UK to implement carbon tax on imported goods like steel

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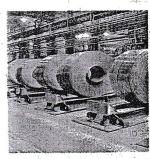
The British government announced plans on Monday to charge a carbon levy on imported raw materials such as aluminum, iron, steel and cement from 2027, in an attempt to prevent firms being undercut by overseas producers.

However, the plan has come under criticism from the body representing British steel as being too sluggish, as it will come into effect one year after similar proposals from the European Union (EU) are implemented.

Announcing its plan, Britain's Treasury said the proposed new tax will level the playing field, helping greener domestic producers compete against higher carbon, but cheaper, foreign rivals.

For years, fears have been expressed that efforts to cut greenhouse gases in the UK are not being matched overseas, meaning that emissions are just being displaced to other countries without ambitious netzero targets, leading to little global benefit.

"This levy will make sure carbon-intensive products from overseas — like steel and ceramics — face a comparable carbon price to those produced



in the UK, so that our decarbonisation efforts translate into reductions in global emissions," Treasury chief Jeremy Hunt said.

Britain's Conservative government has come under criticism over the past few months after Prime Minister Rishi Sunak watered down some of Britain's environmental commitments and said he was "not in hock to ideological zealots." While the implementation of the so-called Carbon Border Adjustment Mechanism, or CBAM, has been widely welcomed, its start-date has raised some concerns as the EU's similar proposal will come into effect in 2026.

Though Britain fully left the EU at the end of 2020, more than four years after the Brexit referendum, it often shadows policy from its former partners on an array of policies.