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EU-CBAM: Trade Implications and Policy Responses

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1. Introduction

The EU-Carbon Border Adjustment Mechanism (CBAM) became fully operational on 1 January 2026, following the completion of its transitional (trial) period. Initially, CBAM applies to a limited set of energy-intensive products, namely cement, fertilizes aluminium, iron and steel, electricity, and hydrogen. For aluminium, iron and steel and hydrogen, only direct emissions generated during production are taken into account. In contrast, for cement and fertilizers, both direct and indirect emissions are covered. Indirect emissions refer to emissions arising from the generation of electricity consumed during the production process, irrespective of the geographical location of electricity generation (EC, 2023). The CBAM, in its present form, will be applied to all countries without any discrimination.

The CBAM was introduced in October 2023 as a transitional mechanism under which EU importers were required to report the embedded emissions of covered imports, without any financial obligation. From 1 January 2026, the mechanism entered its definitive phase, requiring authorised importers to purchase CBAM certificates corresponding to the embedded carbon emissions of their imports during the reporting year. Unlike EU- Emissions Trading System (EU-ETS) allowances, CBAM certificates are non-tradable.

The CBAM framework allows EU importers to claim deductions if they can demonstrate that a carbon price has already been paid on the imported

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goods in the country of production, with such payments being adjusted against the CBAM liability. The CBAM does not apply to certain countries outside the EU, including Switzerland, Norway, Iceland, and Liechtenstein, as these countries either participate in the EU-ETS or operate emissions trading systems considered equivalent to the EU's.

Before the end of the current decade, the European Commission will conduct a comprehensive review of CBAM, focusing on its effectiveness in preventing carbon leakage. Based on this assessment, the scope of CBAM is expected to be progressively expanded to cover additional sectors and products. The EU has already signaled its intention to extend CBAM beyond basic materials to a wide range of downstream products, particularly those with significant iron and steel, and aluminium content, such as machinery, vehicle components, household appliances, and construction equipment.

2. Impact on Selected LDCs and India:

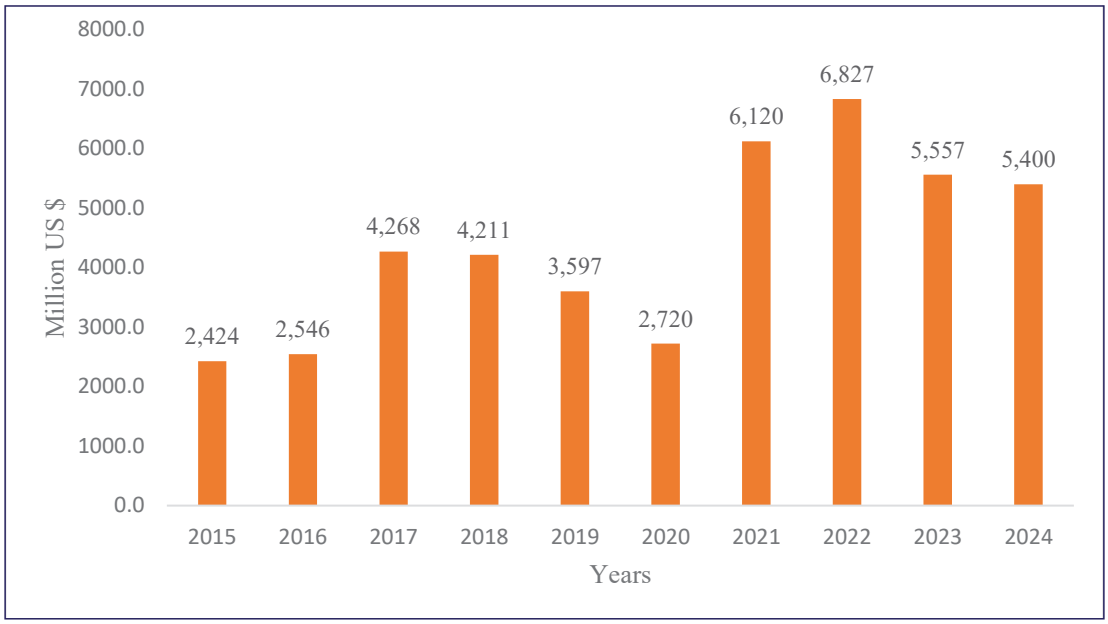
Least-developed countries' economies are fragile, with negligible diversification and very thin export baskets. For some LDCs, EU-oriented exports in minerals-based, energy-intensive value chains -ranging from raw mineral extraction to CBAM-covered products such as aluminium, steel and fertilizers - account for a substantial share of both EU-bound exports and their GDPs. Mozambique had almost 60 percent CBAM covered commodities of its total exports to the EU in 2023, which increased to almost 70 percent in 2024. More than 50 percent of Mozambique's total aluminium exports go to the EU (Kher and Gupta, 2024). Mozambique CBAM exports were making 6 percent and 5.6 percent of its GDP in years 2023 and 2024, respectively (Appendix Table 1).

