-field, and incentivises global ambition by encouraging countries to adopt their own carbon pricing policies. By linking the CBAM to the existing climate change legislation, the EU's emission reduction objectives will be explicit, and it is less likely to be viewed as a protectionist measure by third countries. Given that the EU ETS legislation will be reviewed in the near future, the European Commission may want to consider integrating the CBAM to support energy intensive industries in the event of carbon leakage (article 10B

1(B) of the EU ETS Directive). AmCham EU members believe that this design option is the most relevant option for the Commission to consider. This design option could be easier to implement for those sectors that are already compliant under the EU ETS.

However, the Commission should note that this design option may result in increased complexity and require additional resources if applied to sectors outside the scope of the existing EU ETS. The Commission should also take into account potential disruption of the EU ETS if they choose to extend the EU ETS to importers.

- **Option 3 (Q6.3): The obligation to purchase allowances from a specific pool outside the ETS dedicated to imports, which would mirror the ETS price.** This design option could be effective. However, to avoid global trade tensions and survive WTO challenges, it is critical that the price for the ‘mirror pool’ be exactly the same price as the domestic ETS.
- **Option 4 (Q6.4): Carbon tax (eg, excise or VAT type) at consumption level on a selection of products whose production is in sectors that are at risk of carbon leakage.** Under this option, the tax would apply to EU production, as well as to imports. Such a carbon tax would not change the relative economics of imports versus EU production as it would apply to both. Hence, it would not resolve the issue of carbon leakage and could lead to double taxation of EU industry. If collected at the border and not at the time of sales, a carbon tax could also generate significant complexity in global supply chains, and less transparency for importers or customers. As such, AmCham EU does not recommend the European Commission consider this design option for the EU’s CBAM.

Sectors subject to the CBAM (Q9)

When designing the CBAM, AmCham EU urges the Commission to assess various factors in a holistic manner and select targeted sectors based on transparent, predictable and science-based criteria. In particular, it would be important for the Commission to assess:

- whether products are exposed to the high risks of carbon leakage;
- whether the EU has emission benchmarks and data that have already been established within the EU;
- whether products have a simple supply chain;
- whether trade volume of EU’s imports of selected products is high or low;

We strongly urge the Commission to focus on a few material sectors with simple supply chains to ensure that the mechanism is well-designed and well-functioning. In addition, once the Commission has chosen targeted sectors, it will be important for the Commission to provide a sufficient transitional period to lessen the economic hardship caused by COVID-19 and thus to provide enough time for the affected industries to make necessary arrangements. In so doing, we urge the Commission to communicate with the affected industries and trading partners to minimise potential negative impacts of the CBAM.

AmCham EU recommends that the Commission conducts a thorough review after implementing CBAM initially on selected sectors to fully understand its effectiveness in reducing greenhouse gas emissions and impact on the affected industries. If the Commission intends to expand the scope of the CBAM after a few years of the initial application, we strongly urge the Commission to provide specific timelines and details on criteria for expanding the scope in advance. In any case such extensions should be subject to the legislative procedure and should not be left to delegated acts.

WTO compatibility

AmCham EU is committed to the values of global and free trade. The design of the CBAM should avoid trade conflicts and inadvertently disrupting highly integrated supply chains. Any mechanism to promote carbon-

neutral domestic production must be WTO compatible, especially with regard to the principle of non-discrimination, and consider the broader ramifications of impact to supply chains and highly integrated manufacturing production.

AmCham EU warmly welcomes the Commission's emphasis that the CBAM will be fully compatible with WTO rules. However, the CBAM's compatibility with WTO rules will be determined by details of the measure and the actual text of the legislative proposal. We strongly urge the Commission to deliver the CBAM that is compatible with WTO rules, in particular, the non-discrimination principle under the GATT Article III (national treatment). The CBAM must not be used as a protectionist measure. Foreign products manufactured with low greenhouse gas emissions must not face discrimination versus EU products.

Potential exemptions (Q14)

AmCham EU strongly urges the Commission to provide CBAM exemptions to countries who have *similar* climate measures to reduce greenhouse gas emissions. We understand that the Commission is currently assessing whether and how the exemptions could be provided and we welcome this consideration.

Providing CBAM exemptions to countries with climate measures *similar* to the EU ETS would not only help the EU to achieve the main objective of the CBAM, which is to fight global climate change and to encourage other countries to join the EU's efforts, but also to avoid unilateral retaliation by other countries in response to the CBAM. For other countries to be eligible for the exemptions, it would be sufficient if their climate measures are *similar* to the EU ETS in nature, market-based, and significantly contribute to the reduction of greenhouse gas emissions. These criteria should be well-defined, transparent and clear, to ensure predictability for third countries and importing companies and sectors. Further, it is worth noting that providing exemptions to countries implementing measures *similar* to the EU ETS would be necessary for the Commission to design a WTO-compatible CBAM and to justify the CBAM under GATT Article XX (in particular, to meet the requirement of the chapeau of GATT Article XX).

Calculating the carbon content of products (Q10)

AmCham EU members believe that the Commission should aim to include the broadest scope of emissions possible as this is critical to ensure the successful functioning of the mechanism. Ignoring important parts of the supply chain could result in loopholes, resource shifting and undermine the credibility of the mechanism. With this in mind, AmCham EU supports the inclusion of direct and indirect emissions. However, it is important that the design takes into account the potential for burdensome and complex calculation and reporting requirements, especially when it comes to scope 3 emissions. In addition, we recommend that the Commission takes into account the risk of double taxation that could arise from the life cycle-approach. For instance, road and air freight are already paying their emissions dues through road charging and tax on fuels as well as through ETS and Corsia respectively. AmCham EU members will be able to provide additional comments on how best to ensure a practical, efficient and holistic approach to GHG calculations as more details of the design and implementation of the mechanism are released.

