



2020/2043(INI)

2.10.2020

DRAFT OPINION

of the Committee on International Trade

for the Committee on the Environment, Public Health and Food Safety

on towards a WTO-compatible EU carbon border adjustment mechanism
(2020/2043(INI))

Rapporteur for opinion (*): Karin Karlsbro

(*) Associated committee – Rule 57 of the Rules of Procedure

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SUGGESTIONS

The Committee on International Trade calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Is convinced that a purpose-built trade policy can be an important driver in steering economies towards decarbonisation in order to achieve the climate objectives set in the Paris Agreement and the European Green Deal;
2. Supports, in the absence of a global carbon price and a multilateral solution, a market-based EU carbon border adjustment mechanism (CBAM) on condition that it is compatible with EU free trade agreements (FTAs) and WTO rules (by being non-discriminatory and not constituting a disguised restriction on international trade), and that it is proportionate, based on the polluter pays principle and fit for purpose in delivering the climate objectives;
3. Notes that the general exception clause of Article XX of the General Agreement on Tariffs and Trade (GATT) should be the basis for any CBAM design and its only rationale should be an environmental one – reducing global CO₂ emissions and preventing carbon leakage;
4. Calls for thorough impact assessments and for the utmost transparency of the process leading to the CBAM, as well as engagement with the EU's trading partners to build coalitions and avoid any possible retaliations;
5. Notes that many carbon- and trade-intensive industrial sectors could potentially be impacted by the CBAM, either directly or indirectly, and that it could influence supply chains; stresses that any CBAM should be easy to administer and not place an undue burden on enterprises, especially small and medium-sized enterprises (SMEs).