

**Question for written answer E-000367/2021
to the Commission**
Rule 138
Guido Reil (ID)

Subject: Carbon border tax

The Commission is planning to propose the introduction of a carbon tax at EU external borders in the first half of this year, to enter into effect by 1 January 2023 at the latest.

In addition, the Commission intends to abolish free allowances allocated under the greenhouse gas emission allowance trading scheme (ETS), as they are incompatible with the new tax.¹

However, the introduction of such a tax is the subject of criticism in a number of studies and there is no empirical evidence to justify it. Furthermore, it could provoke trade wars, with a major impact on the price of cars, for example.²

1. On the basis of what empirical ETS studies regarding possible alternative regional carbon strategies or the impact of future carbon pricing arrangements can the introduction of a carbon border tax be justified?
2. In the Commission's view, should free allowances be definitively abolished with no alternatives being introduced or are there any circumstances under which EU companies could still be accorded free allowances in future?
3. Has the Commission already carried out an economic impact assessment of this projected measure?

¹ 'No more free allowances for polluting industries following introduction of carbon border tax, says Valdis Dombrovskis' - by Jorge Valero, Euractive 15 September 2020

² Ben McWilliams, Georg Zachmann: 'A European border tax: much pain, little gain', Bruegel, 5 March 2020.