Most importantly, it is critical that the CBAM provide incentives for industries to deliver the lowest-carbon intensity products possible. Without incorporating value chain carbon intensity into the CBAM, individual firms are not incentivised to undertake efforts to reduce their own carbon intensity. Similarly, measuring carbon intensity at an industry or national level for a given product would actually discourage private sector action as investments in lowering carbon intensity are not rewarded and would put firms at a competitive disadvantage against those not spending capital to reduce emissions intensity. A CBAM that takes firm-level carbon intensity into account is uniquely able to encourage industries to reduce the carbon intensity of their goods by rewarding improvements by firms across the value chain.

To avoid complexity in the initial phase of the CBAM, the Commission may consider providing a default value for the carbon intensity of imports (using EU benchmarks or by type of products), while allowing the importer to be able to provide sufficient evidence for the actual carbon intensity of the product in a timely and efficient manner. This would provide the flexibility required to incentivise investments in emissions reductions, while reducing the accounting burden for importers.

Enforcement

AmCham EU stresses that proper enforcement of any measure is critical to its effectiveness and the credibility of the Green Deal. There are many examples where duties or other controls are circumvented or avoided by re-routing shipment to alter the origin of the goods, misclassification under the customs nomenclature, abuse of transit arrangements, etc. For example, there is substantial illegal trade in hydrofluorocarbons, powerful greenhouse gases subject to strict controls in the EU. Other examples include goods subject to specific trade controls (agricultural products, goods subject to countervailing and anti-dumping duties or quantitative restrictions).

AmCham EU suggests that the Chief Trade Enforcement Officer (CTEO), a new post created by the Commission to strengthen the enforcement of EU trade agreements, monitor the enforcement of the CBAM. As the CTEO is expected to enforce the sustainable development commitments of EU trade agreements among other responsibilities, the CTEO could monitor and secure the enforcement of the CBAM. This would be particularly relevant if the Commission considers the customs duties or tariff design options (Q6.1) for the CBAM.

Public Consultation on the Carbon Border Adjustment

Fields marked with * are mandatory.

Introduction

The [European Green Deal](#) adopted by the Commission on 11 December 2019 aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. The long-term objective of climate neutrality by 2050 will be enshrined in legislation and the Commission will propose to increase the EU's climate ambition to reduce greenhouse gases emissions by 50-55% from 1990 levels by 2030.

In this context, the European Green Deal emphasized that “should differences in levels of ambition worldwide persist, as the EU increases its climate ambition, the Commission will propose a carbon border adjustment mechanism, for selected sectors, to reduce the risk of carbon leakage”. Risk of carbon leakage means either that production is transferred from the EU to other countries with lower ambition for emission reduction, or that EU products are replaced by more carbon-intensive imports. If this risk materialises, there will be no reduction in global emissions, and this will frustrate the efforts of the EU and its industries to meet the global climate objectives of the Paris Agreement.

A Carbon Border Adjustment Mechanism (CBAM) would ensure that the price of imports reflects more accurately their carbon content. This measure will be designed to comply with World Trade Organization rules and other international obligations of the EU. This measure would be an alternative to the current free allocation of allowances or compensation for the increase in electricity costs that address the risk of carbon leakage, because of carbon pricing in the EU's [Emissions Trading System](#) (ETS). Since 2005, the EU Emissions Trading System has been a key tool for reducing greenhouse gas emissions in the industrial and power sectors, by setting up a carbon market based on a 'cap and trade' principle. The system works by putting a limit on overall emissions from covered installations, which is reduced each year. Within this limit, companies can buy and sell emission allowances as needed, while some allowances are provided for free to certain industries on the basis of harmonised rules.

On 27 May 2020, the European Commission set out a [Recovery Plan for Europe](#) in response to the economic and social impacts of the COVID-19 pandemic. In the context of this plan, a new recovery instrument has been put forward by the Commission, with the proposal that the necessary funds be raised by temporarily lifting the EU's own resources ceiling. In this context, green own resources could contribute to future financing of the EU budget while supporting the green transition of the European economy and society. The Carbon Border Adjustment Mechanism is one of the possible options mentioned in the Recovery Plan for Europe in this context.

About you

* Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- Gaelic
- German
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- Italian
- Latvian
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* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation

- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

* First name

Nadia

* Surname

Allen

* Email (this won't be published)

nadia.allen@amchameu.eu

* Organisation name

255 character(s) maximum

American Chamber of Commerce to the European Union (AmCham EU)

* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

5265780509-97

* Country of origin

Please add your country of origin, or that of your organisation.

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- Åland Islands
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- Dominica
- Libya
- Liechtenstein
- Saint Martin
- Saint Pierre and Miquelon

- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Dominican Republic
- Ecuador
- Egypt
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- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
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- Finland
- France
- French Guiana
- French Polynesia
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- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Lithuania
- Luxembourg
- Macau
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Saint Vincent and the Grenadines
- Samoa
- San Marino
- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname

- Bhutan
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
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- Cape Verde
- Cayman Islands
- Central African Republic
- Chad
- Chile
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Iraq
- Ireland
- Isle of Man
- Myanmar /Burma
- Namibia
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- Northern Mariana Islands
- North Korea
- North Macedonia
- Norway
- Oman
- Pakistan
- Palau
- Palestine
- Panama
- Svalbard and Jan Mayen
- Sweden
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tokelau
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Turks and Caicos Islands
- Tuvalu
- Uganda
- Ukraine

- China
- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Israel
- Italy
- Jamaica
- Japan
- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena Ascension and Tristan da Cunha
- Saint Kitts and Nevis
- Saint Lucia
- United Arab Emirates
- United Kingdom
- United States
- United States Minor Outlying Islands
- Uruguay
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
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Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

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Questions to all stakeholders

General context

The European Union is at the forefront of the fight against climate change and has set ambitious energy and climate policies. The European Green Deal adopted by the Commission on 11 December 2019 sets out the policies to achieve climate neutrality by 2050. Delivering on the Green Deal will require action by all actors and all sectors of our economy.

