

Public Consultation on the Carbon Border Adjustment

Fields marked with * are mandatory.

Introduction

The [European Green Deal](#) adopted by the Commission on 11 December 2019 aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. The long-term objective of climate neutrality by 2050 will be enshrined in legislation and the Commission will propose to increase the EU's climate ambition to reduce greenhouse gases emissions by 50-55% from 1990 levels by 2030.

In this context, the European Green Deal emphasized that “should differences in levels of ambition worldwide persist, as the EU increases its climate ambition, the Commission will propose a carbon border adjustment mechanism, for selected sectors, to reduce the risk of carbon leakage”. Risk of carbon leakage means either that production is transferred from the EU to other countries with lower ambition for emission reduction, or that EU products are replaced by more carbon-intensive imports. If this risk materialises, there will be no reduction in global emissions, and this will frustrate the efforts of the EU and its industries to meet the global climate objectives of the Paris Agreement.

A Carbon Border Adjustment Mechanism (CBAM) would ensure that the price of imports reflects more accurately their carbon content. This measure will be designed to comply with World Trade Organization rules and other international obligations of the EU. This measure would be an alternative to the current free allocation of allowances or compensation for the increase in electricity costs that address the risk of carbon leakage, because of carbon pricing in the EU's [Emissions Trading System](#) (ETS). Since 2005, the EU Emissions Trading System has been a key tool for reducing greenhouse gas emissions in the industrial and power sectors, by setting up a carbon market based on a 'cap and trade' principle. The system works by putting a limit on overall emissions from covered installations, which is reduced each year. Within this limit, companies can buy and sell emission allowances as needed, while some allowances are provided for free to certain industries on the basis of harmonised rules.

On 27 May 2020, the European Commission set out a [Recovery Plan for Europe](#) in response to the economic and social impacts of the COVID-19 pandemic. In the context of this plan, a new recovery instrument has been put forward by the Commission, with the proposal that the necessary funds be raised by temporarily lifting the EU's own resources ceiling. In this context, green own resources could contribute to future financing of the EU budget while supporting the green transition of the European economy and society. The Carbon Border Adjustment Mechanism is one of the possible options mentioned in the Recovery Plan for Europe in this context.

About you

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Language of my contribution

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- Gaelic
- German
- Greek
- Hungarian
- Italian
- Latvian
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- Maltese
- Polish
- Portuguese
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- Slovenian
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* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)

- Public authority
- Trade union
- Other

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* Scope

- International**
- Local
- National
- Regional

* Organisation name **Rusal**

255 character(s) maximum

* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)**

Transparency register number **515755333081-70**

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* Country of origin

Please add your country of origin, or that of your organisation.

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- Anguilla
- Antarctica
- Antigua and Barbuda
- Argentina
- Armenia
- Aruba
- Australia
- Austria
- Azerbaijan
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- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
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- Estonia
- Eswatini
- Ethiopia
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- Faroe Islands
- Fiji
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- France
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- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
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- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
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- Moldova
- Monaco
- Saint Martin
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- Saint Vincent and the Grenadines
- Samoa
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- São Tomé and Príncipe
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea

Belarus
Belgium

Georgia
Germany

Mongolia
Montenegro

South Sudan
Spain

- Belize
- Benin
- Bermuda
- Bhutan

- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina

- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria

- Burkina Faso
- Burundi

- Cambodia
- Cameroon

- Canada
- Cape Verde
- Cayman Islands

- Ghana
- Gibraltar
- Greece
- Greenland

- Grenada
- Guadeloupe
- Guam

- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Iran

- Montserrat
- Morocco
- Mozambique
- Myanmar /Burma

- Namibia
- Nauru
- Nepal

- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
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- North Macedonia
- Norway
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- Switzerland
- Syria

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- Thailand
- The Gambia
- Timor-Leste
- Togo
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- Tunisia
- Turkey
- Turkmenistan
- Turks and

- Belize
- Ghana
- Montserrat
- Sri Lanka
Caicos Islands
- Central African
Republic
- Iraq
- Palau
- Tuvalu

