

CORRIDOR INTELLIGENCE · CBAM SERIES

CBAM 2026: Four Months In

Implementation status, Türkiye exposure, and the May–December watch list.

STRATEGIC INTELLIGENCE BRIEF · V1.3

CBAM DEFAULT

1.551 tCO₂/t

"other countries" clinker default for the definitive period — Commission Implementing Regulation (EU) 2025/2621

TÜRKİYE ACTUAL

0.88 tCO₂/t

TÜRKÇİMENTO puts Turkish grey-clinker intensity near this figure — industry position, 24 March 2026

MARGIN AT Q1 €75.36

≈ €50 / t

$(1.551 - 0.88) \times €75.36$ — embedded-emissions gap per tonne of clinker, before the EU free-allocation phase-in

STRATEGIC BOTTOM LINE

For Turkish exporters, the immediate issue is not only the carbon charge — it is whether EU buyers convert CBAM documentation into a supplier-qualification gate. The cement default-value gap is the single largest unlocked margin in the corridor. The 17 December 2025 downstream-extension proposal is the watch item that re-prices 2027–2028 contract design.

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1. Situation

CBAM passed three operational milestones in the first four months of 2026. The definitive phase entered force on 1 January under Regulation (EU) 2023/956. The importer grace period closed on 31 March; from 1 April only authorised CBAM declarants may import covered goods (importers that submitted applications by 31 March 2026 may continue provisionally — see §3.1). The first quarterly certificate price was published by the European Commission on 7 April at €75.36 per tonne of CO₂ equivalent.

The six covered classes are cement, iron and steel, aluminium, fertilisers, hydrogen, and electricity. The first declaration and certificate surrender deadline lands on 30 September 2027, covering emissions embedded in 2026 imports (CBAM Reg. Art. 22). Industry estimates put Türkiye's 2026 CBAM exposure at approximately €771 million across electricity, cement, steel and aluminium (Akalin / Redshaw Advisors, Eurometal Istanbul, 24 March 2026). The brief covers where the mechanism stands operationally, what the Türkiye exposure looks like in Q2 2026, the Article 9 deduction problem that the Türkiye ETS pilot does not yet fix, and the open scope question.

2. Key data

PARAMETER	VALUE	SOURCE
Definitive phase entry	1 January 2026	T1 EU Commission CBAM portal
Grace-period closure	31 March 2026	T1 Omnibus Reg. (EU) 2025/2083
Authorised-declarants-only date	1 April 2026	T1 EU Commission CBAM portal
Q1 2026 certificate price	€75.36 / tCO ₂ e	T1 EU Commission Notice, 7 April 2026
First surrender deadline (2026 imports)	30 September 2027	T1 CBAM Reg. (EU) 2023/956 Art. 6 + Art. 22 (as amended)
De-minimis threshold (Omnibus)	50 tonnes / year net imports	T1 Omnibus Reg. (EU) 2025/2083
Initially covered sectors	Cement · iron & steel · aluminium · fertilisers · hydrogen · electricity	T1 CBAM Reg. (EU) 2023/956 Annex I
Türkiye CBAM-exposed exports (annual)	≈ €19 B	T2 Akalin / Redshaw Advisors, Eurometal Istanbul, 24 March 2026
Türkiye 2026 CBAM cost (industry est.)	≈ €771 M	T2 Akalin / Redshaw Advisors, via SteelOrbis & Eurometal, 24 March 2026
Türkiye 2032 cost projection (€150/tCO ₂ e)	≈ €2.5 B	T1 ERCST 2021 EU–Türkiye CBAM-impact analysis (scenario)
Türkiye clinker default value (CBAM)	1.551 tCO ₂ / t	T1 Commission Implementing Reg. (EU) 2025/2621 — definitive-period default values; "other countries" group
Turkish actual clinker emissions	≈ 0.88 tCO ₂ / t	T2 TÜRKÇİMENTO, March 2026 communication
Scope-extension proposal date	17 December 2025	T1 COM(2025) 989 final — proposal amending CBAM for downstream goods & anti-circumvention
Proposed additional CN codes (downstream)	≈ 180	

PARAMETER	VALUE	SOURCE
		T1 COM(2025) 989 final, impact-assessment material (the COM(2025) 783 review-report family informed scope but is not the legislative proposal)

3. Analysis

3.1 — What changed on 1 April 2026

The Omnibus simplification (Regulation (EU) 2025/2083, in force 20 October 2025) introduced a single mass-based exemption: importers whose total net imports of covered goods stay below 50 tonnes per year carry no CBAM obligation. Above the threshold, the importer must register as an authorised CBAM declarant under Article 5 of the CBAM Regulation as amended. Applications submitted by 31 March 2026 remain on a provisional basis pending approval. After 1 April unauthorised importers face the full enforcement framework. The threshold removes the smallest-volume importers from scope while preserving the bulk of embedded-emissions coverage — the regulation kept the volume and shed the administrative tail.

