



NADEC 50th Anniversary Conference, May 13, 2024
Aluminum and Steel panel.

**US-EU Marketplace-Aluminum and Steel -EU
Carbon Board Adjustment Mechanism (CBAM)
and Global Arrangement on Sustainable Steel
and Aluminum (GASSA)**

Richard Grana, NADEC Board member, President, Impex –
EMC, May 16, 2024

Panel Takeaways:

Our panel discussion delved into the key points raised in the Center for American Progress article 'Trade Beyond Neoliberalism: Concluding a Global Arrangement on Sustainable Steel and Aluminum', including the implications of the EU Carbon Border Adjustment Mechanism (CBAM) and Global Arrangement on Sustainable Steel and Aluminum (GASSA). Understanding these policies is crucial as they have the potential to significantly impact the US-EU marketplace, making it urgent for SMEs to stay updated. For instance, CBAM is designed to apply the same carbon costs to imported products as are incurred by installations operating in the EU in covered sectors. EU-authorized declarants representing importers of certain goods will be required to purchase and surrender CBAM certificates for the embedded emissions of their imported goods.

We discussed the relationship between the Trump administration's imposed tariffs on EU steel and aluminum products and the EU's retaliatory imposition of duties on various US products. This includes differences in the development of the US GASSA proposal and the EU CBAM policy. It's important to note that the EU's CBAM is in the implementation stage until in January 2026. SMEs that use these products are encouraged to read the article and keep abreast of these policies during this formulation before the January 2026 date upon which CBAM fees will be levied. Separately, the approach USTR is considering with respect to GASSA is being carefully considered and formulated, giving you confidence in the USTR negotiating process. Some planning considerations are the possible multiple types of inventories and product of origin tracking paperwork.

Another question you may want to consider is the potential impact of GASSA and CBAM on the economic rise of China and other non-market oriented states, (think excess capacity concerns, dumping, and subsidization) and how this may affect global trade dynamics. Also, keep in mind the role and activities of state-owned enterprises in these sectors compared to our US private companies.

A chart embedded in the abovementioned article demonstrates the current carbon production release in manufacturing these steel and aluminum products globally.

<https://www.americanprogress.org/article/trade-beyond-neoliberalism-concluding-a-global-arrangement-on-sustainable-steel-and-aluminum/#:~:text=On%20October%2031%2C%2021%2C%20the,is%20produced%20using%20conventional%20manufacturing>

https://taxation-customs.ec.europa.eu/system/files/2023-11/CBAM%20Guidance_EU%20231121%20for%20web_0.pdf