FEC | Federation of the European Cookware and Cutlery Industries

30 June 2026

POSITION PAPER

When EU industrial protection measures penalise downstream sectors and benefit imports

The cookware industry case

I. Protecting upstream at the expense of downstream?

The European Union has put in place instruments to protect certain upstream industries, particularly steel and aluminium production, to combat unfair trade practices and to prevent carbon leakage. These include anti-dumping duties, safeguard measures on steel[1], and the Carbon Border Adjustment Mechanism (CBAM).

Each of these measures pursues a **relevant objective when considered in isolation**. European producers of cookware, cutlery and houseware goods are fully integrated into the European value chain and are proud to rely on competitive European steel and aluminium production.

However, **the combined effects of these measures are now having consequences for downstream European manufacturing industries**, including our own. We are sounding the alarm. We bear the full brunt of the inflationary impact caused by the costs associated with these measures on our raw materials and inputs**, whilst imported products are gradually gaining a competitive advantage as processing takes place outside the European Union**.

In other words, **the more value added is created outside Europe, the less effective European mechanisms become**. Conversely, the more a company chooses to maintain its production, jobs and industrial investment in Europe, the more it bears the costs associated with these policies. This situation creates a **major contradiction**. The instruments designed to strengthen European competitiveness end up, for downstream industries, favouring the import of processed products at the expense of their manufacture within the European Union.

II. Explanation of the negative effects of these mechanisms on EU downstream industry

Step 1 – Raw materials

- Asian producers who process these materials in their own countries do not bear the full burden of these costs within their industrial base, and often benefit from access to stainless steel priced well below EU market levels.
- The European manufacturer sourcing steel or aluminium bears the cumulative impact of carbon costs (ETS, CBAM), anti-dumping duties (steel, aluminium) and safeguard measures (steel), not to mention basic customs duties.
- Right from the start of the value chain, an initial competitive advantage emerges in favour of production outside the EU.

[1] "Regulation to address the negative trade-related effects of global overcapacity on the EU steel market"

FEC is the Federation of the European Cookware, Cutlery & Houseware Industries. It was founded in 1952 to represent the interests of European manufacturers of cookware, cutlery, cutlery parts, and household articles.

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Step 2 – Processed raw materials

- The imported processed raw materials, with the exception of CBAM, is exempt from all other mechanisms that applied to raw materials incorporated into European production (for aluminium).
- The European manufacturer continues to bear the additional costs incorporated into its supplies when processing these materials into processed raw materials, and often bears, in addition, the cost of the CBAM on imports as well as basic customs duties.
- The competitive advantage gained outside the EU at the previous stage does not disappear; it increases.

