

# A European carbon border tax: much pain, little gain

Georg Zachmann and Ben McWilliams

## Executive summary

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### The European Green

Deal will be a significant step towards a more climate-resilient and just economic system. However, it is not enough to meet the EU's climate goals. The Commission's proposal for a carbon border tax is a necessary step towards a more climate-resilient and just economic system. However, it is not enough to meet the EU's climate goals. The Commission's proposal for a carbon border tax is a necessary step towards a more climate-resilient and just economic system. However, it is not enough to meet the EU's climate goals.

### To address this

challenge, the Commission should consider a range of options, including a carbon border tax, a carbon border adjustment mechanism, and a carbon border adjustment mechanism. The Commission should consider a range of options, including a carbon border tax, a carbon border adjustment mechanism, and a carbon border adjustment mechanism.

### The European Commission

has proposed a carbon border tax. This is a necessary step towards a more climate-resilient and just economic system. However, it is not enough to meet the EU's climate goals. The Commission's proposal for a carbon border tax is a necessary step towards a more climate-resilient and just economic system. However, it is not enough to meet the EU's climate goals.

### Furthermore, significant logistical,

and administrative challenges will be faced. The Commission should consider a range of options, including a carbon border tax, a carbon border adjustment mechanism, and a carbon border adjustment mechanism. The Commission should consider a range of options, including a carbon border tax, a carbon border adjustment mechanism, and a carbon border adjustment mechanism.

### To simplify the

implementation of the carbon border tax, the Commission should consider a range of options, including a carbon border tax, a carbon border adjustment mechanism, and a carbon border adjustment mechanism. The Commission should consider a range of options, including a carbon border tax, a carbon border adjustment mechanism, and a carbon border adjustment mechanism.

### A strategy of

climate resilience and just economic system. The Commission's proposal for a carbon border tax is a necessary step towards a more climate-resilient and just economic system. However, it is not enough to meet the EU's climate goals.

### Recommended citation

Zachmann, G., and McWilliams, B. (2020). A European carbon border tax: much pain, little gain. Policy Contribution 00 / 000.



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# 1 Introduction





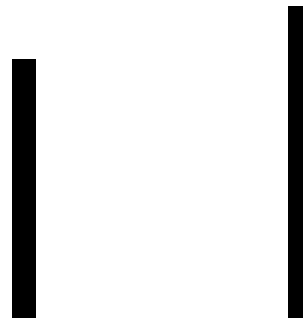
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Figure 2: Natural gas used as feedstock for hydrogen production in US regions

Figure 2: Natural gas used as feedstock for hydrogen production in US regions



Source: Bruegel based on US Energy Information Administration, available at: [https://www.eia.gov/dnav/pet/pet\\_pnp\\_feedng\\_k\\_a.htm](https://www.eia.gov/dnav/pet/pet_pnp_feedng_k_a.htm) and <https://www.eia.gov/outlooks/steo/data/browser>. Note: Petroleum Administration for Defense Districts (PADDs) are used for natural gas volumes. We match these to natural gas prices from the US Energy Information Administration. PADD 3 corresponds to New Mexico, Texas, Arkansas, Louisiana, Mississippi and Alabama with the corresponding price data from Texas, Oklahoma, Arkansas and Louisiana. PADD5 corresponds to Washington, Oregon, California, Nevada, Arizona, Alaska and Hawaii. The corresponding natural gas price is for the same states without Nevada and Arizona.

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3 A carbon border tax would be very difficult to implement





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... *“protect human, animal, or plant life or health”* ... *“to the conservation of exhaustible natural resources”* ...  
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... (2013, 00). ...

**Figure 3: Intensity of CO2 emissions embodied in total gross exports of final products in 2015 (in tonnes per \$ million for the six lowest and highest countries)**

Source: OECD.

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## 5 Conclusion

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