1. To what extent are you familiar with the following initiatives and legislation at EU and international level?

	i. Very familiar	ii. Moderately familiar	iii. Slightly familiar	iv. Not familiar at all
* a. The EU Green Deal	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b. The European Climate Policy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c. The Paris Agreement on climate change	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d. The UN Sustainable Development Goals	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e. The EU Emissions Trading System (ETS)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f. The EU Energy Union	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g. The New Industrial Strategy for Europe	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h. The proposed, by the European Commission, Recovery Plan for Europe and the new recovery instrument Next Generation EU	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i. The World Trade Organisation rules and EU's trade agreements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. Please rate your level of agreement with the following general statements

	i. Strongly agree	ii Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Putting in place an EU Carbon Border Adjustment Mechanism is justified if differences of ambition between the EU and third countries in fighting climate change persist.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. By reducing risks of carbon leakage, a Carbon Border Adjustment Mechanism can help achieving the EU objective of climate neutrality by 2050 and contribute to global climate efforts.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. A higher price on some imported products due to the introduction of a Carbon Border Adjustment Mechanism in the EU would be acceptable if it contributed to global climate efforts	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. A Carbon Border Adjustment Mechanism would impose unnecessary burden on EU industry	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Justification and objectives

The efforts of the EU to fight global climate change by increasing its climate ambition by 2030 and become climate-neutral by 2050 could be undermined by a lack of ambition by our international partners. This would mean a risk of carbon leakage via the transfer of production and thus emissions from the EU to countries that have less strict climate policies in place, or via replacing EU products by more carbon-intensive imports. In such case global emissions would not be reduced. A Carbon Border Adjustment Mechanism could counteract this risk by ensuring equivalent costs of carbon between imports and goods produced in the EU.

3. Questions on the risk of carbon leakage

3.1 In view of EU's enhanced climate ambition the risk of carbon leakage is likely to:

- i. Increase
- ii. Remain unchanged
- iii. Decrease

3.2 To what extent do you agree with the following statements?

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Carbon leakage is already a reality	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

b. Current measures to address the risk of carbon leakage under the EU Emissions Trading System and State Aid Rules, such as free allocation of allowances and indirect cost compensation are effective in limiting the current risk of carbon leakage	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Current measures to address the risk of carbon leakage under the EU Emissions Trading System are sufficient in limiting the risk of carbon leakage even in view of the EU's enhanced climate ambition	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d. A Carbon Border Adjustment Mechanism could be effective in addressing the risk of carbon leakage	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. A Carbon Border Adjustment Mechanism can be effective in encouraging the deployment of less carbon intensive technologies and ambitious climate policies in partner countries	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. A Carbon Border Adjustment Mechanism can lead to a change in consumption patterns in the EU, by making available the choice of less carbon intensive products	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
g. Reducing greenhouse gas emissions can be better achieved through regulatory means such as performance standards for products placed on the EU market	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

4. The objective of the Carbon Border Adjustment Mechanism is to address the risk of carbon leakage from the EU to other countries. Please rate to what extent do you agree that the following should be also part of the objectives of the Carbon Border Adjustment Mechanism

[0 – Not important /.../ 5 – Very important]

	0	1	2	3	4	5
a. Enable policies that aim at reducing carbon emissions in the EU	<input type="radio"/>	<input checked="" type="radio"/>				
b. Fostering the reduction of greenhouse gas emissions at global level	<input type="radio"/>	<input checked="" type="radio"/>				
c. Ensure a carbon - level playing field for producers in terms of the impact of carbon-driven costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

5. Which of the following EU policy areas are the most important to take into account in the design of the Carbon Border Adjustment Mechanism

[0 – Not important /.../ 5 – Very important]:

	0	1	2	3	4	5
a. Climate, notably the EU Emissions Trading System	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. Trade	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c. Energy taxation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d. Development aid	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
f. Research and innovation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
g. Circular economy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Questions targeted at expert stakeholders

The Carbon Border Adjustment Mechanism in detail

A Carbon Border Adjustment Mechanism, for selected sectors, could contribute to reducing the risk of carbon leakage. The initiative would be linked to the pricing of carbon inside the EU, which is regulated for some sectors through the EU Emissions Trading System. The mechanism would aim at ensuring equivalent carbon costs between imports and goods produced in the EU. The possibility to adjust the price of exports also needs to be explored. However, some of the options described below may go beyond a strict border measure and apply to EU production, as well as to imports. As part of the work on the impact assessment, the Commission will develop a number of policy options that will address the type of policy instrument to be employed, the methodological approach and its sectoral scope. Any option to be envisaged will take into consideration the other initiatives foreseen in the context of the EU Green Deal, current EU legislation such as the EU ETS and the EU's international obligations.

Design and coverage of the mechanism

6. Which of the options (6.1-6.4) do you consider as appropriate for the design of a Carbon Border Adjustment Mechanism as described above? Please also indicate your view about the effectiveness and impact of each option:

6.1 A tax applied on imports at the EU border on a selection of products whose production is in sectors that are at risk of carbon leakage. This could be a border tax or customs duty on selected carbon intensive products. This option would be:

- i. Highly relevant
- ii. Somewhat relevant
- iii. Not relevant

6.1.1. The option described in 6.1 will:

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. Be effective in addressing the risk of carbon leakage	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Impose little administrative burden on EU importers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Impose little administrative burden on exporters from partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d. Be difficult to circumvent	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6.1.2 The option described in 6.1 will have an impact on my activity. This impact will be:

- i. Positive
- ii. Negative

6.2 An extension of the EU Emissions Trading System to imports, which could require the purchasing of emission allowances under the EU Emissions Trading System by either foreign producers or importers. This option would be:

- i. Highly relevant
- ii. Somewhat relevant
- iii. Not relevant

6.2.1. The option described in 6.2 will:

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. Be effective in addressing the risk of carbon leakage	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Impose little administrative burden on EU importers	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Impose little administrative burden on exporters from partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d. Be difficult to circumvent	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

e. Have a limited impact on the operations of EU producers subject to the EU Emissions Trading System	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
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6.2.2 The option described in 6.2 will have an impact on my activity. This impact will be:

- i. Positive
- ii. Negative

6.3 The obligation to purchase allowances from a specific pool outside the ETS dedicated to imports, which would mirror the ETS price. This option would be:

