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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO. 26

EU's Carbon Border Adjustment Mechanism

Ms H S Boshoff (Mpumalanga: DA) to ask the Minister of Trade, Industry and Competition:

Whether his department has conducted any comprehensive assessments of the European Union's Carbon Border Adjustment Mechanism (CBAM), including the announced expansion to downstream products in the iron, steel and aluminium value chains by 2028; if not, why not; if so, (a) what are the key findings of the assessments in respect of South Africa's export competitiveness in the European Union market, (b) which sectors and product categories are most exposed to CBAM-related costs and (c) what is the estimated value of South African exports that are at risk over medium term? CW26E

REPLY

The Department, through its research partner, Trade and Industrial Policy Strategies (TIPS) has undertaken ongoing assessments of the implications of the EU's Carbon Border Adjustment Mechanism, which were mostly done via industry-government-research workshops on the iron and steel and aluminium value chains (November 2023).

A report has been drafted by TIPS in that regard (**South Africa's Iron, Steel and Aluminium Industries Readiness to Respond to CBAM**)



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No new work has yet been done on the announced extension to selected downstream products in the iron, steel and aluminium value chains by 2028.

(a) Key findings:

Preliminary assessments indicate that CBAM will increase compliance costs and administrative burdens for carbon-intensive exports, potentially affecting price competitiveness in the EU market. The impact will depend on embedded carbon intensity, availability of credible emissions data, and the trajectory of the EU carbon price.

(b) Most exposed sectors/products:

Primary iron and steel, aluminium, and selected downstream fabricated metal products are the most exposed.

The announced expansion to downstream products may increase risks for semi-finished and value-added steel and aluminium exports

(c) Estimated export value at risk:

Exports of iron, steel and aluminium products to the EU represent a significant share of South Africa's metals trade with the EU. The precise value at risk over the medium term will depend on carbon price differentials and product coverage expansion; this is being continuously updated as EU implementing regulations evolve.

the dtic has been engaging industry stakeholders, including Steel and Engineering Industries Federation of Southern Africa (SEIFSA), which is collaborating with the Danish Government on CBAM-related readiness and impact work. In August 2025, SEIFSA convened a workshop with the government and industry on South African policy preparedness review. **(See attached report)**



CBAM POLICY
REPORT - PRESENTA1

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