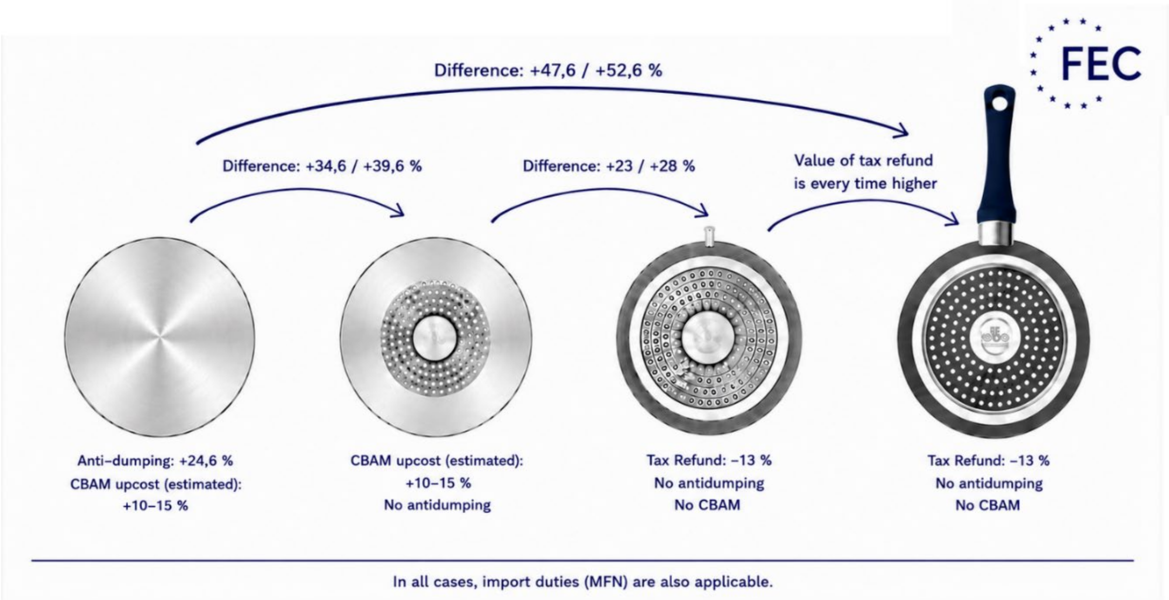
Stage 3 – Semi-finished products

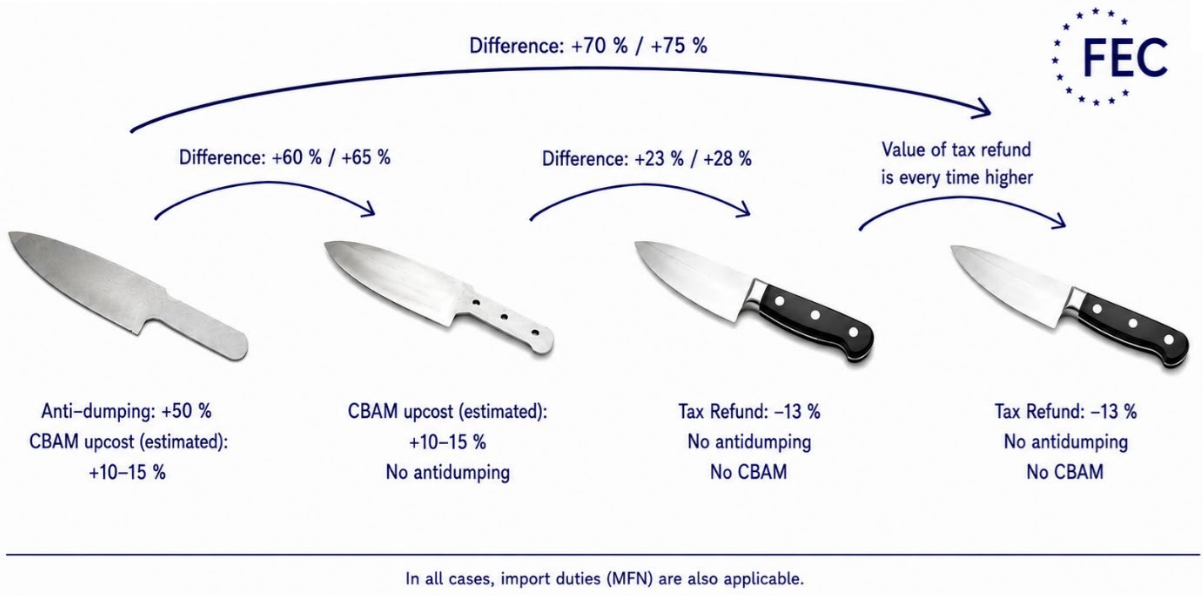
- The non-European producer benefits from processing carried out outside the inflationary scope of upstream European instruments (ETS, CBAM, anti-dumping measures, safeguard measures, etc.) and may, in certain countries including China, benefit from export support or refund mechanisms when exporting to the EU.
- The European manufacturer continues to bear the costs associated with European instruments (CBAM, ETS, safeguard measures, anti-dumping measures, etc.), on top of inputs that have already become more expensive upstream.
- The more value added is created outside the EU, the greater the competitiveness gap becomes.

Step 4 – The finished product: maximum benefit on import

- The imported finished product is not subject to the mechanisms that have driven up the cost of European raw materials further upstream; in particular, it is not subject to the CBAM even though it incorporates steel or aluminium. And they often benefit from refund mechanisms when exporting to the EU.
- The European manufacturer places a product on the market that incorporates all the costs accumulated throughout the value chain.
- At the end of the value chain, European industry bears the costs whilst imports benefit from the added value created outside the EU: the competitive advantage is at its maximum.

