GUIDE

# Is Egypt exempt from CBAM?

No. Egypt is not exempt from the EU's Carbon Border Adjustment Mechanism (CBAM) in law: the EU has set Egypt its own table of default figures, applying from 1 January 2026, and every tonne of covered Egyptian goods imported into the EU since that date is in scope. A January 2026 press report of an exemption...


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Omar Hamdy, on the lender's side, in Cairo. Written in a personal capacity.

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No. Egypt is not exempt from the EU's Carbon Border Adjustment Mechanism (CBAM) in law: the EU has set Egypt its own table of default figures, applying from 1 January 2026, and every tonne of covered Egyptian goods imported into the EU since that date is in scope. A January 2026 press report of an exemption to the end of 2027 has not appeared in any legal text I can find, so a lender, an exporter or an EU buyer should treat 2026 shipments as covered.

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## Where did the exemption story come from?

EnterpriseAM reported on 12 January 2026, citing two Egyptian government officials, that an exemption to the end of 2027 had been "preliminarily approved". That is a report of a negotiating position, not a rule. An exemption from CBAM would have to be written into the CBAM Regulation, (EU) 2023/956, or an act amending it. It is not in the Regulation, not in the amending Regulation (EU) 2025/2083 of 17 October 2025, and not in any later amending act I could find on EUR-Lex.

**Reported, not law.** Until a text appears in the Official Journal, the safe reading is the legal one.

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## What does the EU's own text say about Egypt?

The strongest evidence against an exemption is that the EU went to the trouble of writing Egypt's numbers down. Implementing Regulation (EU) 2025/2621, as corrected by Implementing Regulation (EU) 2026/1740 of 20 July 2026, gives Egypt its own default figures, applying from 1 January 2026. Two of them, with their fact ids on the data hub:

| FACT | FIGURE | SOURCE |
|---|---|---|
| **F10** | Egypt's default for most solid urea, CN 3102 10 19, is 1.390 tCO2e per tonne, before the mark-up | Implementing Regulation (EU) 2026/1740, Annex I |
| **F09** | The default is raised by 10% in 2026, 20% in 2027 and 30% from 2028 for cement, iron and steel, aluminium and hydrogen; by 1% a year for fertilisers | Implementing Regulation (EU) 2026/1740, Annex I |

A country that was out of scope would not need a table. Only Iceland, Liechtenstein, Norway and Switzerland sit outside CBAM as countries, because they are tied to the EU's own carbon market (Regulation (EU) 2023/956, Annex III).

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## Is there any exemption that does apply?

One, and it belongs to the importer, not to Egypt. An EU importer whose CBAM goods stay at or below 50 tonnes of net mass in a calendar year, all CN codes added together, is exempt from the CBAM obligations (F11, Regulation (EU) 2025/2083). Cross the line during the year and every tonne that year is covered. It does not apply to electricity or hydrogen, and most buyers of Egyptian urea, aluminium or cement import far more than 50 tonnes.

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## How much Egyptian trade is in scope?

| FACT | FIGURE | SOURCE |
|---|---|---|
| **F01** | The EU imported EUR 2.78bn of CBAM goods from Egypt in 2025, about 6.54 million tonnes | Eurostat Comext DS-045409, my sums |
| **F02** | CBAM goods were 22.5% of everything the EU imported from Egypt in 2025 (EUR 12.36bn) | Eurostat Comext DS-045409, my sums |
| **F05** | Egypt supplied 44.3% of the urea the EU imported from outside the EU in 2025, by tonnes | Eurostat Comext DS-045409, my sums |

Sums and shares are calculated by me from Eurostat Comext; Eurostat is not responsible for them.

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## What does it cost a shipment if Egypt is not exempt?

On defaults, the EU importer surrenders certificates for the embedded emissions, less a benchmark deduction that shrinks each year. Two lines from the CBAM by CN code pages, at an illustrative 10,000 tonnes imported in 2026 (my arithmetic, before any verified data):

- CN 3102 10 19, urea: about 5,244.5 CBAM certificates.
- CN 7601, unwrought aluminium: about 6,695.8 CBAM certificates.

Verified plant data replaces the default and carries no mark-up. That gap is the number a buyer will negotiate on. The urea and aluminium pages have a calculator where you type your own price and tonnes.

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## When does the bill arrive?

- 1 February 2027: Member States start selling CBAM certificates on the common central platform (F12).
- 30 September 2027: the first annual CBAM declaration, covering goods imported in 2026, is due (F13).