- i. Highly relevant
- ii. Somewhat relevant
- iii. Not relevant

6.3.1. The option described in 6.3 will:

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. Be effective in addressing the risk of carbon leakage	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Impose little administrative burden on EU importers	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Impose little administrative burden on exporters from partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d. Be difficult to circumvent	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Have a limited impact on the operations of EU producers participating in the EU Emission Trading System	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

6.3.2 The option described in 6.3 will have an impact on my activity. This impact will be:

- i. Positive
- ii. Negative

6.4 Carbon tax (e.g. excise or VAT type) at consumption level on a selection of products whose production is in sectors that are at risk of carbon leakage. Under this option, the tax would apply to EU production, as well as to imports. This option would be:

- i. Highly relevant
- ii. Somewhat relevant
- iii. Not relevant

6.4.1 The option described in 6.4 will:

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. Be effective in addressing the risk of carbon leakage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. Impose little administrative burden on European importers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
c. Impose little administrative burden on exporters from partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d. Impose little administrative burden on EU producers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
e. Be effective in addressing all the carbon emissions of the sectors to which it is applied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
f. Be difficult to circumvent	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6.4.2 The option described in 6.4 will have an impact on my activity. This impact will be:

- i. Positive
- ii. Negative

6.5 Please specify other types of policy instruments not covered by the above

1000 character(s) maximum

Any CBAM mechanism must be WTO compatible. For a tariff option (Q6.1), the CBAM must respect existing WTO tariff commitments.

7. Please rate the proposals in the list below with regard to their relevance for the coverage of the Carbon Border Adjustment Mechanism

--	--	--	--

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. The Carbon Border Adjustment Mechanism should cover not only direct emissions but also include indirect emissions that occurred in the production of the electricity used to produce the product	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Carbon Border Adjustment Mechanism should cover the emissions of the complete value chain, not only the emissions of the last stage of production before import into the EU	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. The Carbon Border Adjustment Mechanism should differentiate in the treatment of imports of finished products, intermediate products and primary inputs	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Emissions from international transport of the goods covered should be taken into account by the Carbon Border Adjustment Mechanism	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. The Commission indicated in its Green Deal communication that the Carbon Border Adjustment Mechanism would be proposed for selected sectors

8.1 Please indicate if you agree that the following could be relevant in determining the coverage of the Carbon Border Adjustment Mechanism

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Should focus on products from activities covered by the EU Emissions Trading System	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Should focus on products from activities covered by the EU Emissions Trading System with highest risk of carbon leakage	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Should not focus only on a product but address the relevant parts of value chains related to the product	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

8.2 Other important elements in the selection of sectors. Please specify:

450 character(s) maximum

AmCham EU encourages the Commission to include specific sectors and products with the least complex supply chains.

9. Considering the criteria outlined in the previous question, please indicate which according to your view could be the priority sectors that the Carbon Border Adjustment Mechanism should focus on. Please choose sectors in the drop down menu that includes all the economic activities in Level 3 NACE (rev. 2) excluding services. Should more detailed specification be required, or if you would like to select sectors not covered in the drop down menu, this can be provided in sectors 7-10 below at Level 4 NACE (rev. 2).

Sector 1. Please select from list (Level 3 NACE rev.2 excluding services)

- A011 Growing of non-perennial crops
- A012 Growing of perennial crops
- A013 Plant propagation
- A014 Animal production
- A015 Mixed farming
- A016 Support activities to agriculture and post-harvest crop activities
- A017 Hunting, trapping and related service activities
- A021 Silviculture and other forestry activities
- A022 Logging
- A023 Gathering of wild growing non-wood products
- A024 Support services to forestry
- A031 Fishing
- A032 Aquaculture
- B051 Mining of hard coal
- B052 Mining of lignite
- B061 Extraction of crude petroleum
- B062 Extraction of natural gas
- B071 Mining of iron ores
- B072 Mining of non-ferrous metal ores
- B081 Quarrying of stone, sand and clay
- B089 Mining and quarrying n.e.c.
- B091 Support activities for petroleum and natural gas extraction
- B099 Support activities for other mining and quarrying
- C101 Processing and preserving of meat and production of meat products
- C102 Processing and preserving of fish, crustaceans and molluscs

- C103 Processing and preserving of fruit and vegetables
- C104 Manufacture of vegetable and animal oils and fats
- C105 Manufacture of dairy products
- C106 Manufacture of grain mill products, starches and starch products
- C107 Manufacture of bakery and farinaceous products
- C108 Manufacture of other food products
- C109 Manufacture of prepared animal feeds
- C110 Manufacture of beverages
- C120 Manufacture of tobacco products
- C131 Preparation and spinning of textile fibres
- C132 Weaving of textiles
- C133 Finishing of textiles
- C139 Manufacture of other textiles
- C141 Manufacture of wearing apparel, except fur apparel
- C142 Manufacture of articles of fur
- C143 Manufacture of knitted and crocheted apparel
- C151 Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur
- C152 Manufacture of footwear
- C161 Sawmilling and planing of wood
- C162 Manufacture of products of wood, cork, straw and plaiting materials
- C171 Manufacture of pulp, paper and paperboard
- C172 Manufacture of articles of paper and paperboard
- C181 Printing and service activities related to printing
- C182 Reproduction of recorded media
- C191 Manufacture of coke oven products
- C192 Manufacture of refined petroleum products
- C201 Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms
- C202 Manufacture of pesticides and other agrochemical products
- C203 Manufacture of paints, varnishes and similar coatings, printing ink and mastics
- C204 Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations
- C205 Manufacture of other chemical products

