

# Future, Automotive, CBAM

## Progetto EIFI Future

Il Task Force EIFI, dopo 18 incontri svolti nel corso del 2022, ha concluso il suo lavoro ed ha ufficialmente presentato il "Project EIFI Future" al Board EIFI del 21 dicembre, acquisendone l'approvazione all'unanimità. La nuova struttura, con i tre Market Groups Aerospace, Automotive e General Industry ed i tre Operational Committees "Marketing & Communication", "Technical, Quality & Innovation" e "Public Affairs, Legal, TDI & Membership Development", che verranno rispettivamente presieduti da Artema (Francia), DSV (Germania) e UPIVEB (Italia) assicureranno il rafforzamento dell'Associazione e della sua rappresentatività in tutte le aree di interesse specifico per i produttori europei di elementi di fissaggio e per la loro supply-chain. A partire dal 2023, infatti, conclusa la fase di revisione statutaria, entreranno a far parte di EIFI altre due categorie di Associati oltre agli Ordinary Members (Produttori): gli Associated Members (Aziende della Filiera degli Associati Ordinari) ed i Services Members, Aziende leader in Europa negli ambiti legal, finance, consulting, training & HR.

## Francesca Crisi

Segreteria EIFI  
EIFI Secretariat

## Automotive Group

After 18 meetings held during 2022, the EIFI Task Force completed its work and officially presented the "Project EIFI Future" to the EIFI Board on 21 December 2022, receiving unanimous approval.

The new structure includes three Market Groups - Aerospace, Automotive and General Industry - as well as three Operational Committees - Marketing & Communication, Technical, Quality & Innovation and Public Affairs, Legal, TDI & Membership Development. It will be chaired respectively by Artema (France), DSV (Germany) and UPIVEB (Italy) and will work to strengthen the Association and its representation in all areas of specific importance to European fastener manufacturers and their supply chain. In fact, once the statutory revision phase is completed in 2023, two more categories of Members will join the EIFI in addition to the Ordinary Members (Manufacturers): Associated Members (Companies in the Supply Chain of Ordinary Members) and Services Members, which will include leading European companies in legal, finance, consulting, training and HR fields.

## Automotive Group

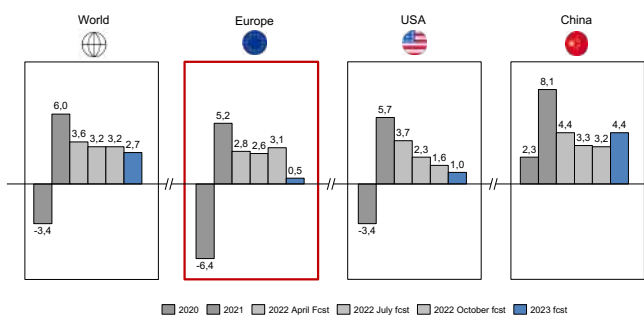
Sempre intensa l'attività del Gruppo Automotive: anche l'ultima riunione dell'anno, tenutasi via web il 27 ottobre, ha raccolto un'ottima partecipazione con la presenza di circa 50 aziende europee del settore dei fasteners.

Il Presidente Pozzi, seguendo l'ormai consolidato schema di informazioni, ha presentato l'andamento dell'inflazione ad ottobre 2022 (fonte tradingeconomics.com): Europa 10%,



### Global economic context

GDP growth forecast [%]



Source: IMF  
October 2022

EIFI Automotive Group - October 27<sup>th</sup> 2022

## Automotive Group

The Automotive Group's activities continue to be intense: the year's final meeting, held via web on 27 October 2022, was well attended by around 50 European fasteners companies.

Following the well-established pattern of information, President Pozzi presented the inflation trends in Europe (10%), USA (8.2%) and China (2.8%) as of October 2022 (source tra-



