



# MANUFACTURING CIRCLE

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VOICE FOR SOUTH AFRICAN MANUFACTURING

Introduction to the CBAM Industry Working Group

21 August 2024

# CBAM Industry Working Group



- In April 2024, the Manufacturing Circle, in association with BUSA, SEIFSA and AFSA, developed and administered a short survey to capture more detailed information regarding the reporting challenges faced by local industry to comply with CBAM requirements
- The survey included also an expression of interest in participating in an Industry Working Group to discuss CBAM related issues, with the overall objective of preparing for potential negotiations with the EU/UK on implementation timelines and impact mitigation measures
- A large majority of the survey respondents indicated their interest, and a kick-off session was organised by the Manufacturing Circle in collaboration with the NCPC on 19 June
- Following the kick-off session, a Project Charter for the initiative was drafted and presented for validation at the next meeting of the Working Group, which was held on 18 July
- As per the Charter (see next slide), the key objectives of the initiative are
  - To develop a firm position across South African industrial sector on CBAM implementation issues and provide input into scope and phasing of implementation
  - To develop proposals regarding policy interventions to mitigate impact of CBAM
  - To align on South African Just Energy Transition roadmap and decarbonisation efforts and advocate for implementation

**The initiative is based on the assumption that CBAM is here to stay but there is room to negotiate better terms for SA industry, and it is therefore critical to prepare and align**

# CBAM Industry Working Group

## Charter



Objectives	Key Activities	Deliverables
<ul style="list-style-type: none"> <li>To develop a firm position across South African industrial sector on CBAM implementation issues and provide input into scope and phasing of implementation</li> <li>To develop proposals regarding policy interventions to mitigate impact of CBAM</li> <li>To align on South African Just Energy Transition roadmap and decarbonisation efforts and advocate for implementation</li> </ul>	<ul style="list-style-type: none"> <li>Collect detailed information from industry regarding current GHG emissions and expected impact of CBAM implementation</li> <li>Review MRV (Measurement, Reporting and Verification) requirements and share best practices to facilitate compliance from local companies</li> <li>Facilitate alignment across value chains to develop integrated view of MRV requirements and decarbonisation efforts for each value chain</li> <li>Review policy options regarding:               <ul style="list-style-type: none"> <li>Local carbon taxes and offsets vs CBAM</li> <li>Local trade policies e.g. scrap metals exports</li> <li>South African CBAM for “dirty” imports</li> </ul> </li> <li>Share and align with Government representatives on initial views and opinions</li> <li>Develop an industry position paper addressing:               <ul style="list-style-type: none"> <li>Scope and phasing of CBAM implementation</li> <li>MRV alignment and best practices</li> <li>Policy proposals</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Mapping of current status of GHG emissions across local value chains</li> <li>Mapping of decarbonisation efforts and future evolution of GHG emissions</li> <li>Best practice manual for MRV</li> <li>Position paper covering industry inputs into scope and phasing of implementation and policy proposals</li> </ul>
Scope		Key Stakeholders
<ul style="list-style-type: none"> <li>Scope of work will include global and local carbon taxes and related environmental policies           <ul style="list-style-type: none"> <li>Local carbon tax implementation</li> <li>Other local trade policies impacting GHG emissions</li> <li>South African Just Energy Transition roadmap</li> <li>CBAM or similar mechanisms from different geographical areas (EU, UK, others)</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Impacted companies (current and future)</li> <li>Industry Associations (MC, SEIFSA, SAISI, AFSA, CAIA, MEMSA, ...)</li> <li>Export Councils (ISF, SAEEC, SACEEC, STEASA, ...)</li> <li>Government Departments and Agencies (DTIC, NT, E&amp;E, DFFE, DST, IDC, ITAC, ...)</li> <li>Research and Technology Assistance (CSIR, TIPS, NCPC, Universities, ...)</li> <li>International Organisations (EU Commission, UK HMRC, UNIDO, UNDP, WTO, ...)</li> </ul>