In year 2024, China topped the list with US $ 16326 Million worth CBAM-covered commodities, followed, in descending order, by Turkey (US$ 11018 Million), the UK (US$ 8196 Million) and India (US$ 6321 Million). Five countries' exports of CBAM commodities, including Turkey, Russia, Serbia, Ukraine and Egypt, made substantial part of their total exports to the EU- more than 10 percent- in year 2024. For India, CBAM commodities in total exports to the EU was 10.5 percent in 2023, which has come down to 8.2 percent in 2024 (Table 2 in Appendix).

India exports four items covered in the CBAM. They include iron and steel, aluminium, cement and fertilizers. Iron and steel is the most important commodity in four, securing 85 percent of total CBAM exports to the EU from India in 2024. Its share has decreased over years from 92 percent in year 2015 to 85 percent in year 2024. The share of aluminium has increased over the same time period from 8 percent to 14 percent.

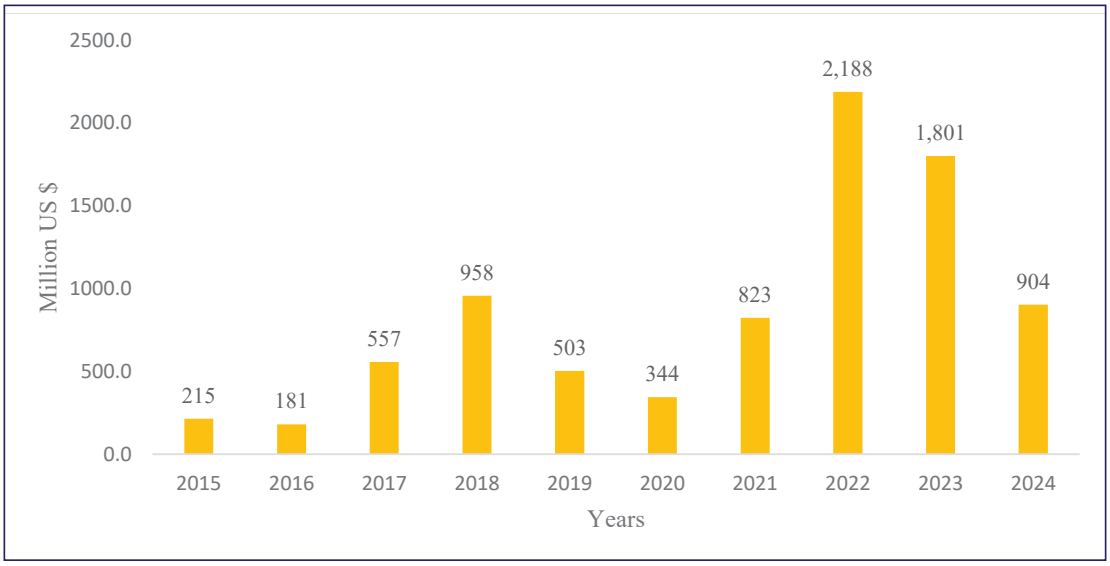
Iron and steel is a dominant commodity in all four CBAM-covered commodities exported by India to the EU. Though its share has decreased in the total CBAM covered commodities during the period shown in the graph, it is still 85 percent. It has increased from US$ 2424 million in year 2015 to US$ 5400 million in year 2024 (with a steep

Figure 1: Indian's Iron & Steel Export to EU



Source: UNCOMTRADE Database (2025)

