

EU CBAM IMPACT ON IRON & STEEL INDUSTRY OF UKRAINE

Updated estimates based on 2024 full year data

In 2024, Ukraine exported \$24.8 bln worth of goods to the EU, with 14.5% falling under CBAM regulations. The iron & steel sector will be the most affected with \$3.3 bln of exported goods.

14.5%

of Ukrainian exports to the EU fall under CBAM regulation

Potential export losses for iron & steel industry in 2030

TOTAL LOSSES
\$1.6 bln



Data source: State Customs Service of Ukraine, calculations of GMK Center.

In the first year of full CBAM implementation, Ukrainian iron and steel exports could face \$311 mln in CBAM payments. The negative impact will worsen over time due to rising CO₂ prices and the gradual reduction of free allocations in the EU ETS.

By 2030, CBAM could make Ukrainian exports of cement, fertilizers, pig iron, billets, and long steel products uncompetitive, as their high carbon intensity combined with CBAM costs will reduce their market viability.

Potential annual losses from CBAM* for Ukrainian economy, \$ mln

	2026	2030
Export losses	372	1,754
GDP losses	1,431	7,248
Losses of taxes	266	1 348
Investment losses	202	1,022
Losses of wages	585	2,964

\$4.7 bln

potential export losses over 2026-2030 due to EU CBAM

\$2.7 bln

potential loss of investments in Ukrainian economy over 2026-2030 due to EU CBAM consequences

* Considering current structure of Ukrainian exports and economy

Ukraine needs a solution to mitigate CBAM's negative impact on its economy. This could be achieved under Article 30.7 of the CBAM regulation, which includes a force majeure clause for countries affected by unforeseeable, exceptional, and unprovoked events that cause severe damage to their economic and industrial infrastructure.