

**Question for written answer E-001998/2022
to the Commission**

Rule 138

David McAllister (PPE)

Subject: Measures to prevent carbon leakage

It will only be possible to attain the new climate targets in practice if a substantial number of coordinated measures are taken. It is accordingly a matter of urgency for the European Union to push forward in key areas such as carbon pricing, the reform of emissions trading, the development of renewable energy, hydrogen value chains and the updating of EU state aid rules. Our industries need support in order to compete at international level in the face of rising protectionism on the part of third countries that apply significantly lower environmental and social standards. More vigorous action is therefore needed to prevent carbon leakage for as long as the 2030 climate protection targets set by the Union's trading partners remain less ambitious. Border adjustment mechanisms entail substantial risks in terms of trade policy and implementation in practice and should therefore only be considered as a selective complement to current carbon leakage measures, requiring close consultation with international partners.

1. What view does the Commission take of the protectionist measures adopted by a number of EU trading partners, especially those resulting from their environmental standards?
2. In addition to the border adjustment mechanism, what measures does the Commission consider appropriate to address carbon leakage and thereby support EU companies?
3. How does it plan to ensure that the introduction of the carbon border adjustment mechanism does not lead to disputes with WTO partners or countermeasures by them?