Figure 2: India's Aluminium Export to EU

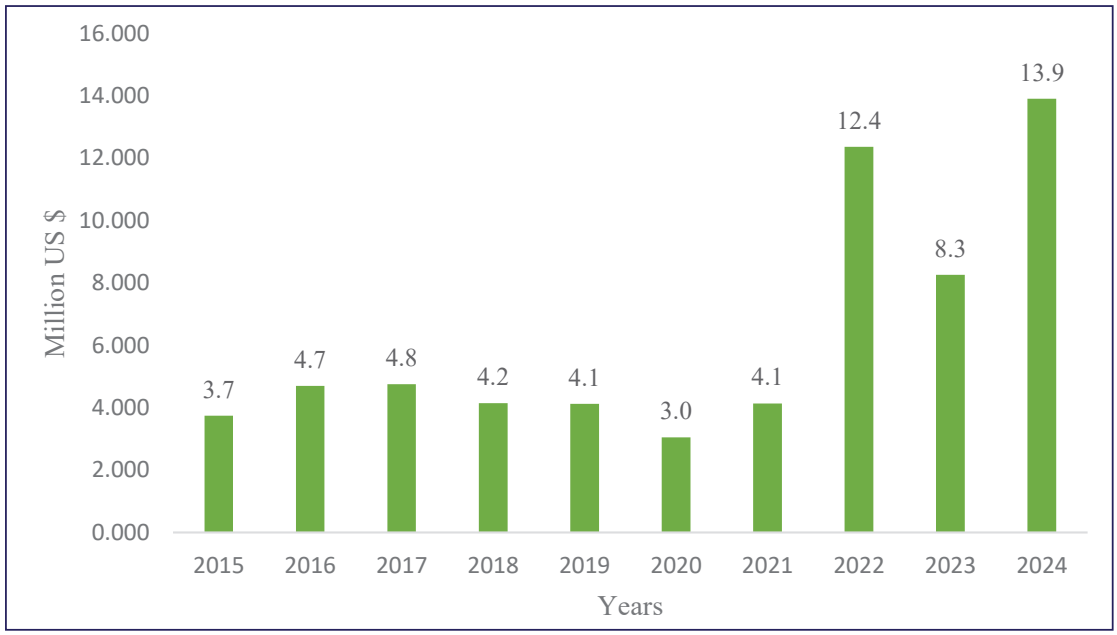


Source: UNCOMTRADE Database (2025)

dip during COVID year in 2020), with a compound annual growth rate (CAGR) of 9.31 percent (Figure 1). It declined from US$ 5557 million in year 2023 to US$ 5400 million in year 2024.

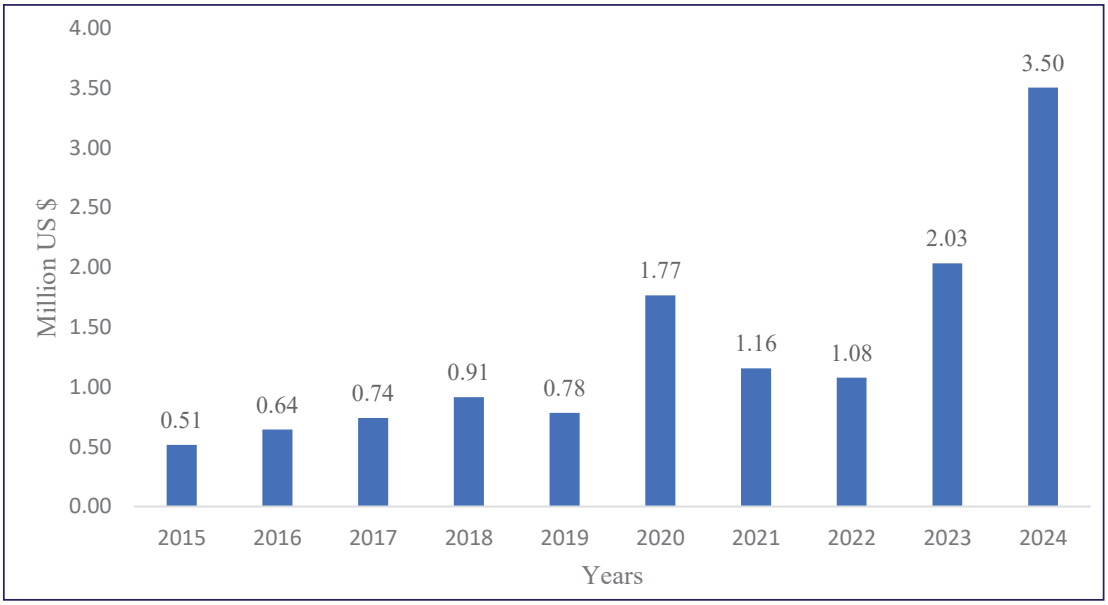
Aluminium is the second most important commodity under the CBAM being exported by India to the EU. It has increased from US $215 million in year 2015 to US$ 904 million in year 2024, with dipping in COVID year to US$344 million in year 2020 and reaching peak at US$ 2188 million in 2022. It increased with a CAGR of 17.3 percent, showing its further potential in the coming time (Figure 2). It declined from US$ 1801million in year 2023 to US$ 904 million in year 2024.