- Chad
- Chile
- China
- Christmas Island
- Clipperton
- Cocos (Keeling) Islands
- Colombia
- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
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- Czechia
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- Italy
- Jamaica
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- Jersey
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
-
- Lesotho
- Palestine
- Panama
- Papua New Guinea
-
- Paraguay
- Peru
- Philippines
- Pitcairn Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia**
- Rwanda
- Saint Barthélemy
- Saint Helena Ascension and Tristan da Cunha
-
- Saint Kitts and Nevis
- Uganda
- Ukraine
- United Arab Emirates
-
- United Kingdom
- United States
- United States Minor Outlying Islands
- Uruguay
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* Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

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Questions to all stakeholders

General context

The European Union is at the forefront of the fight against climate change and has set ambitious energy and climate policies. The European Green Deal adopted by the Commission on 11 December 2019 sets out the policies to achieve climate neutrality by 2050. Delivering on the Green Deal will require action by all actors and all sectors of our economy.

1. To what extent are you familiar with the following initiatives and legislation at EU and international level?

	i. Very familiar	ii. Moderately familiar	iii. Slightly familiar	iv. Not familiar at all
* a. The EU Green Deal	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b. The European Climate Policy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c. The Paris Agreement on climate change	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d. The UN Sustainable Development Goals	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e. The EU Emissions Trading System (ETS)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f. The EU Energy Union	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g. The New Industrial Strategy for Europe	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h. The proposed, by the European Commission, Recovery Plan for Europe and the new recovery instrument Next Generation EU	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i. The World Trade Organisation rules and EU's trade agreements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. Please rate your level of agreement with the following general statements

	i. Strongly agree	ii Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Putting in place an EU Carbon Border Adjustment Mechanism is justified if differences of ambition between the EU and third countries in fighting climate change persist.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. By reducing risks of carbon leakage, a Carbon Border Adjustment Mechanism can help achieving the EU objective of climate neutrality by 2050 and contribute to global climate efforts.	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. A higher price on some imported products due to the introduction of a Carbon Border Adjustment Mechanism in the EU would be acceptable if it contributed to global climate efforts	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. A Carbon Border Adjustment Mechanism would impose unnecessary burden on EU industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Justification and objectives

The efforts of the EU to fight global climate change by increasing its climate ambition by 2030 and become climate-neutral by 2050 could be undermined by a lack of ambition by our international partners. This would mean a risk of carbon leakage via the transfer of production and thus emissions from the EU to countries that have less strict climate policies in place, or via replacing EU products by more carbon-intensive imports. In such case global emissions would not be reduced. A Carbon Border Adjustment Mechanism could counteract this risk by ensuring equivalent costs of carbon between imports and goods produced in the EU.

3. Questions on the risk of carbon leakage

3.1 In view of EU's enhanced climate ambition the risk of carbon leakage is likely to:

- i. Increase
- ii. Remain unchanged
- iii. Decrease

3.2 To what extent do you agree with the following statements?

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Carbon leakage is already a reality	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

b. Current measures to address the risk of carbon leakage under the EU Emissions Trading System and State Aid Rules, such as free allocation of allowances and indirect cost compensation are effective in limiting the current risk of carbon leakage	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Current measures to address the risk of carbon leakage under the EU Emissions Trading System are sufficient in limiting the risk of carbon leakage even in view of the EU's enhanced climate ambition	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. A Carbon Border Adjustment Mechanism could be effective in addressing the risk of carbon leakage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
e. A Carbon Border Adjustment Mechanism can be effective in encouraging the deployment of less carbon intensive technologies and ambitious climate policies in partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
f. A Carbon Border Adjustment Mechanism can lead to a change in consumption patterns in the EU, by making available the choice of less carbon intensive products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
g. Reducing greenhouse gas emissions can be better achieved through regulatory means such as performance standards for products placed on the EU market	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. The objective of the Carbon Border Adjustment Mechanism is to address the risk of carbon leakage from the EU to other countries. Please rate to what extent do you agree that the following should be also part of the objectives of the Carbon Border Adjustment Mechanism

