

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3742
ANSWERED ON:19.04.2010
IMPOSITION OF CARBON TAX BY EU
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the European Union (EU) countries are proposing to impose carbon tax on imports from advanced developing countries like India and China;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the details of the impact of such tax on Indian exports and the response of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) & b): The EU's Emission Trading System (ETS) is not currently applicable to imports. However, by June, 2011 EC is expected to come up with a report assessing the risk of carbon leakage.

(c): The impact of such tax on Indian exports cannot be assessed without the exact details of the scheme being made available by the EC.