Figure 3: India's Cement Export to EU



Source: UNCOMTRADE Database (2025)

Figure 4: India's Fertilizers Export to EU



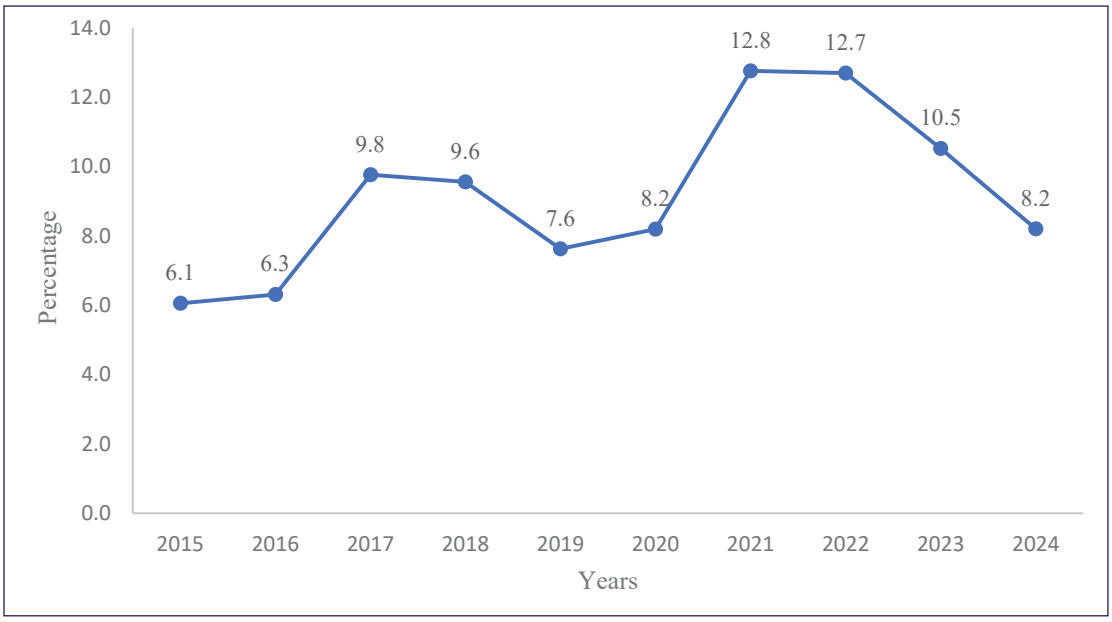
Source: UNCOMTRADE Database (2025)

Cement and fertilizers are relatively insignificant items in value terms with increasing from US$3.7 million and US$0.51 million in year 2015 to US$13.9 and 3.5 million respectively in year 2024. They increased with CAGR of 15.84 and 23.86 percent respectively (Figures 3 & 4).