[0 – Not important /.../ 5 – Very important]

	0	1	2	3	4	5
a. Enable policies that aim at reducing carbon emissions in the EU	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. Fostering the reduction of greenhouse gas emissions at global level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c. Ensure a carbon - level playing field for producers in terms of the impact of carbon-driven costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

5. Which of the following EU policy areas are the most important to take into account in the design of the Carbon Border Adjustment Mechanism

[0 – Not important /.../ 5 – Very important]:

	0	1	2	3	4	5
a. Climate, notably the EU Emissions Trading System	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. Trade	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c. Energy taxation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
d. Development aid	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
e. Industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
f. Research and innovation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
g. Circular economy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Questions targeted at expert stakeholders

The Carbon Border Adjustment Mechanism in detail

A Carbon Border Adjustment Mechanism, for selected sectors, could contribute to reducing the risk of carbon leakage. The initiative would be linked to the pricing of carbon inside the EU, which is regulated for some sectors through the EU Emissions Trading System. The mechanism would aim at ensuring equivalent carbon costs between imports and goods produced in the EU. The possibility to adjust the price of exports also needs to be explored. However, some of the options described below may go beyond a strict border measure and apply to EU production, as well as to imports. As part of the work on the impact assessment, the Commission will develop a number of policy options that will address the type of policy instrument to be employed, the methodological approach and its sectoral scope. Any option to be envisaged will take into consideration the other initiatives foreseen in the context of the EU Green Deal, current EU legislation such as the EU ETS and the EU's international obligations.

Design and coverage of the mechanism

6. Which of the options (6.1-6.4) do you consider as appropriate for the design of a Carbon Border Adjustment Mechanism as described above? Please also indicate your view about the effectiveness and impact of each option:

6.1 A tax applied on imports at the EU border on a selection of products whose production is in sectors that are at risk of carbon leakage. This could be a border tax or customs duty on selected carbon intensive products. This option would be:

- i. Highly relevant
- ii. Somewhat relevant
- iii. Not relevant

6.1.1. The option described in 6.1 will:

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. Be effective in addressing the risk of carbon leakage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
b. Impose little administrative burden on EU importers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c. Impose little administrative burden on exporters from partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
d. Be difficult to circumvent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

6.1.2 The option described in 6.1 will have an impact on my activity. This impact will be:

- i. Positive
- ii. Negative

6.2 An extension of the EU Emissions Trading System to imports, which could require the purchasing of emission allowances under the EU Emissions Trading System by either foreign producers or importers. This option would be:

- i. Highly relevant
- ii. Somewhat relevant
- iii. Not relevant

6.2.1. The option described in 6.2 will:

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. Be effective in addressing the risk of carbon leakage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. Impose little administrative burden on EU importers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c. Impose little administrative burden on exporters from partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
d. Be difficult to circumvent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

e. Have a limited impact on the operations of EU producers subject to the EU Emissions Trading System	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
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6.2.2 The option described in 6.2 will have an impact on my activity. This impact will be:

- i. Positive
- ii. Negative

6.3 The obligation to purchase allowances from a specific pool outside the ETS dedicated to imports, which would mirror the ETS price. This option would be:

- i. Highly relevant
- ii. Somewhat relevant
- iii. Not relevant

6.3.1. The option described in 6.3 will:

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. Be effective in addressing the risk of carbon leakage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. Impose little administrative burden on EU importers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c. Impose little administrative burden on exporters from partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
d. Be difficult to circumvent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
e. Have a limited impact on the operations of EU producers participating in the EU Emission Trading System	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

6.3.2 The option described in 6.3 will have an impact on my activity. This impact will be:

- i. Positive
- ii. Negative

6.4 Carbon tax (e.g. excise or VAT type) at consumption level on a selection of products whose production is in sectors that are at risk of carbon leakage. Under this option, the tax would apply to EU production, as well as to imports. This option would be:

- i. Highly relevant
- ii. Somewhat relevant
- iii. Not relevant

6.4.1 The option described in 6.4 will:

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. Be effective in addressing the risk of carbon leakage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
b. Impose little administrative burden on European importers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
c. Impose little administrative burden on exporters from partner countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
d. Impose little administrative burden on EU producers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
e. Be effective in addressing all the carbon emissions of the sectors to which it is applied	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
f. Be difficult to circumvent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

6.4.2 The option described in 6.4 will have an impact on my activity. This impact will be:

- i. Positive
- ii. Negative

6.5 Please specify other types of policy instruments not covered by the above

1000 character(s) maximum

It is believed that a unilateral and sector specific CBAM, as opposed to a multilateral approach, is not going to address environmental goals. Such measure may be easily circumvented (e.g. carbon absorption, export redirection/resource shuffling, etc.). In addition, none of the listed options appears to be in full conformity with WTO rules.

To put in place a genuine environmental measure aimed at decarbonisation in full compliance with the WTO, the Commission may wish to consider permanent unilateral import tariff suspension vis-à-vis products with low carbon content, such as low-carbon aluminium (LCA).

Rusal has been proactive in industry-wide efforts to define LCA benchmark reflecting average performance and would be pleased to share the available knowledge.
 The tariff exemptions for LCA are achievable through a separate customs code and/or a reliable system of CO2footprint certification. Such approach could apply only to selected products that are currently subject to substantial WTO-bound import tariffs of >2 % in the EU. It would be fully compliant with the WTO rules, would support the EU in its climate agenda and level playing field for the EU downstream.

7. Please rate the proposals in the list below with regard to their relevance for the coverage of the Carbon Border Adjustment Mechanism

	i. Strongly agree	ii. Somewhat agree	iii. Neither agree or disagree	iv. Somewhat disagree	v. Strongly disagree
a. The Carbon Border Adjustment Mechanism should cover not only direct emissions but also include indirect emissions that occurred in the production of the electricity used to produce the product	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Carbon Border Adjustment Mechanism should cover the emissions of the complete value chain, not only the emissions of the last stage of production before import into the EU	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. The Carbon Border Adjustment Mechanism should differentiate in the treatment of imports of finished products, intermediate products and primary inputs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
d. Emissions from international transport of the goods covered should be taken into account by the Carbon Border Adjustment Mechanism	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. The Commission indicated in its Green Deal communication that the Carbon Border Adjustment Mechanism would be proposed for selected sectors

8.1 Please indicate if you agree that the following could be relevant in determining the coverage of the Carbon Border Adjustment Mechanism

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Should focus on products from activities covered by the EU Emissions Trading System	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Should focus on products from activities covered by the EU Emissions Trading System with highest risk of carbon leakage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c. Should not focus only on a product but address the relevant parts of value chains related to the product	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

8.2 Other important elements in the selection of sectors. Please specify:

450 character(s) maximum

To deliver on the Green Deal and insure non-discrimination, CBAM should distinguish between sectors and subsectors at risk of carbon leakage. For example, the EU PA and downstream subsectors of the aluminium sector are at absolutely different degree of such risk. On the other hand, a genuine environmental measure should apply to all products with carbon footprint above certain level, irrespective of industry sector/subsector and country of origin, and employ a tailored approach to such essential products as PA.

9. Considering the criteria outlined in the previous question, please indicate which according to your view could be the priority sectors that the Carbon Border Adjustment Mechanism should focus on. Please choose sectors in the drop down menu that includes all the economic activities in Level 3 NACE (rev. 2) excluding services. Should more detailed specification be required, or if you would like to select sectors not covered in the drop down menu, this can be provided in sectors 7-10 bellow at Level 4 NACE (rev. 2).