### Global automotive market 2022

Global Light Vehicle sales 2022



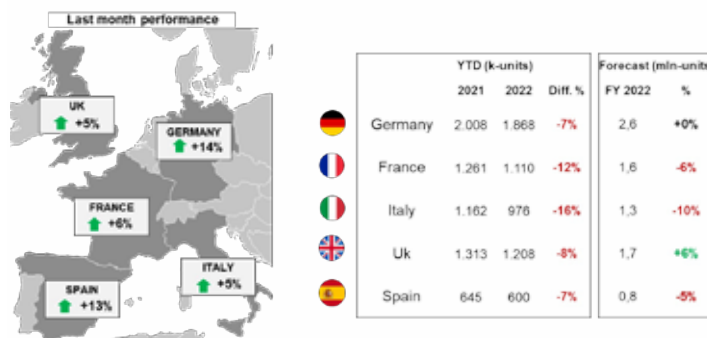
Source: IHS  
October 2022

\*Passenger Cars

EIFI Automotive Group - October 27<sup>th</sup> 2022



### Europe automotive market 2022



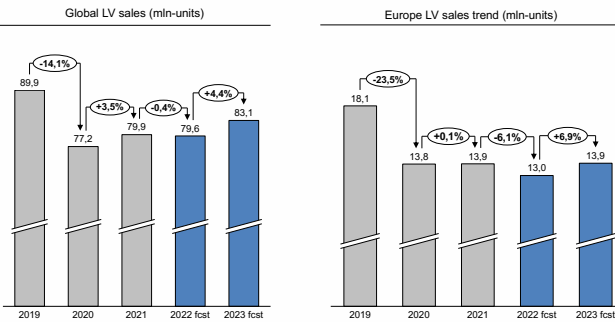
Source: IHS  
October 2022

EIFI Automotive Group - October 27<sup>th</sup> 2022

USA all'8,2%, Cina 2,8% per poi fare un focus sul trend del Prodotto Interno Lordo nei maggiori mercati e successivamente sull'andamento globale del mercato auto, di cui riportiamo le slide di interesse.

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**2022 - Light Vehicles sales**



Source: IHS  
October 2022

EiFi Automotive Group – October 27<sup>th</sup> 2022

4

Passando al settore fasteners il focus si è quindi spostato sull'analisi degli aumenti registrati sull'energia (elettricità e gas) e del loro impatto sui costi di produzione.

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**Inflation situation – natural gas**



EiFi Automotive Group – October 27<sup>th</sup> 2022

Molto interessante lo studio generale presentato, che quantifica – seppur a livello generale - l'energia impiegata per la produzione di una tonnellata di Fasteners:

La riunione si è conclusa con la presentazione dei risultati del consueto survey tra gli Associati presenti relativo alle previsioni su Inflazione e costo del lavoro per il 2023 oltre che sulle maggiori sfide attualmente presenti sul mercato:

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**Fastener energy intensity index**

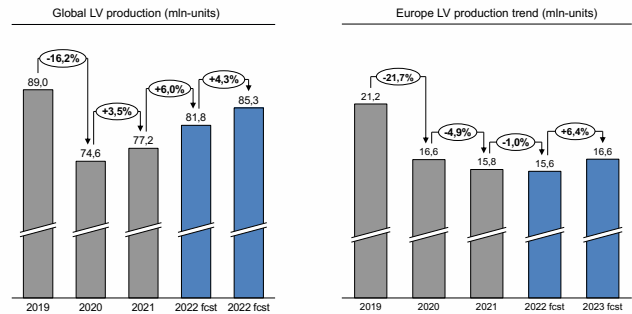
PROCESS STEPS	ENERGY ABSORPTION [kWh/ton]
Raw material preparation	600 – 700
Forging and rolling	200 – 300
Heat treatment	1.100 – 1.200
Surface treatment (galv.-zink flake)	700 – 800
Others	400 – 500
<b>TOTAL</b>	<b>3.000 – 3.500</b>

- Total energy absorption can be different by: product mix – batch volumes – equipment age – technology
- Mix of electric power vs natural gas can be different country by country or technology
- The economic value impact will be different due to mix and country of production
- The % impact will depend by product supplier mix

dingeconomics.com). He then discussed GDP growth forecasts in the major markets and the global trend of the automotive market, as shown in the following slides.

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**2022 - Light Vehicles production**



Source: IHS  
October 2022

EiFi Automotive Group – October 27<sup>th</sup> 2022

5

Moving on to the analysis of the fasteners sector, the focus shifted to the study of energy (electricity and gas) price increases and their impact on production costs.