So an exemption "to the end of 2027", even if it were adopted, would arrive after the 2026 emissions were already counted. The rulebook tracker carries every date with its legal source.

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## How does a lender read this?

From the lender's side, the question is not whether Egypt will win a reprieve. It is whether the borrower's margin survives if it does not. I read an exporter's credit file for three things: which CN lines it ships to the EU, whether it has verified emissions data or is priced on defaults, and whether its buyer contracts say who carries the certificate cost. A file that answers "we expect an exemption" has answered none of them. The full method is in CBAM for Egyptian exporters, and the phrase I use for this reading is defined in the lender's view.

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## Frequently asked questions

### Does CBAM apply to Egyptian exporters or only to EU importers?

The legal duty is the EU importer's. In practice the importer cannot comply without your installation data, and the cost of defaults lands in your price negotiation.

### Is CBAM a tax?

No. Egyptian press often calls it the EU carbon tax, but the importer buys and surrenders certificates priced on EU carbon auctions. It is not a duty collected at the border.

### Could Egypt still get an exemption later?

Only through an amendment to the CBAM Regulation published in the Official Journal. If one appears, this page and the CBAM guide will say so, with the date and the link.

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## Sources

1. EnterpriseAM, "It looks like we might get a break on the EU's carbon tax", 12 January 2026 (https://enterpriseam.com/egypt/2026/01/12/it-looks-like-we-might-get-a-break-on-the-eus-carbon-tax-2/)
2. Regulation (EU) 2023/956 establishing CBAM, including Annex III (https://eur-lex.europa.eu/eli/reg/2023/956/oj)
3. Regulation (EU) 2025/2083 amending the CBAM Regulation, Official Journal L, 17 October 2025 (https://eur-lex.europa.eu/eli/reg/2025/2083/oj)
4. Implementing Regulation (EU) 2025/2621 on CBAM default figures (https://eur-lex.europa.eu/eli/reg_impl/2025/2621/oj)
5. Implementing Regulation (EU) 2026/1740 of 20 July 2026, correcting Annexes I and IV of 2025/2621 (https://eur-lex.europa.eu/eli/reg_impl/2026/1740/oj)
6. Eurostat Comext, dataset DS-045409, EU imports from Egypt, 2025, dataset version 16 October 2026 (https://ec.europa.eu/eurostat/databrowser/view/ds-045409/default/table)
7. Hamdy, O. (2026), CBAM product codes and EU default values for Egypt, with 2025 EU imports from Egypt, Zenodo (https://doi.org/10.5281/zenodo.23898572)

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## Related pages

- CBAM for Egyptian exporters `omarhamdy.com/guides/cbam-egypt-exporters/`
- Facts to cite `omarhamdy.com/facts/`
- Rulebook tracker `omarhamdy.com/tracker/`
- ESDD checklist for lenders `omarhamdy.com/toolkit/esdd-checklist/`
- IFC vs EBRD exclusion list `omarhamdy.com/toolkit/exclusion-list-reconciliation/`
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- COP31 for lenders `omarhamdy.com/toolkit/cop-to-credit-table/`
- PCAF data quality score worksheet for SME loan books `omarhamdy.com/toolkit/pcaf-data-quality-worksheet/`
- Green finance in Egypt `omarhamdy.com/guides/green-finance-egypt/`

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## Glossary terms on this page

- CBAM `omarhamdy.com/glossary/cbam/`
- Default value `omarhamdy.com/glossary/default-value/`
- Mark-up `omarhamdy.com/glossary/mark-up/`
- CBAM certificate `omarhamdy.com/glossary/cbam-certificate/`
- Embedded emissions `omarhamdy.com/glossary/embedded-emissions/`

### Terms used in this document

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| **DEFAULT VALUE** | The emissions figure per tonne the EU uses for your product when your plant cannot give verified data. |
| **CBAM** | An EU charge on the carbon in imported steel, aluminium, cement, fertiliser, electricity and hydrogen. EU importers pay it, so they ask their suppliers for emissions data. |
| **MARK-UP** | An extra percentage the EU adds to the default figure each year, so that real data pays off. |
| **CN CODE** | The EU's eight-digit customs code for a product. CBAM lists the goods it covers by these codes. |

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| EMBEDDED EMISSIONS | The greenhouse gases released in making a product, counted when it enters the EU under CBAM. |
| CBAM CERTIFICATE | The unit an EU importer buys and hands in for each tonne of emissions embedded in its imports. |