

**Question for written answer E-003449/2023
to the Commission**
Rule 138
Kosma Złotowski (ECR)

Subject: Challenges in connection with the introduction of the EU's carbon border tax

The CBAM is designed to protect European industry, which bears the enormous burden of climate policy. However, in practice, it means new administrative obligations and costs for EU importers, which will ultimately reduce the cost-effectiveness of production in the EU, especially as free emission allowances are to be phased out. In addition, the CBAM, which only covers raw materials, gives products produced in third countries an advantage both on the EU market and on global markets and creates an incentive for manufacturing industries to flee the EU. The CBAM could also push us into even greater dependence on a small number of regions in the world and put the supply chain at risk.

1. How does the Commission intend to prevent the competitiveness of EU manufacturing being undermined and an outflow of jobs from the EU as a result of the implementation of the CBAM, and is the Commission considering not ending free carbon emission allowances until the conditions of competition between EU manufacturing companies and those in third countries are effectively levelled?
2. India's Commerce and Industry Minister has already announced the building of a coalition of countries against implementation of the CBAM and the lodging of a complaint with the World Trade Organisation¹. Does the Commission acknowledge that the assumption on which the CBAM is based – that third countries submit to the EU's climate ambitions – is incorrect and does it not fear that the introduction of the tax could lead to retaliation by third countries?

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¹ <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-will-not-accept-unfair-taxes-on-steel-aluminum-industry-goyal-on-eus-carbon-tax/articleshow/105035361.cms>