- C206 Manufacture of man-made fibres
- C211 Manufacture of basic pharmaceutical products
- C212 Manufacture of pharmaceutical preparations
- C221 Manufacture of rubber products
- C222 Manufacture of plastics products
- C231 Manufacture of glass and glass products
- C232 Manufacture of refractory products
- C233 Manufacture of clay building materials
- C234 Manufacture of other porcelain and ceramic products
- C235 Manufacture of cement, lime and plaster
- C236 Manufacture of articles of concrete, cement and plaster
- C237 Cutting, shaping and finishing of stone
- C239 Manufacture of abrasive products and non-metallic mineral products n. e.c.
- C241 Manufacture of basic iron and steel and of ferro-alloys
- C242 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
- C243 Manufacture of other products of first processing of steel
- C244 Manufacture of basic precious and other non-ferrous metals
- C245 Casting of metals
- C251 Manufacture of structural metal products
- C252 Manufacture of tanks, reservoirs and containers of metal
- C253 Manufacture of steam generators, except central heating hot water boilers
- C254 Manufacture of weapons and ammunition
- C255 Forging, pressing, stamping and roll-forming of metal; powder metallurgy
- C256 Treatment and coating of metals; machining
- C257 Manufacture of cutlery, tools and general hardware
- C259 Manufacture of other fabricated metal products
- C261 Manufacture of electronic components and boards
- C262 Manufacture of computers and peripheral equipment
- C263 Manufacture of communication equipment
- C264 Manufacture of consumer electronics
- C265 Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks

- C266 Manufacture of irradiation, electromedical and electrotherapeutic equipment
- C267 Manufacture of optical instruments and photographic equipment
- C268 Manufacture of magnetic and optical media
- C271 Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
- C272 Manufacture of batteries and accumulators
- C273 Manufacture of wiring and wiring devices
- C274 Manufacture of electric lighting equipment
- C275 Manufacture of domestic appliances
- C279 Manufacture of other electrical equipment
- C281 Manufacture of general-purpose machinery
- C282 Manufacture of other general-purpose machinery
- C283 Manufacture of agricultural and forestry machinery
- C284 Manufacture of metal forming machinery and machine tools
- C289 Manufacture of other special-purpose machinery
- C291 Manufacture of motor vehicles
- C292 Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
- C293 Manufacture of parts and accessories for motor vehicles
- C301 Building of ships and boats
- C302 Manufacture of railway locomotives and rolling stock
- C303 Manufacture of air and spacecraft and related machinery
- C304 Manufacture of military fighting vehicles
- C309 Manufacture of transport equipment n.e.c.
- C310 Manufacture of furniture
- C321 Manufacture of jewellery, bijouterie and related articles
- C322 Manufacture of musical instruments
- C323 Manufacture of sports goods
- C324 Manufacture of games and toys
- C325 Manufacture of medical and dental instruments and supplies
- C329 Manufacturing n.e.c.
- C331 Repair of fabricated metal products, machinery and equipment
- C332 Installation of industrial machinery and equipment
- D351 Electric power generation, transmission and distribution

- D352 Manufacture of gas; distribution of gaseous fuels through mains
- D353 Steam and air conditioning supply
- E360 Water collection, treatment and supply
- E370 Sewerage
- E381 Waste collection
- E382 Waste treatment and disposal
- E383 Materials recovery
- E390 Remediation activities and other waste management services

Sector 2. Please select from list (Level 3 NACE rev.2 excluding services)

- A011 Growing of non-perennial crops
- A012 Growing of perennial crops
- A013 Plant propagation
- A014 Animal production
- A015 Mixed farming
- A016 Support activities to agriculture and post-harvest crop activities
- A017 Hunting, trapping and related service activities
- A021 Silviculture and other forestry activities
- A022 Logging
- A023 Gathering of wild growing non-wood products
- A024 Support services to forestry
- A031 Fishing
- A032 Aquaculture
- B051 Mining of hard coal
- B052 Mining of lignite
- B061 Extraction of crude petroleum
- B062 Extraction of natural gas
- B071 Mining of iron ores
- B072 Mining of non-ferrous metal ores
- B081 Quarrying of stone, sand and clay
- B089 Mining and quarrying n.e.c.
- B091 Support activities for petroleum and natural gas extraction
- B099 Support activities for other mining and quarrying
- C101 Processing and preserving of meat and production of meat products
- C102 Processing and preserving of fish, crustaceans and molluscs

- C103 Processing and preserving of fruit and vegetables
- C104 Manufacture of vegetable and animal oils and fats
- C105 Manufacture of dairy products
- C106 Manufacture of grain mill products, starches and starch products
- C107 Manufacture of bakery and farinaceous products
- C108 Manufacture of other food products
- C109 Manufacture of prepared animal feeds
- C110 Manufacture of beverages
- C120 Manufacture of tobacco products
- C131 Preparation and spinning of textile fibres
- C132 Weaving of textiles
- C133 Finishing of textiles
- C139 Manufacture of other textiles
- C141 Manufacture of wearing apparel, except fur apparel
- C142 Manufacture of articles of fur
- C143 Manufacture of knitted and crocheted apparel
- C151 Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur
- C152 Manufacture of footwear
- C161 Sawmilling and planing of wood
- C162 Manufacture of products of wood, cork, straw and plaiting materials
- C171 Manufacture of pulp, paper and paperboard
- C172 Manufacture of articles of paper and paperboard
- C181 Printing and service activities related to printing
- C182 Reproduction of recorded media
- C191 Manufacture of coke oven products
- C192 Manufacture of refined petroleum products
- C201 Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms
- C202 Manufacture of pesticides and other agrochemical products
- C203 Manufacture of paints, varnishes and similar coatings, printing ink and mastics
- C204 Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations
- C205 Manufacture of other chemical products