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**Inflation situation – energy**

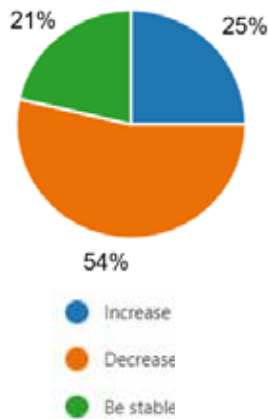


EiFi Automotive Group – October 27<sup>th</sup> 2022

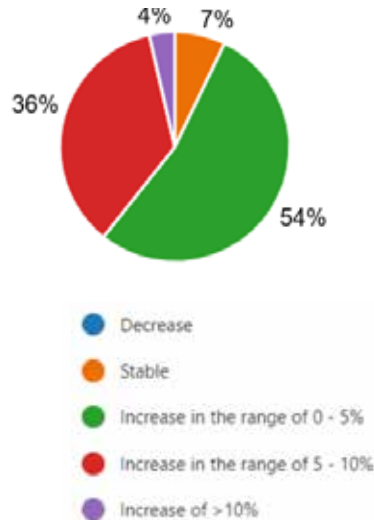
The overall study presented was very interesting as it quantified - albeit on a broad scale – the energy used to produce one ton of fasteners:

The meeting ended with a presentation of the results of the customary survey among the attending Members on Inflation and Labour Cost forecasts for 2023, as well as the major challenges currently faced in the market:

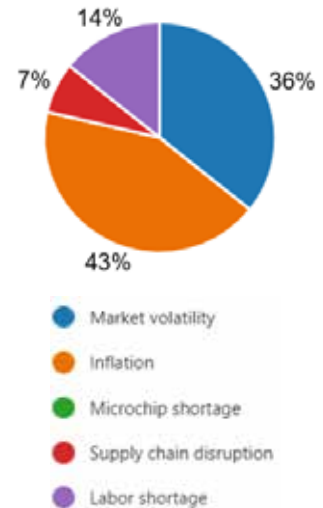
### Inflazione 2023 2023 Inflation



### Costo del Lavoro 2023 2023 Labour Cost



### Maggiore sfida attuale sul mercato Major challenges currently faced in the market



#### I fasteners inclusi nel CBAM

A seguito della pubblicazione e diffusione, in ottobre 2022, della Position Paper EIFI sul CBAM (di cui si riporta di seguito un summary) elaborata dal WG costituito ad-hoc, i prodotti fasteners (tutti i 31 codici della nomenclatura combinata 7318) sono stati inseriti nell'elenco dei prodotti scopo del Meccanismo di Aggiustamento del Carbonio alle Frontiere come stabilito dall'accordo raggiunto tra Parlamento e Consiglio europeo in data 13 dicembre 2022 (vedi Comunicato Stampa al link <https://www.europarl.europa.eu/news/it/press-room/202212121-PR64509/deal-reached-on-new-carbon-leakage-instrument-to-raise-global-climate-ambition>).

Si tratta di un traguardo importante per i Produttori europei in quanto il regolamento imporrà alle Aziende che importano fasteners da extra-EU di acquistare i cosiddetti "certificati CBAM" e pagare così la differenza tra il prezzo del carbonio pagato nel paese di produzione ed il prezzo delle quote di carbonio pagate dai Produttori europei.

#### Fasteners included in the CBAM

Following the publication and dissemination in October 2022 of the EIFI Position Paper on CBAM (a summary of which is provided below) prepared by an ad-hoc working group, fasteners (all 31 codes of Combined Nomenclature 7318) were included in the list of products subject to the Carbon Border Adjustment Mechanism, as established by an agreement reached between the European Parliament and Council on 13 December 2022 (see press release at <https://www.europarl.europa.eu/news/it/press-room/202212121-PR64509/deal-reached-on-new-carbon-leakage-instrument-to-raise-global-climate-ambition>).



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**EIFI POSITION PAPER ON CBAM**

**Summary**

EIFI considers that the Carbon Border Adjustment Mechanism (CBAM) must include products, like fasteners, which contain more than 95% iron, steel and stainless steel.

Failure to extend CBAM to fasteners will lead to carbon leakage as EU production is lost to imports from origins with little or no costing of carbon. EU fastener exporters will lose market share in third countries to cheaper non-carbon-costed fasteners.

A world class, family-owned, specialist industry, with more than 100,000 direct jobs and with a strong track record of innovation will be lost at a time when EU policy is to shorten supply chains, secure the production of essential goods at home and foster the circular economy.

Fasteners are an essential part of EU manufacturing and are used in the aerospace, automotive, agriculture, electrics, rail and construction industries and in the home. From the big bolts that hold bridges together to the tiny screws necessary for precision instruments in medicine, in computer construction, fasteners hold EU manufacturing together.

This is a significant milestone for European Manufacturers as the regulation will require companies importing fasteners from outside the EU to buy so-called CBAM certificates and thus pay the difference between the carbon price paid in the country of production and the price of carbon allowances paid by European Manufacturers.