The first quarterly certificate price was published on 7 April 2026 at €75.36/tCO₂e, the weighted average of EU ETS auction clearings during January–March 2026 (European Commission, "Price of CBAM certificates"). Quarterly publication continues through 2026 imports, with weekly publication from 2027. The Commission's quarterly cadence is the operational anchor for any 2026 contract that prices CBAM cost into the landed value of imported goods.

3.2 — The default-value gap (Türkiye cement)

Türkiye is the EU's single largest cement and clinker supplier — approximately 3.3 to 4.8 million tonnes per year, or 35–39% of EU cement imports (Eurostat / EU COMEXT trade-flow series; Argus Media CBAM cement coverage). The EU did not assign Türkiye a country-specific default value. Turkish clinker exporters are routed to the "other countries and territories" default at 1.551 tCO₂ per tonne under Commission Implementing Regulation (EU) 2025/2621. TÜRKÇİMENTO puts Turkish grey-clinker actual emissions intensity near 0.88 tCO₂ per tonne — the industry's installed base is built on low-emission dry-process kilns. This is industry-association data, not installation-level MRV under EU verifier audit.

The direct embedded-emissions gap — $(1.551 - 0.88) \times €75.36$ — is approximately €50 per tonne of clinker at Q1 2026 prices. The CBAM share actually charged in 2026 is scaled by the EU free-allocation phase-in (rising annually toward 2034); the embedded-emissions gap is the figure EU buyers will look at when modelling supplier exposure across the phase-in window.

The friction is administrative capacity at the exporter and CBAM-declarant level, not the underlying carbon intensity. The Türkiye industry-association position published 24 March 2026 frames default values as a de facto compliance penalty where actual emissions are materially below the default. The corrective path exists inside the CBAM Regulation — actual-emission verification under EU-aligned MRV — but requires installation-level MRV systems and recognised verifier engagement on the Turkish side. The 2026 contract cycle is the live window.

3.3 — The Article 9 deduction problem

Article 9 of the CBAM Regulation permits the EU importer to deduct any carbon price effectively paid in the country of origin, net of any rebate, subsidy, or other form of compensation. The instrument must be a tax, levy, fee, or an emissions allowance with a market-clearing price. The mechanism does not require parity with the EU ETS — it requires a paid price. The detailed evidence rules sit in the Commission implementing act on third-country carbon prices, which the Commission published in May 2026 for a four-week public-feedback period (status: pending finalisation as of this brief).

Türkiye Climate Law No. 7552 (Resmî Gazete 9 July 2025, issue 32951) established the legal basis for a national emissions trading system. The pilot phase, planned for 2026–2027, covers CBAM-exposed installations above 50,000 tCO₂e per year. Allocation is 100% free under benchmark methodology in the early phase. Administrative penalties during the pilot are reduced by 80%.

On the current public record, Kickoff would model the Türkiye-side Article 9 deduction as zero unless a paid-price evidence route is created by Turkish implementing rules or recognised under the Commission's third-country carbon-price implementing act once finalised. A free allowance is not a paid carbon price.

Two paths could open that route on the Turkish side: a paid clearing layer added to the pilot that produces a market-clearing reference; or a separate compensation instrument that meets the tax/levy/fee/allowance test outside the ETS architecture. On the EU side, the implementing-act feedback round is now live; the final text will determine which paid-price instruments qualify as evidence under Article 9. Procurement teams pricing 2026 contracts with Turkish suppliers should default to the Q1 published rate net of the EU free-allocation phase-out factor, with no Türkiye-side deduction modelled until either the Turkish decree lands or the implementing act recognises an evidence pathway.

Cross-reference — the six covered sectors

SECTOR	TÜRKİYE EXPORT EXPOSURE	MECHANISM NOTE
Iron & steel	Top single-country mass-volume exporter to EU on CBAM goods (Q4 2023–Q2 2025 transitional data)	Free-allocation phase-out drives the projected cost lift; default-value gap less acute than cement.
Cement & clinker	≈35–39% of EU cement imports; 3.3–4.8 Mt/yr	Largest default-value gap; corrective MRV path live but capacity-constrained.
Aluminium	Secondary exposure; major Turkish primary-aluminium capacity	Free-allocation phase-out + electricity emissions intensity drive cost.
Fertilisers	Material EU-bound flows; embedded emissions in nitrogen products	Domestic ETS pilot covers the relevant facilities above 50 ktCO ₂ e threshold.
Hydrogen	Limited current export volume; corridor relevance for green-hydrogen build-out	Watch item — Türkiye renewables build-out positions for future exposure profile.
Electricity	Cross-border interconnection flows; methodology under review	Default-emission factor for non-ETS-linked grids — Türkiye grid emissions intensity matters.

