

India raises concerns over collection of exporters' data by EU through CBAM

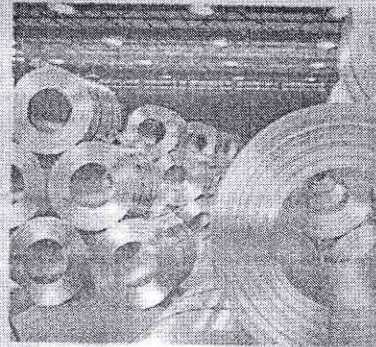
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Indian authorities have expressed reservations regarding the data collection by the European Union from various entities such as steel exporters and integrated steel players, as the Carbon Border Adjustment Mechanism (CBAM) enters a transitional phase. Concerns also surround potential breaches of competitiveness principles.

Aggregation and monitoring of such carbon emission data is also not a mandate of CBAM which would give it powers of a monitoring agency, is seen as another ground of objection.

One of the Ministries recently wrote to the Department of Commerce, pointing out that while emissions, production and



export data are currently collected, they are not shared as being company specific. Emissions data under World Steel and other methodologies are “anonymised in region specific manner”.

‘PARADIGM SHIFT’

“Seeking specific data from exporters represents a paradigm shift in terms of confidentiality. Moving to a realm of non-confidentiality may mean violating the principles of competition,”

a note sent to a senior official of the Union Commerce Ministry reads. *businessline* has a copy of the note.

Concerns have also been raised on extrapolating such data, which may result in “an incorrect analysis of a country’s emissions” in a particular sector.

“Over a period of time, aggregation of such data and monitoring thereof would make the role of CBAM regulator one of being a carbon emissions monitoring agency, without having been given the explicit mandate by any international agency,” the note mentioned.

The CBAM mechanism (reporting standards) will enter into application in its transitional phase on October 1, with the first reporting period for importers ending January 31, 2024. It will initially apply to im-

ports of certain goods and selected precursors whose production is carbon intensive which includes iron and steel.

ACCREDITED VERIFIERS

Installation-wise embedded emissions need to be calculated by an accredited verifier as per CBAM regulation. But India has pointed out that “there is a need for developing capacities for international verifiers in all countries”. Accordingly, the demand has been that the EU should “consider making the verification process interoperable”; “and EU should not seek accreditation, which is an additional compliance burden”.

Similarly, one of the ministries has also raised concerns on factoring in scrap as a raw material in steel-making. Scrap has a lot of embedded carbon.