The Figure 5 shows the share of total CBAM-covered commodities in Indian total exports to the EU. As it is evident from the graph, the share has increased in recent decade from 6.1 percent in year 2015 to 8.2 percent in year 2024. In absolute terms also, it has more than doubled from US$2643

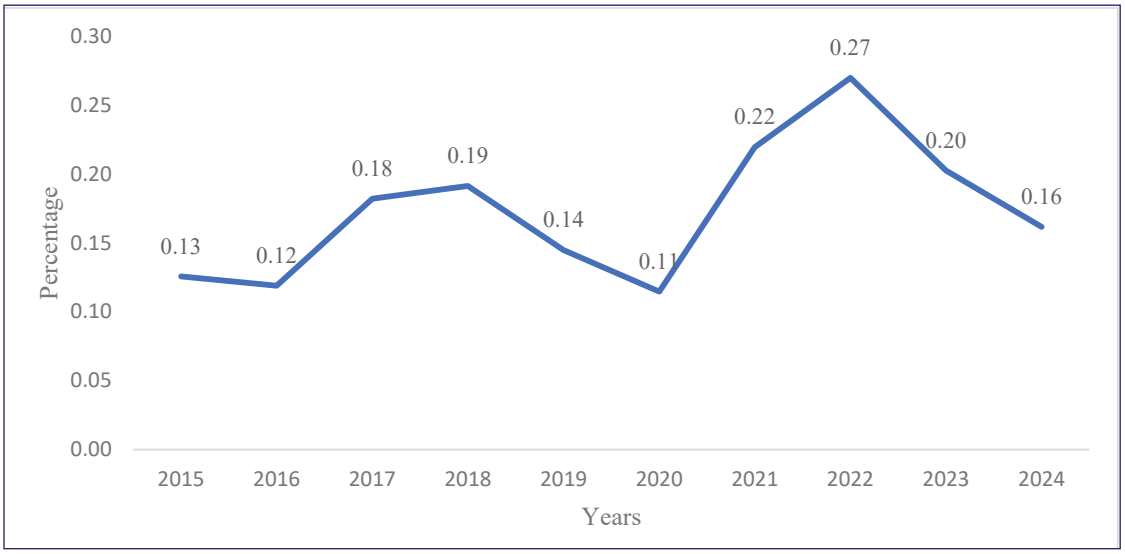
million in year 2015 to US$6321 million in year 2024, with the CAGR of 10.17 percent. It shows the vulnerability of Indian exports to the EU, which is an important market destination for India, second after the US, with almost 17 percent share in total Indian exports to the world. The share of CBAM exports in total Indian exports to the EU has declined from 10.5 percent in year 2023 to 8.2 percent in year 2024.

Figure 5: Percentage of Total CBAM Export To EU and Total Export to EU By India



Source: Calculated by authors on the basis of data from UNCOMTRADE Database (2025)

Figure 6: Percentage of Total Indian CBAM Export To EU to India's GDP



Source: Calculated by authors on the basis of data from UNCOMTRADE Database (2025)

The above Figure 6 shows the share of CBAM exports by India to its GDP. It has also increased from 0.13 percent in year 2015 to 0.16 percent in year 2024, with falling 0.11 percent in COVID year 2020 and touching peak of 0.27 percent in year 2022. It has declined from 0.20 percent in year 2023 to 0.16 percent in year 2024.

There was a decline in Indian exports of CBAM-covered commodities to the EU from approximately USD 7,369 million in 2023 to around USD 6,321 million in 2024, with iron & steel and aluminium accounting for much of the reduction. Because the EU's CBAM reporting (trial) phase began in October 2023, it is unlikely to be purely coincidental --increased administrative burden, compliance complexity, and uncertainty likely contributed to export difficulties for Indian firms. The authorized importers of the EU might have sought new competitive, CBAM -complaint suppliers. Turkey and Vietnam have recorded the increase in their CBAM exports to the EU in 2024 compared to 2023.

3. CBAM and WTO:

The EU claims that the CBAM is WTO-compliant, arguing that it is non-discriminatory and therefore does not violate the Most-Favoured Nation (MFN) and National Treatment (NT) principles. It further justifies CBAM under GATT Articles XX(b) and XX(g), which allow trade restrictions to protect human, animal or plant life and to conserve exhaustible natural resources. However, critics dispute this claim. They argue that CBAM violates core WTO provisions, including Article I (MFN), Article II (tariff schedule), and Article III (national treatment). Features such as exemptions for certain countries, credits for carbon prices paid in the country of origin, and the use of non-product-related process and production methods (NPR-PPMs) to calculate embedded emissions are seen as inconsistent with MFN and NT obligations (Hufbaurer et al., 2021). In addition, EU-ETS permits are tradable while CBAM certificates are not, which creates discriminatory treatment (Hufbaurer et al., 2021). Further, the continuation of free allowances for EU producers until their phase-out in 2034 would clearly violate the NT principle. Although there is a provision to adjust CBAM for free allowances, its operation remains unclear and may amount to an indirect subsidy for EU industry. For these reasons, critics argue that the CBAM cannot be justified under Article XX, as it constitutes "arbitrary or unjustifiable discrimination" and a "disguised restriction on international trade" (Bacchus, 2021). Even the use of default emission values is open to legal challenge under Article XX (Sasmal et al., 2023).

