

**Question for written answer E-004457/2020
to the Commission**

Rule 138

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Subject: Potential negative social and climate effects of a future carbon border adjustment mechanism

One of the central arguments that the Commission invokes in favour of a carbon border adjustment mechanism (CBAM) is the risk of carbon leakage. Carbon leakage would occur if production were transferred from the EU to other countries with lower targets for reducing emissions, or when EU products are replaced by more carbon-intensive imports.

The Commission highlights that if such a risk were to materialise, there may be no or limited reductions in global emissions. According to the Commission, this could frustrate the EU's efforts to meet the Paris Agreement climate objectives. However, unilateral measures like the CBAM may also lead to a less cooperative international environment. Other countries may impose similar or different unilateral measures that harm both international cooperation on climate change and EU trade relations, notably industrial exports.

1. Does the Commission have a list of effective instances of carbon leakage since the introduction of the EU Emissions Trading System?
2. To what extent did it consider the potential social, economic and climate impact of potential countermeasures taken by other countries in reaction to an EU CBAM?