- C206 Manufacture of man-made fibres
- C211 Manufacture of basic pharmaceutical products
- C212 Manufacture of pharmaceutical preparations
- C221 Manufacture of rubber products
- C222 Manufacture of plastics products
- C231 Manufacture of glass and glass products
- C232 Manufacture of refractory products
- C233 Manufacture of clay building materials
- C234 Manufacture of other porcelain and ceramic products
- C235 Manufacture of cement, lime and plaster
- C236 Manufacture of articles of concrete, cement and plaster
- C237 Cutting, shaping and finishing of stone
- C239 Manufacture of abrasive products and non-metallic mineral products n. e.c.
- C241 Manufacture of basic iron and steel and of ferro-alloys
- C242 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
- C243 Manufacture of other products of first processing of steel
- C244 Manufacture of basic precious and other non-ferrous metals
- C245 Casting of metals
- C251 Manufacture of structural metal products
- C252 Manufacture of tanks, reservoirs and containers of metal
- C253 Manufacture of steam generators, except central heating hot water boilers
- C254 Manufacture of weapons and ammunition
- C255 Forging, pressing, stamping and roll-forming of metal; powder metallurgy
- C256 Treatment and coating of metals; machining
- C257 Manufacture of cutlery, tools and general hardware
- C259 Manufacture of other fabricated metal products
- C261 Manufacture of electronic components and boards
- C262 Manufacture of computers and peripheral equipment
- C263 Manufacture of communication equipment
- C264 Manufacture of consumer electronics
- C265 Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks

- C266 Manufacture of irradiation, electromedical and electrotherapeutic equipment
- C267 Manufacture of optical instruments and photographic equipment
- C268 Manufacture of magnetic and optical media
- C271 Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
- C272 Manufacture of batteries and accumulators
- C273 Manufacture of wiring and wiring devices
- C274 Manufacture of electric lighting equipment
- C275 Manufacture of domestic appliances
- C279 Manufacture of other electrical equipment
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- C282 Manufacture of other general-purpose machinery
- C283 Manufacture of agricultural and forestry machinery
- C284 Manufacture of metal forming machinery and machine tools
- C289 Manufacture of other special-purpose machinery
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- C292 Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
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- C304 Manufacture of military fighting vehicles
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- C323 Manufacture of sports goods
- C324 Manufacture of games and toys
- C325 Manufacture of medical and dental instruments and supplies
- C329 Manufacturing n.e.c.
- C331 Repair of fabricated metal products, machinery and equipment
- C332 Installation of industrial machinery and equipment
- D351 Electric power generation, transmission and distribution

- D352 Manufacture of gas; distribution of gaseous fuels through mains
- D353 Steam and air conditioning supply
- E360 Water collection, treatment and supply
- E370 Sewerage
- E381 Waste collection
- E382 Waste treatment and disposal
- E383 Materials recovery
- E390 Remediation activities and other waste management services

Sector 3. Please select from list (Level 3 NACE rev.2 excluding services)

- A011 Growing of non-perennial crops
- A012 Growing of perennial crops
- A013 Plant propagation
- A014 Animal production
- A015 Mixed farming
- A016 Support activities to agriculture and post-harvest crop activities
- A017 Hunting, trapping and related service activities
- A021 Silviculture and other forestry activities
- A022 Logging
- A023 Gathering of wild growing non-wood products
- A024 Support services to forestry
- A031 Fishing
- A032 Aquaculture
- B051 Mining of hard coal
- B052 Mining of lignite
- B061 Extraction of crude petroleum
- B062 Extraction of natural gas
- B071 Mining of iron ores
- B072 Mining of non-ferrous metal ores
- B081 Quarrying of stone, sand and clay
- B089 Mining and quarrying n.e.c.
- B091 Support activities for petroleum and natural gas extraction
- B099 Support activities for other mining and quarrying
- C101 Processing and preserving of meat and production of meat products
- C102 Processing and preserving of fish, crustaceans and molluscs

- C103 Processing and preserving of fruit and vegetables
- C104 Manufacture of vegetable and animal oils and fats
- C105 Manufacture of dairy products
- C106 Manufacture of grain mill products, starches and starch products
- C107 Manufacture of bakery and farinaceous products
- C108 Manufacture of other food products
- C109 Manufacture of prepared animal feeds
- C110 Manufacture of beverages
- C120 Manufacture of tobacco products
- C131 Preparation and spinning of textile fibres
- C132 Weaving of textiles
- C133 Finishing of textiles
- C139 Manufacture of other textiles
- C141 Manufacture of wearing apparel, except fur apparel
- C142 Manufacture of articles of fur
- C143 Manufacture of knitted and crocheted apparel
- C151 Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur
- C152 Manufacture of footwear
- C161 Sawmilling and planing of wood
- C162 Manufacture of products of wood, cork, straw and plaiting materials
- C171 Manufacture of pulp, paper and paperboard
- C172 Manufacture of articles of paper and paperboard
- C181 Printing and service activities related to printing
- C182 Reproduction of recorded media
- C191 Manufacture of coke oven products
- C192 Manufacture of refined petroleum products
- C201 Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms
- C202 Manufacture of pesticides and other agrochemical products
- C203 Manufacture of paints, varnishes and similar coatings, printing ink and mastics
- C204 Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations
- C205 Manufacture of other chemical products

- C206 Manufacture of man-made fibres
- C211 Manufacture of basic pharmaceutical products
- C212 Manufacture of pharmaceutical preparations
- C221 Manufacture of rubber products
- C222 Manufacture of plastics products
- C231 Manufacture of glass and glass products
- C232 Manufacture of refractory products
- C233 Manufacture of clay building materials
- C234 Manufacture of other porcelain and ceramic products
- C235 Manufacture of cement, lime and plaster
- C236 Manufacture of articles of concrete, cement and plaster
- C237 Cutting, shaping and finishing of stone
- C239 Manufacture of abrasive products and non-metallic mineral products n. e.c.
- C241 Manufacture of basic iron and steel and of ferro-alloys
- C242 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
- C243 Manufacture of other products of first processing of steel
- C244 Manufacture of basic precious and other non-ferrous metals
- C245 Casting of metals
- C251 Manufacture of structural metal products
- C252 Manufacture of tanks, reservoirs and containers of metal
- C253 Manufacture of steam generators, except central heating hot water boilers
- C254 Manufacture of weapons and ammunition
- C255 Forging, pressing, stamping and roll-forming of metal; powder metallurgy
- C256 Treatment and coating of metals; machining
- C257 Manufacture of cutlery, tools and general hardware
- C259 Manufacture of other fabricated metal products
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- C324 Manufacture of games and toys
- C325 Manufacture of medical and dental instruments and supplies
- C329 Manufacturing n.e.c.
- C331 Repair of fabricated metal products, machinery and equipment
- C332 Installation of industrial machinery and equipment
- D351 Electric power generation, transmission and distribution