Examples of aluminium & steel cookware supply and products





III. The downstream sector must be integrated into all measures

The European Union cannot limit itself to protecting raw materials and upstream production. It must also **protect the manufacturing sectors that transform these materials within the European Union**, create added value, invest in European regions, and employ tens of thousands of workers. To give some perspective: This sector generates a greater number of jobs, companies, and value added compared to the metal-producing industries within the EU. With 430.000 companies, 3.300.000 employees and 740 billion € turnover, the European steel processing industry is comprised of over ten times as many companies and employees as the steel-producing sector in Europe, with a turnover approximately six times higher. As such, it is essential that the interests of these industries receive at least equal consideration during policy development.
This is why **products from our sectors must be fully integrated into EU climate, trade and industrial policy instruments, including:**

- **CBAM,** notably through its extension to downstream products incorporating steel and aluminium;
- **Anti-dumping measures** covering steel and aluminium value chains;
- **Safeguard measures**, particularly in the regulation designed to address the negative trade-related effects of global overcapacity on the EU's steel market and potential developments in aluminium production and supply,
- And, more broadly, all trade defence instruments affecting industrial value chains.

Unless this inconsistency is addressed swiftly, the European Union will create a **powerful economic incentive to relocate industrial transformation outside its borders, whilst increasing its dependence on imports of finished products**. European manufacturers already bear the cumulative impact of trade and regulatory measures applied to raw materials, whereas their non-EU competitors gain access to steel and aluminium inputs under far more favourable conditions. Without equivalent protection for downstream sectors, **European measures do not protect European industry: they undermine its competitiveness and strengthen the competitive advantage of imports.**

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Appendix: Additional showcases of heavily impacted products from our sector that need a level-playing-field (bakeware)

Non-stick coated bakeware import ex China

Downstream Protection Gap: Raw materials face up to 106% uplift – finished goods enjoy a net cost advantage of –9.8%

HIGH TARIFF BARRIER

Raw materials

- Anti-dumping-Duty : + 13 – 60%
- Countervailing-Duty: + 0 – 44,7%
- Safeguard: + 0 or + 50 % (mainly valid)
- CBAM upcosts (estimated): + 10 – 15%

PROTECTION GAP

UNPROTECTED – FREE ENTRY

Semi-finished parts

- Anti-dumping-Duty : no!
- Countervailing-Duty: no!
- Safeguards: no
- CBAM upcosts : no
- 3rd country Duty: + 3,2
- Tax refund: -13%

Ready item

- Anti-dumping-Duty : no!
- Countervailing-Duty: no!
- Safeguards: no
- CBAM upcosts : no
- 3rd country Duty: + 3,2
- Tax refund: -13%

Total uplift raw material:
+14% to +106%

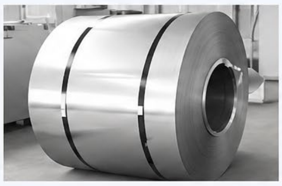
Effective uplift semi-finished & ready item (3.2% duty – 13% tax refund):
–9.8% (net cost advantage for Chinese exporter)

Enamel coated rosters/bakeware

Downstream Protection Gap: Raw materials face up to 71% uplift – finished goods enjoy a net cost advantage of –9.8%

HIGH TARIFF BARRIER

Raw materials



- Anti-dumping-Duty : + 19,7 – 20,5%
- Countervailing-Duty: no
- Safeguard: + 0 or + 50 % (mainly valid)
- CBAM upcosts (estimated): + 10 – 15%

PROTECTION GAP

UNPROTECTED – FREE ENTRY

Semi-finished parts

- Anti-dumping-Duty : no!
- Countervailing-Duty: no!
- Safeguards: no
- CBAM upcosts : no
- 3rd country Duty: + 3,2
- Tax refund: -13%

Ready item

- Anti-dumping-Duty : no!
- Countervailing-Duty: no!
- Safeguards: no
- CBAM upcosts : no
- 3rd country Duty: + 3,2
- Tax refund: -13%

Total uplift raw material:
+20% to +71%

Effective uplift semi-finished & ready item (3.2% duty – 13% tax refund):
–9.8% (net cost advantage for Chinese exporter)