

# Delhi taking up carbon tax issue with WTO, EU: Goyal

**FIRM STAND.** Will not accept any unfair taxes, levies, says Commerce Minister

**Abhishek Law**  
New Delhi

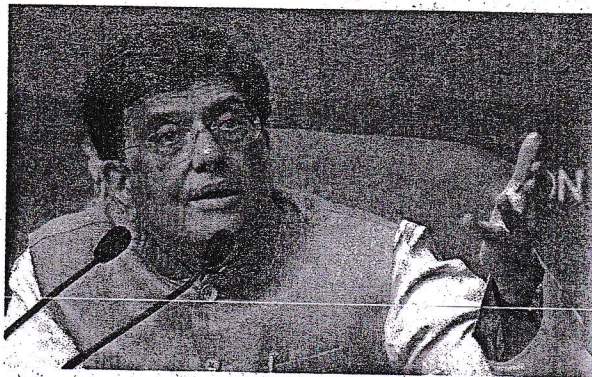
India is concerned over the imposition of European Union's (EU) upcoming carbon tax — the Carbon Border Adjustment Mechanism (CBAM) — and is taking it up with the WTO and also bilaterally so that exporters and producers get a fair deal, Union Commerce Minister Piyush Goyal said on Tuesday.

According to him, India would also insist on the implementation of Common But Differentiated Responsibilities (CBDR) and finance support as determined under the Paris Agreement.

"We are taking it (CBAM) up with the EU and at the WTO very, very seriously," Goyal said during his speech at the fourth edition of the Indian Steel Association's annual conclave here.

"India will not be accepting any unfair levies and taxes," he said adding that India is "work(ing) and fight(ing) to get a fair deal for the Indian producers and exporters and nobody is complacent about CBAM".

The CBAM will come into effect from January 1, 2026. But in the transition phase, which came into effect from October 1 this year, domestic companies across seven iden-



**PRESSING DEMAND.** Commerce Minister Piyush Goyal says India will insist on the implementation of CBDR as determined under the Paris Agreement. KAMAL NARANG

tified carbon-intensive sectors — such as steel, cement, fertilizer, aluminium and hydrocarbon products — have been asked to share data regarding (embedded) emissions in the products exported to the EU.

#### **ON-BOARDING OTHERS**

According to the Minister, India apart, other countries have also taken a stand on this proposed carbon tax.

China and Japan are among the Asian countries, apart from India, which have been quite vocal against CBAM.

"Collectively the world will have to take a view on this (CBAM) and we shall be focussing our energies to get other countries on-board to address this very serious con-

cern," Goyal said.

Trade sources say that while countries like China, South Korea and Australia have established emission trading schemes (to price carbon), most of the exporters across these countries lack broad awareness about EU rules, and there isn't an established uniform emission accounting and reporting practice. Recently, Japan's carbon pricing scheme kicked-off on the Tokyo Stock Exchange.

They say, CBAM is being viewed as a trade barrier across industry; while the EU is pitching it as an environmental measure.

"We will always find innovative solutions. But I can assure you that India will not be accepting unfair taxes or

levies being put on its steel or aluminium industry, or on any industry," Goyal said.

#### **CBDR AND FINANCE**

Goyal also said that the EU would have to allow CBDR to India on the issue as it is a developing economy.

"They have to allow CBDR or provide a funding or technical support that was committed at Paris before the Paris Agreement took shape... And we shall be taking up this issue," he reiterated to the industry.

India's 26.6 per cent of exports of iron ore pellets, iron, steel and aluminium products go to the EU. These products would be hit by CBAM. India exported these goods worth \$7.4 billion in 2023 to the EU.

#### **REVIEW OF FTAs**

Goyal also said that work is on to provide better access to the steel industry in different countries through free trade agreements (FTAs).

In order to protect domestic steel players, India is including provisions like "high value-added norms" and "melt and pour" in these agreements.

"We are looking at both the options so that our steel industry gets protected... These provisions would deter countries from misuse of FTAs (too)," he said.