- D352 Manufacture of gas; distribution of gaseous fuels through mains
- D353 Steam and air conditioning supply
- E360 Water collection, treatment and supply
- E370 Sewerage
- E381 Waste collection
- E382 Waste treatment and disposal
- E383 Materials recovery
- E390 Remediation activities and other waste management services

Sector 4. Please select from list (Level 3 NACE rev.2 excluding services)

- A011 Growing of non-perennial crops
- A012 Growing of perennial crops
- A013 Plant propagation
- A014 Animal production
- A015 Mixed farming
- A016 Support activities to agriculture and post-harvest crop activities
- A017 Hunting, trapping and related service activities
- A021 Silviculture and other forestry activities
- A022 Logging
- A023 Gathering of wild growing non-wood products
- A024 Support services to forestry
- A031 Fishing
- A032 Aquaculture
- B051 Mining of hard coal
- B052 Mining of lignite
- B061 Extraction of crude petroleum
- B062 Extraction of natural gas
- B071 Mining of iron ores
- B072 Mining of non-ferrous metal ores
- B081 Quarrying of stone, sand and clay
- B089 Mining and quarrying n.e.c.
- B091 Support activities for petroleum and natural gas extraction
- B099 Support activities for other mining and quarrying
- C101 Processing and preserving of meat and production of meat products
- C102 Processing and preserving of fish, crustaceans and molluscs

- C103 Processing and preserving of fruit and vegetables
- C104 Manufacture of vegetable and animal oils and fats
- C105 Manufacture of dairy products
- C106 Manufacture of grain mill products, starches and starch products
- C107 Manufacture of bakery and farinaceous products
- C108 Manufacture of other food products
- C109 Manufacture of prepared animal feeds
- C110 Manufacture of beverages
- C120 Manufacture of tobacco products
- C131 Preparation and spinning of textile fibres
- C132 Weaving of textiles
- C133 Finishing of textiles
- C139 Manufacture of other textiles
- C141 Manufacture of wearing apparel, except fur apparel
- C142 Manufacture of articles of fur
- C143 Manufacture of knitted and crocheted apparel
- C151 Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur
- C152 Manufacture of footwear
- C161 Sawmilling and planing of wood
- C162 Manufacture of products of wood, cork, straw and plaiting materials
- C171 Manufacture of pulp, paper and paperboard
- C172 Manufacture of articles of paper and paperboard
- C181 Printing and service activities related to printing
- C182 Reproduction of recorded media
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- D352 Manufacture of gas; distribution of gaseous fuels through mains
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- E360 Water collection, treatment and supply
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Sector 5. Please select from list (Level 3 NACE rev.2 excluding services)

- A011 Growing of non-perennial crops
- A012 Growing of perennial crops
- A013 Plant propagation
- A014 Animal production
- A015 Mixed farming
- A016 Support activities to agriculture and post-harvest crop activities
- A017 Hunting, trapping and related service activities
- A021 Silviculture and other forestry activities
- A022 Logging
- A023 Gathering of wild growing non-wood products
- A024 Support services to forestry
- A031 Fishing
- A032 Aquaculture
- B051 Mining of hard coal
- B052 Mining of lignite
- B061 Extraction of crude petroleum
- B062 Extraction of natural gas
- B071 Mining of iron ores
- B072 Mining of non-ferrous metal ores
- B081 Quarrying of stone, sand and clay
- B089 Mining and quarrying n.e.c.
- B091 Support activities for petroleum and natural gas extraction
- B099 Support activities for other mining and quarrying
- C101 Processing and preserving of meat and production of meat products
- C102 Processing and preserving of fish, crustaceans and molluscs

- C103 Processing and preserving of fruit and vegetables
- C104 Manufacture of vegetable and animal oils and fats
- C105 Manufacture of dairy products
- C106 Manufacture of grain mill products, starches and starch products
- C107 Manufacture of bakery and farinaceous products
- C108 Manufacture of other food products
- C109 Manufacture of prepared animal feeds
- C110 Manufacture of beverages
- C120 Manufacture of tobacco products
- C131 Preparation and spinning of textile fibres
- C132 Weaving of textiles
- C133 Finishing of textiles
- C139 Manufacture of other textiles
- C141 Manufacture of wearing apparel, except fur apparel
- C142 Manufacture of articles of fur
- C143 Manufacture of knitted and crocheted apparel
- C151 Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur
- C152 Manufacture of footwear
- C161 Sawmilling and planing of wood
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Sector 7. Please identify and indicate relevant Level 4 code from [NACE rev. 2 Classification of Economic Activities in the European Community](#)

5 character(s) maximum

Sector 8. Please identify and indicate relevant Level 4 code from [NACE rev. 2 Classification of Economic Activities in the European Community](#)

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Sector 9. Please identify and indicate relevant Level 4 code from [NACE rev. 2 Classification of Economic Activities in the European Community](#)

5 character(s) maximum

Sector 10. Please identify and indicate relevant Level 4 code from [NACE rev. 2 Classification of Economic Activities in the European Community](#)

5 character(s) maximum

Specific implementation issues

10. Please indicate to what extent you agree that the calculation of the carbon content of imported products should be based on

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree

a. EU product benchmarks for free allocation under the Emissions Trading System, i.e. the greenhouse gases emitted during the production process	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Country of origin-specific product benchmarks to be defined for direct emissions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
c. Global product benchmarks to be defined for direct emissions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

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	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
d. EU emission factors to be defined for indirect emissions, i.e. the emissions caused by the generation of electricity used to produce the covered product	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Country of origin-specific emission factors to be defined for indirect emissions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
f. Global emission factors to be defined for indirect emissions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

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	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
g. A factor for both direct and indirect emissions taking into account the production method used in the installation where it was produced	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h. A method that traces the build-up of emissions across the value chain of a product in different countries	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i. Giving importers the possibility to demonstrate in a verifiable manner how the product was manufactured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree

j. The Commission Product Environmental Footprint method (which is in line with the international standard ISO 14067 and considers both direct and indirect impacts)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
k. Product Environmental Footprint Category Rules developed based on the Commission Product Environmental Footprint method, which also include a benchmark reflecting average environmental performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

11. Please indicate to what extent you agree that the verification of the carbon content of imported products should:

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Be based on independent third party verification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Allow for self-certification, supported by occasional external audit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. Please indicate to what extent you agree with the following statement

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
Provided that it is necessary to achieve the objective of reducing the risk of carbon leakage, the possibility to grant a rebate to EU exporters should be explored under the Carbon Border Adjustment Mechanism	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. The Carbon Border Adjustment Mechanism should have adequate anti-circumvention mechanisms.

