**Beat: Politics**

# Carbon price on certain EU imports

**Raise global climate ambition**

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**USPA NEWS -** MEPs: Put a carbon price on certain EU imports to raise global climate ambition

All products under the EU Emissions Trading System should be included

Revenue to be used to step up EU support for the objectives of the Green Deal

The mechanism must not be misused to further trade protectionism

To raise global climate ambition and prevent "˜carbon leakage´, the EU must place a carbon price on certain imports from less climate-ambitious countries, say MEPs.

On Wednesday, Parliament adopted a resolution on a WTO-compatible EU carbon border adjustment mechanism (CBAM) with 444 votes for, 70 against and 181 abstentions.

The resolution underlines that the EU´s increased ambition on climate change must not lead to "˜carbon leakage´ as global climate efforts will not benefit if EU production is just moved to non-EU countries that have less ambitious emissions rules.

MEPs therefore support to put a carbon price on certain goods imported from outside the EU, if these countries are not ambitious enough about climate change. This would create a global level playing field as well as an incentive for both EU and non-EU industries to decarbonise in line with the Paris Agreement objectives.

MEPs stress that it should be WTO-compatible and not be misused as a tool to enhance protectionism. It must therefore be designed specifically to meet climate objectives. Revenues generated should be used as part of a basket of own revenues to boost support for the objectives of the Green Deal under the EU budget, they add.

Mechanism to be linked to a reformed EU Emissions Trading System (ETS)

The new mechanism should be part of a broader EU industrial strategy and cover all imports of products and commodities covered by the EU ETS. MEPs add that already by 2023, and following an impact assessment, it should cover the power sector and energy-intensive industrial sectors like cement, steel, aluminium, oil refinery, paper, glass, chemicals and fertilisers, which continue to receive substantial free allocations, and still represent 94 % of EU industrial emissions.

They add that linking carbon pricing under the CBAM to the price of EU allowances under the EU ETS will help to combat carbon leakage but underline that the new mechanism must not lead to double protection for EU installations.

Quote

After the vote, Parliament rapporteur Yannick Jadot (Greens/EFA, FR) said:

"The CBAM is a great opportunity to reconcile climate, industry, employment, resilience, sovereignty and relocation issues. We must stop being naïve and impose the same carbon price on products, whether they are produced in or outside the EU, to ensure the most polluting sectors also take part in fighting climate change and innovate towards zero carbon. This is our best chance of remaining below the 1.5°C warming limit, whilst also pushing our trading partners to be equally ambitious in order to enter the EU market.

Next steps

The Commission is expected to present a legislative proposal on a CBAM in the second quarter of 2021 as part of the European Green Deal as well as a proposal on how to include the revenue generated to finance part of the EU budget.

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