Many studies recommend exempting LDCs from CBAM and granting special and differential treatment to developing countries under the WTO Enabling Clause. Paragraphs 2(a) and 2(b) are especially relevant. Paragraph 2(a) permits preferential tariffs for developing countries under the Generalized System of Preferences (GSP), while paragraph 2(b) allows differential treatment in non-tariff measures. If CBAM is treated as an internal tax, paragraph 2(b) could justify

exemptions for less-developed countries (Sasmal et al., 2023). Paragraph 2(d) further allows LDCs to be treated separately from other developing countries. In addition, Part IV of the GATT ("Trade and Development") obliges developed countries to reduce barriers on products of interest to LDCs and to avoid introducing new or higher barriers, providing another legal basis for exempting them from CBAM (Sasmal et al., 2023).

4. Conclusions and Proposed Policy Responses:

4.1 Consequences for Poor Countries

There has been widespread opposition to CBAM in the developing world, where it is perceived as imposing an unilateral climate-related trade barrier. Resistance has also emerged within the EU itself, including from certain member states, most notably Poland, and from certain industry segments, concerned about competitiveness, to its full scale implementation. Despite these reservations, the EU appears firmly committed to implementing CBAM in its full form. At the same time, there is an implicit recognition within the EU that CBAM will be an evolutionary policy instrument, requiring gradual adjustment and refinement. Nevertheless, it is evident that the EU intends to pursue CBAM to achieve multiple objectives. The stated objective is to prevent carbon leakage, which is viewed as having imposed an economic disadvantage on EU producers subject to stringent climate regulations. An unstated but implicit objective is the protection of domestic industries from global competition in selected sectors. In addition, the EU has explicitly framed CBAM as a mechanism to incentivise decarbonisation in parts of the global economy that are closely integrated with the EU market.

As a responsible global actor, the EU should find an optimal way to reconcile the twin challenges of pursuing ambitious climate mitigation policies while avoiding adverse impacts on the development prospects of LDCs and developing countries. Carbon pricing is an important tool to combat climate change, and emission trading is a cost-effective way to do so. The main objective of CBAM is to prevent carbon leakage, which has long affected the EU, undermining both the competitiveness of its industry and the effectiveness of climate mitigation. Climate change is a global problem that requires global solutions. However, in its current form, CBAM is not the best approach to address carbon leakage from an equity perspective. The principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) discourages such unilateral measures without global consensus.

The United Nations Conference on Trade and Environment has recommended seeking consensus among all countries before adopting such measures. Moreover, CBAM runs counter to the spirit of the WTO Enabling Clause and Part IV of the GATT on "Trade and Development," which provide for exemptions for LDCs and special and differential treatment for developing countries.

The CBAM in its present form would have significant distributional

effects, with resources flowing from poorer countries to developed ones (the EU) in two main ways. First, requiring EU importers to purchase CBAM certificates from 2026 will make exports from poorer countries less competitive than EU domestic production, even in products where they have a genuine comparative advantage. Second, many developing countries will lose potential revenues to the EU because they lack the capacity to establish domestic carbon markets and retain and use such funds for their green transition. Although CBAM is intended to encourage countries with weaker climate policies to adopt stronger ones, it may instead have a debilitating impact on poorer economies. It is also notable that similar CBAM-type measures are likely to be introduced by other developed countries, including the UK (from 2027), Canada and Japan.