13.1 Please indicate which of the following avenues for circumvention would pose significant risks and should be prevented:

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Substitution between primary inputs and semi-finished goods	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Resource shuffling in the form allocating low carbon production only to the EU with no or negative effect to the overall CO2 emissions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

c. Transshipment strategies if the possibility for exempted countries is included	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Avoidance based on slight modification of the product	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

13.2 Other avenues for circumvention, not indicated under 13.1 above. Please specify:

250 character(s) maximum

14. Additional considerations on the scope of the Carbon Border Adjustment Mechanism

14.1. Please indicate to what extent you agree with the following statements concerning the design of the Carbon Border Adjustment Mechanism

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Should not allow for any exemptions. All imports should be subject to a carbon border adjustment mechanism equally no matter where they came from	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. Should allow for exemptions for least developed countries	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

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	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
c. If a partner country has climate policies creating sufficient incentives for emission reductions, similarly to the EU for the products in scope then no Carbon Border Adjustment should be levied (relevant policies could include national or regional emissions trading system, carbon tax, or regulatory system in relevant sectors at home)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. If a partner country has climate policies creating sufficient incentives for emission reductions which result in higher carbon costs than in the EU for the products in scope, then the Carbon Border Adjustment should result in a credit for the importer for the difference in carbon cost	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14.2 Other considerations on scope and exemptions not covered by 14.1 above.

Please specify:

250 character(s) maximum

AmCham EU strongly suggests the Commission to provide CBAM exemptions to countries who have similar climate measures to reduce greenhouse gas emissions. Please see our consultation paper attached for further explanation.

Potential impacts

The impacts will vary depending on the design and in particular on the sectors that will be covered by the Carbon Border Adjustment Mechanism. The measure is expected to ensure that the efforts of the EU and its industry for a transition to a climate neutral economy are not jeopardised by carbon leakage. The measure should be consistent with the ambition of the European Green Deal to achieve a just, socially balanced and fair transition.

15. Please indicate if you agree with the following statement

15.1 Economic impacts

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. The Carbon Border Adjustment Mechanism would increase costs for EU businesses in downstream sectors	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. The Carbon Border Adjustment Mechanism would have a positive impact on the competitiveness of EU industry in the sectors concerned	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. The Carbon Border Adjustment Mechanism would negatively affect EU exporters in the sectors concerned	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. The Carbon Border Adjustment Mechanism would have a positive impact on investment in the EU	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. The Carbon Border Adjustment Mechanism would encourage the consumption of less carbon intensive products	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
f. The Carbon Border Adjustment Mechanism would have a positive impact on innovation in the EU and elsewhere by promoting clean technologies	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

g. The Carbon Border Adjustment Mechanism would result in the relocation or replacement of activities from partner countries into the EU	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
h. The Carbon Border Adjustment Mechanism would result in the relocation or replacement of activities from the EU to partner countries in the downstream sectors to which Carbon Border Adjustment Mechanism would apply	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

15.2 Environmental impacts

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. The Carbon Border Adjustment Mechanism would improve the effectiveness of policies aimed at fighting climate change in the EU	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. The Carbon Border Adjustment Mechanism would be effective in reducing carbon emissions globally	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. The Carbon Border Adjustment Mechanism would promote the adoption of similarly ambitious climate policies by our trading partners and thus contribute to the reduction of global emissions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

15.3 Social impacts

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. The Carbon Border Adjustment Mechanism would avoid job losses in the EU due to the substitution of EU production by production from partner countries with lower climate ambition.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Depending on the sectors covered, the Carbon Border Adjustment Mechanism, as part of a broader climate policy, would increase the price of consumer products including those related to basic needs.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. The Carbon Border Adjustment Mechanism would have negative effects in terms of jobs in sectors downstream from those to which it applies by increasing the cost of their inputs, which their competitors in partner countries do not bear.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

d. Potential negative effects on the living standards of the poorer segments of the population should be compensated



15.4 Administrative impacts

a. The Carbon Border Adjustment Mechanism would increase the administrative burden for exporters and importers into the EU

- i. Yes
- ii. No

Due to:

- i. Complexity of establishing the carbon content of the product
- ii. Alignment with measurement standards
- iii. Verification and reporting procedures

b. The Carbon Border Adjustment Mechanism is likely to increase the administrative burden for public administrations in the EU

- i. Yes
- ii. No

Due to:

- i. Monitoring needs
- ii. Adjustment of customs systems

c. The Carbon Border Adjustment Mechanism is likely to result in higher administrative burden for SMEs

- i. Yes
- ii. No

15.5 Other economic, environmental, social or administrative impacts, not indicated above.

Please specify.

1000 character(s) maximum

Final remarks

Should you wish to provide additional information (for example a position paper) or raise specific points not covered by the questionnaire, you can upload your additional document here.

Please note that the uploaded document will be published alongside your response to the questionnaire which is the essential input to this open public consultation. The document is an optional complement and serves as additional background reading to better understand your position.

Please upload your file

The maximum file size is 1 MB

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Please provide your hyperlinks

http://www.amchameu.eu/system/files/position_papers/20201028_cbam_position_paper_final.pdf

Contact

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