Sector 1. Please select from list (Level 3 NACE rev.2 excluding services)



Sector 7. Please identify and indicate relevant Level 4 code from [NACE rev. 2 Classification of Economic Activities in the European Community](#)

5 character(s) maximum

Sector 8. Please identify and indicate relevant Level 4 code from [NACE rev. 2 Classification of Economic Activities in the European Community](#)

5 character(s) maximum

Sector 9. Please identify and indicate relevant Level 4 code from [NACE rev. 2 Classification of Economic Activities in the European Community](#)

5 character(s) maximum

Sector 10. Please identify and indicate relevant Level 4 code from [NACE rev. 2 Classification of Economic Activities in the European Community](#)

5 character(s) maximum

Specific implementation issues

10. Please indicate to what extent you agree that the calculation of the carbon content of imported products should be based on

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. EU product benchmarks for free allocation under the Emissions Trading System, i.e. the greenhouse gases emitted during the production process	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
b. Country of origin-specific product benchmarks to be defined for direct emissions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
c. Global product benchmarks to be defined for direct emissions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

-

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
d. EU emission factors to be defined for indirect emissions, i.e. the emissions caused by the generation of electricity used to produce the covered product	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
e. Country of origin-specific emission factors to be defined for indirect emissions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

f. Global emission factors to be defined for indirect emissions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
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	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
g. A factor for both direct and indirect emissions taking into account the production method used in the installation were it was produced	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
h. A method that traces the build-up of emissions across the value chain of a product in different countries	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i. Giving importers the possibility to demonstrate in a verifiable manner how the product was manufactured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
j. The Commission Product Environmental Footprint method (which is in line with the international standard ISO 14067 and considers both direct and indirect impacts)		<input checked="" type="radio"/>		<input type="radio"/>
k. Product Environmental Footprint Category Rules developed based on the Commission Product Environmental Footprint method, which also include a benchmark reflecting average environmental performance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Please indicate to what extent you agree that the verification of the carbon content of imported products should:

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Be based on independent third party verification	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Allow for self-certification, supported by occasional external audit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

12. Please indicate to what extent you agree with the following statement

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
Provided that it is necessary to achieve the objective of reducing the risk of carbon leakage, the possibility to grant a rebate to EU exporters should be explored under the Carbon Border Adjustment Mechanism	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

13. The Carbon Border Adjustment Mechanism should have adequate anti-circumvention mechanisms.

13.1 Please indicate which of the following avenues for circumvention would pose significant risks and should be prevented:

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Substitution between primary inputs and semi-finished goods	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Resource shuffling in the form allocating low carbon production only to the EU with no or negative effect to the overall CO2 emissions	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Transshipment strategies if the possibility for exempted countries is included	<input checked="" type="radio"/>	<input type="radio"/>		
d. Avoidance based on slight modification of the product	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13.2 Other avenues for circumvention, not indicated under 13.1 above. Please specify:

250 character(s) maximum

Foreign exporting producers may absorb CBAM extra costs via the rest of their production of goods, which are not sold to the EU (carbon absorption). This and other risks are beyond control of the EU.

14. Additional considerations on the scope of the Carbon Border Adjustment Mechanism

14.1. Please indicate to what extent you agree with the following statements concerning the design of the Carbon Border Adjustment Mechanism

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. Should not allow for any exemptions. All imports should be subject to a carbon border adjustment mechanism equally no matter where they came from	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. Should allow for exemptions for least developed countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

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	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
c. If a partner country has climate policies creating sufficient incentives for emission reductions, similarly to the EU for the products in scope then no Carbon Border Adjustment should be levied (relevant policies could include national or regional emissions trading system, carbon tax, or regulatory system in relevant sectors at home)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. If a partner country has climate policies creating sufficient incentives for emission reductions which result in higher carbon costs than in the EU for the products in scope, then the Carbon Border Adjustment should result in a credit for the importer for the difference in carbon cost	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

14.2 Other considerations on scope and exemptions not covered by 14.1 above.

Please specify:

250 character(s) maximum

A genuine environmental measure compatible with the WTO must distinguish between carbon footprint above certain level per unit of all traded products, irrespective of industry sector and country of origin. The CBAM shouldn't become an additional barrier for suppliers of LCA products to the EU market, as well as it should not create additional costs for EU consumers.