4.2 An Approach to make CBAM more credible

An alternative would be a more facilitative and gradual approach to climate goals, reflecting the limited capacities of developing countries and LDCs. One option is to support them in forming "environment clubs." Many lack the ability to design and operate carbon pricing and trading systems, including reliable measurement, reporting, and verification of emissions. The EU, with other developed countries, could help build carbon-market ecosystems in these economies. In the interim, LDCs should be exempted from CBAM. Paragraphs 2(a), 2(b), and 2(d) of the WTO Enabling Clause provide a legal basis for such exemption and concessions to less-developed countries. The EU could also apply differentiated phase-in periods based on development levels. Differentiated CBAM rates could be introduced for Annex I and non-Annex I countries under the UNFCCC, with the most favorable treatment for LDCs. The carbon border tax can be applied on the basis of per capita income.

In fact, each country submits its Nationally Determined Contribution (NDC) under the Paris Agreement and determines its own pathway to achieve those targets and eventually reach net-zero emissions by a self-selected year, taking into account national circumstances and levels of economic development. It would, therefore, be grossly unfair to require all countries to comply with a uniform environmental standard-- such as the carbon price prevailing in the European Union. Some form of differentiated treatment must be devised, either bilaterally or multilaterally, to reflect these disparities. Such differences could be addressed through compensatory mechanisms, including financial support and access to green technologies. The revenue earned by the EU through CBAM should also be used to mitigate climate change, primarily in developing and least-developed countries. They should be provided technical and financial assistance, such as grants or concessional loans, to help them transition to the low emission economies. It would enhance the credibility and acceptability of the regulation.

4.3 Need for a Collective Position of the Global South

The EU is unlikely to entertain bilateral concessions as that would weaken its own position that the regulation is not discriminatory. But there is a strong need for like-minded countries to come together to bring issues like its incompatibility with WTO provisions and likely adverse impacts before multilateral fora such as the WTO and UNFCCC. A coordinated and collective approach on the part of the Global South to negotiate with the EU to make CBAM more balanced and fairer is required. (Recently EU has reportedly given some concessions in application of CBAM to the US, as per the US media, though it has been denied by the EU).

4.4 Need for a unique treatment of Small and Micro Enterprises (SMEs)

The current product coverage of CBAM is limited to six products, but its scope is expected to expand over time. The EU has already signaled that some downstream products using CBAM-covered basic materials will be included in the next phase. The measurement, reporting, verification, certification, and audit requirements under CBAM, when applied to SMEs, could have adverse effects, making special treatment necessary. On the basis of objective criteria, such firms could be exempted from CBAM. The EU's REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation offers a relevant precedent. Its heavy data and compliance requirements had serious adverse effects on chemical industries in developing countries, including India, and significantly reshaped both EU and connected industries. The EU should, therefore, avoid rushing CBAM obligations onto SMEs without first building their capacities. While domestic governments will need to provide much of this support, the EU must acknowledge the serious impact of CBAM on SMEs in the developing world. Although the EU has assured in the recent India–EU Trade and Technology Council meeting that SME concerns will be accommodated, how far this will actually address the problems of Indian SMEs remains a billion-dollar question.

In India, SMEs make a major chunk of existing enterprises, contributing substantially in the GDP, employment generation and exports. However, individually they do not possess the wherewithal to be CBAM compliant. If they are left to their own, they might face yet another blow after pandemic. They should be helped through institutional support, either by providing them funds to install energy-efficient technologies at the concessional rate or supporting their buying of CBAM certificates. India has the unique experience of having been an important participant in the Clean Development Mechanism (CDM) under the Kyoto Protocol. That experience helped India develop an active system for measurement, reporting, verification, certification and auditing of emissions. Based on this experience, we should create a system of verification of the emission statements locally and negotiate with the EU for

its acceptance. It would greatly benefit the industry. A similar system is in place in several product areas of exports to EU. This can be done even as Carbon Credit Trading Scheme awaits the start of its implementation. This will help SMEs immensely.

The increased de minimis limit for exemption to the CBAM obligations for EU importers, which is now 50 tonne per importer per calender year, can be helpful for SMEs. Some facilitation efforts by the Indian government, for example, by opening a facilitation office in EU may help.

