

**GOVERNMENT OF INDIA  
ENVIRONMENT AND FORESTS  
LOK SABHA**

UNSTARRED QUESTION NO:4624

ANSWERED ON:08.12.2010

TRADE PENALTY ON CARBON EMISSION

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**Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:**

- (a) whether the developed countries plan to impose trade penalties on carbon emission;
- (b) if so, the reaction of the developing countries including India on such provision in climate change agreement;
- (c) whether the experts have raised concern over the viability of the wider green revolution imposed by European Union as a result of spending cuts by them; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR ENVIRONMENT AND FORESTS (SHRI JAIRAM RAMESH)

(a) The US has proposed a legislation entitled 'American Clean Energy and Security Act of 2009' which aims, inter alia, to reduce global pollution and transition to a clean energy economy. The proposed legislation has a provision for imposition of 'border adjustment' measures. Under these measures, foreign manufacturers and importers including those from India would be required to pay for and hold special allowances to cover the carbon contained in US-bound products with a view to ensure that US manufacturers are not put at a disadvantage relative to overseas competitors.

(b) All developing countries including India have no obligation under the United Nations convention on Climate Change and its Kyoto Protocol to make any mandatory emission cuts. Accordingly the same is being stressed by India and many Developing Countries in the ongoing Climate Change negotiations that such non-tariff barriers are against the principles of World Trade Organization and are not acceptable.

(c) & (d) The Government is not aware of such concern, if any, of experts.