3.4 — The scope-extension question

On 17 December 2025 the European Commission published a proposal (COM(2025) 989 final) amending the CBAM Regulation to extend coverage to approximately 180 additional downstream CN codes — primarily steel- and aluminium-intensive manufactured goods — and to introduce anti-circumvention measures. The 2025 CBAM review-report family (COM(2025) 783) informed the scope but is not the legislative proposal itself. The proposal enters the ordinary legislative procedure; an enacted text is not expected before late 2026, with implementation phased through 2027–2028.

A separate review item flagged for 2027 evaluates the inclusion of organic chemicals and polymers; the Commission's stated objective is coverage of all EU ETS sectors by 2030. For the Turkish manufacturing base, the live signal is downstream metallurgical conversion — wire, fasteners, fittings, structural fabrications, automotive subassemblies, white-goods components. Each item that incorporates CBAM-covered inputs becomes a CBAM-exposed export under the proposed extension. Pricing teams need a downstream-mapping pass before the Q4 2026 contract cycle, even though the legislative timeline runs into 2027.

4. Strategic bottom line

For Turkish exporters, the immediate issue is not the carbon charge. It is whether EU buyers convert CBAM documentation into a supplier-qualification gate. The Q1 published rate is the easy half of the question; the documentation infrastructure EU procurement teams will demand by Q4 is the harder half.

For European buyers of Turkish CBAM-exposed inputs in 2026, the operational answer is to price the Q1 published rate net of the EU free-allocation phase-out factor, with no Türkiye-side deduction modelled unless an Article 9 evidence route opens.

For Turkish exporters, the operational answer is verified emissions reporting in EU-aligned MRV format. The gap between Türkiye's actual cement and steel emissions intensity and the default values applied at the border is the single largest unlocked margin in the corridor — approximately €50 per tonne of clinker at the Q1 price (see §3.2).

For both, the December downstream-extension proposal (COM(2025) 989 final) is the watch item that determines 2027–2028 contract design. A wire fastener priced on Q4 2026 terms today is a wire fastener priced wrong if the proposal lands on its current trajectory.

Watchpoint precommitment. By Q4 2026, the disconfirming test is whether EU cement, steel and aluminium buyers begin requesting verified installation-level CBAM data in RFQs and 2027 framework renewals; if buyer documentation does not show this shift by December 2026, Kickoff will revise the supplier-qualification thesis. On the legislative track: by November 2026 (Parliament/Council text) and May 2027 (adopted scope), if the downstream expansion narrows materially, Kickoff will publish a revised exposure read.

5. Watch list — May to December 2026

ITEM	TRIGGER	COMMERCIAL SIGNAL
Q2 2026 certificate price	EU Commission, first week of July 2026	Movement against Q1 €75.36 baseline; ETS allowance trajectory.
Article 9 implementing act — final text	EU Commission, post-feedback adoption (May 2026 feedback round live)	Defines which paid-price instruments outside the EU ETS qualify as evidence. Closes or sustains the €0 Türkiye-side deduction.
Türkiye ETS official decree	Ministry of Environment / EXIST primary launch notice	Opens (or does not) an Article 9-recognised paid-price route on the Turkish side.
COM(2025) 989 downstream trilogue	EU Parliament & Council, ordinary legislative procedure 2026	Final list of ~180 additional CN codes; entry-into-force date.
Türkiye country-specific default value	EU Commission default-value framework review	Removes (or sustains) the ~€50/t Turkish clinker embedded-emissions gap.
Q3 / Q4 surrender-obligation rehearsal	EU Commission CBAM portal Q4 2026 declarant guidance	Operational template for the 30 September 2027 deadline.

About Kickoff Consulting

Kickoff Consulting is an Istanbul-based strategic advisory practice specialising in cross-border intelligence, market entry, and business development across the Turkey-Europe corridor. We help firms navigate regional dynamics and position for commercial opportunity.

[KICKOFF.IST](https://kickoff.ist) · [INFO@KICKOFF.IST](mailto:info@kickoff.ist) · [LINKEDIN: KICKOFF CONSULTING](https://www.linkedin.com/company/kickoff-consulting)