Potential impacts

The impacts will vary depending on the design and in particular on the sectors that will be covered by the Carbon Border Adjustment Mechanism. The measure is expected to ensure that the efforts of the EU and its industry for a transition to a climate neutral economy are not jeopardised by carbon leakage. The measure should be consistent with the ambition of the European Green Deal to achieve a just, socially balanced and fair transition.

15. Please indicate if you agree with the following statement

15.1 Economic impacts

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. The Carbon Border Adjustment Mechanism would increase costs for EU businesses in downstream sectors	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. The Carbon Border Adjustment Mechanism would have a positive impact on the competitiveness of EU industry in the sectors concerned	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
c. The Carbon Border Adjustment Mechanism would negatively affect EU exporters in the sectors concerned	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. The Carbon Border Adjustment Mechanism would have a positive impact on investment in the EU	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
e. The Carbon Border Adjustment Mechanism would encourage the consumption of less carbon intensive products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

f. The Carbon Border Adjustment Mechanism would have a positive impact on innovation in the EU and elsewhere by promoting clean technologies	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>
g. The Carbon Border Adjustment Mechanism would result in the relocation or replacement of activities from partner countries into the EU	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>
h. The Carbon Border Adjustment Mechanism would result in the relocation or replacement of activities from the EU to partner countries in the downstream sectors to which Carbon Border Adjustment Mechanism would apply	<input checked="" type="checkbox"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15.2 Environmental impacts

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. The Carbon Border Adjustment Mechanism would improve the effectiveness of policies aimed at fighting climate change in the EU	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>	<input type="radio"/>
b. The Carbon Border Adjustment Mechanism would be effective in reducing carbon emissions globally	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>
c. The Carbon Border Adjustment Mechanism would promote the adoption of similarly ambitious climate policies by our trading partners and thus contribute to the reduction of global emissions	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>

15.3 Social impacts

	i. Strongly agree	ii. Somewhat agree	iii. Somewhat disagree	iv. Strongly disagree
a. The Carbon Border Adjustment Mechanism would avoid job losses in the EU due to the substitution of EU production by production from partner countries with lower climate ambition.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="checkbox"/>
b. Depending on the sectors covered, the Carbon Border Adjustment Mechanism, as part of a broader climate policy, would increase the price of consumer products including those related to basic needs.	<input checked="" type="checkbox"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

c. The Carbon Border Adjustment Mechanism would have negative effects in terms of jobs in sectors downstream from those to which it applies by increasing the cost of their inputs, which their competitors in partner countries do not bear.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d. Potential negative effects on the living standards of the poorer segments of the population should be compensated	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15.4 Administrative impacts

a. The Carbon Border Adjustment Mechanism would increase the administrative burden for exporters and importers into the EU

- i. Yes
- ii. No

Due to:

- i. Complexity of establishing the carbon content of the product
- ii. Alignment with measurement standards
- iii. Verification and reporting procedures

b. The Carbon Border Adjustment Mechanism is likely to increase the administrative burden for public administrations in the EU

- i. Yes
- ii. No

Due to:

- i. Monitoring needs
- ii. Adjustment of customs systems

c. The Carbon Border Adjustment Mechanism is likely to result in higher administrative burden for SMEs

- i. Yes
- ii. No

15.5 Other economic, environmental, social or administrative impacts, not indicated above.

Please specify.

1000 character(s) maximum

A CBAM will have no positive environmental effect. A reliable system of CO2 footprint certification will be needed. For PA this can be addressed through mandatory disclosures in line with the IAI's Technical Guidance 2018 (http://www.world-aluminium.org/media/filer_public/2018/02/15/carbon_footprint_technical_support_document_v1_published.pdf)

Final remarks

Should you wish to provide additional information (for example a position paper) or raise specific points not covered by the questionnaire, you can upload your additional document here.

Please note that the uploaded document will be published alongside your response to the questionnaire which is the essential input to this open public consultation. The document is an optional complement and serves as additional background reading to better understand your position.

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