

EU nations agree to exempt most firms from carbon border tariff

REUTERS

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European Union countries backed plans on Tuesday to scale back the bloc's carbon border levy to cover just 10 per cent of the companies currently covered by the scheme, on the grounds that these firms account for nearly all of the emissions involved.

Their approval makes it highly likely that the EU will exempt most of the 200,000 importers that had been due to face the world's first carbon border tariff, starting next year.

EU countries must negotiate the final changes with the European Parliament, which said last week it would support the proposals. Ministers from EU countries on Tuesday approved the proposed changes at a



meeting in Brussels.

The EU's carbon border tariff is designed to shield European producers against cheaper rivals in countries with less ambitious climate laws. It will impose a fee on imported goods that is equivalent to the carbon

Scaling back

- Only **10%** of firms will now be subject to the carbon border levy
- These firms account for over **99%** of emissions covered by the scheme
- Most of the **200,000** importers originally targeted will be exempted
- EU Parliament supports the revised plan; final negotiations pending

price already paid by EU-based companies under the bloc's CO₂ emissions policies.

The Commission had proposed the changes in February. It said they would spare smaller businesses from time-consuming bureaucracy with-

out compromising the environmental impact of the policy, as the remaining 10 per cent of importers are responsible for more than 99 per cent of the emissions it covers.

Under the changes, the carbon border tariff will apply costs to companies that import more than 50 metric tons per year of goods including steel, cement, aluminium and fertilisers.

That would replace the existing rules, under which all individuals or companies importing such goods with a value above 150 euros (\$170) would have had to pay the levy from next year.

Companies will have to buy permits, starting in 2027, to cover the carbon emissions of importing products from the year 2026.