Question for written answer E-006925/2020
to the Commission
Rule 138
Bogdan Rzońca (ECR)

Subject: Carbon border tax – an instrument to protect industrial sectors in EU countries

Charging imported goods with the cost of CO_2 emitted in their production could support climate protection measures and help EU companies to compete with their competitors from outside the EU. Such a tax would reduce the risk of carbon leakage. This phenomenon may consist in suspending or stopping domestic production and importing goods from foreign producers, or in moving production facilities and new investments from the EU to other regions.

Fair trade is based not only on economic development, but also environmental development. Unnecessary barriers to trade should be distinguished from measures that are legitimate and compliant with the law (including WTO rules) aimed at compensating for the costs of climate policy implementation, which are borne by producers inside and outside the EU.

The discussion on the intended form of such a tax pointed out that the CO_2 emission costs imposed on importers would depend on the value of emission allowances that an average European producer would have to purchase under the EU ETS. The funds that this would raise would go towards the EU budget.

1. In the Commission's opinion, which model of the carbon border tax is most likely to be introduced?

2. Which sectors' products will be proposed for the carbon border tax?

3. Has the Commission investigated the risk of retaliation by economic partners linked to the potential establishment of a carbon border tax?