4.5 Review Domestic Policies and Create a Domestic Ecosystem

CBAM is likely to drive the evolution of a comprehensive policy framework across multiple sectors of the economy. The response mechanism will become an integral part of any country's broader green transition strategy. Domestic experience must be strengthened through learning from advanced economies. A silo-based approach will not work, as this challenge spans several ministries, including finance, industry, welfare, trade, and labour. Strong institutional capacity is therefore, essential to guide the transition. Establishing a nodal agency covering these areas could support a coordinated and strategic, multidisciplinary approach to green policy-making.

In some countries, including India, the internal tax on fossil fuels is very high. The Government could follow a revenue-neutral strategy to meet the CBAM challenge by accounting for both the carbon tax and the fossil fuel tax. The fossil fuels' taxes should be reduced along with introducing carbon tax in a calibrated manner to remain competitive in the international market. India, building on the experience of its Perform, Achieve and Trade (PAT) scheme, is starting its emission trading market from mid-2026. Indian carbon trading scheme will be limited to a few sectors initially, which should be made more comprehensive soon. The revenue so earned could be distributed among states objectively to avoid any losses to them.

The industry associations need to play a proactive role in educating businesses, especially small enterprises, about the CBAM. They should help firms, especially small ones, to become CBAM compatible in regard to assessing and reporting the embedded emissions in their products through seminars and workshops. They should also mobilize some monetary help from the government, especially for small players.

4.6 Preparation at Enterprise Level

The Government of India and industry stakeholders recognize that enterprises in the **iron & steel and aluminium sectors** must prepare for the EU's **Carbon Border Adjustment Mechanism (CBAM)**. These sectors constitute a major share of Indian exports to the EU among CBAM-covered commodities, and *reports/ data indicate a significant decline in steel and aluminium exports to the EU in 2024–25 after CBAM's reporting requirements began*,

even before the carbon levy was payable. Under CBAM, exporters must supply verified **plant-level emissions data** using EU-recognised verifiers to avoid default emission values, but many firms, especially **SMEs**, face challenges due to limited access to verifiers and reliable emission measurement systems, raising compliance costs and competitiveness risks in the EU market.

Here, the government should facilitate the establishment of the EU-recognized verifiers good in numbers, especially near the iron & steel and aluminum clusters. It can also help SMEs by subsidizing these costs. The reliable and verified emission data is important to avoid the default value, which might be substantially higher than the actual emission level. The government can also help SMEs by opening facilitation offices in the EU to help the SMEs take the maximum benefits of increased de minimis limit for exemption from CBAM obligations for the EU importers.

The enterprises should start mock exercises at plant level. They should map the exposure to the EU at product category level, estimate the embedded emission per tonne of output and use carbon price of the EU to calculate imaginative price per tonne of emission to figure out the impact on cost of their shipment.

The firms, especially large ones, should look for new markets, with no such taxes, to diversify. They should earmark their products with less emission intensity to the EU market and more emission-intensity products to countries with less punitive carbon taxes or for domestic market. The domestic market demand is also surging, as the country aims to become developed nation by 2047.

The role of industry associations is also very important, especially for SMEs. They should set up sector-level pool fund to help enterprises in emission measurement, verification and data preparation. Industry associations can also help SMEs in securing the emission data from the large enterprises, which generally do not share data with SMEs, which buy inputs, like steel sheets, from large producers. They can also help in negotiating collective deal for small firms from EU-recognized verifiers/ auditors at discounted cost.

India has initiated the transition towards low-carbon steel through its Green Steel Initiative and the introduction of a green steel taxonomy, which classifies steel based on emission intensity. Steel production remains dominated by the coal-based BF-BOF route, but shifting towards gas-based DRI-EAF and scrap-based EAF offers substantial emission reductions. While scrap-based steel can reduce emissions by over two-thirds, India faces a domestic scrap shortage, which the Vehicle Scrappage Policy aims to address. The government is also promoting hydrogen-based iron making under the National Green Hydrogen Mission and exploring Carbon Capture, Utilization and Storage (CCUS) technologies to decarbonise existing assets. Together, these measures provide a policy framework for gradually decarbonising India's steel sector while maintaining industrial competitiveness.

The Government of India has laid out a roadmap for decarbonising the

steel sector built around five key pillars: 1) Scaling up renewable energy to supply clean power to steel production; 2) Using natural gas as a transition fuel while moving toward hydrogen, along with the use of bio-char and recycled CO_2 for iron-ore reduction; 3) Adopting a cluster-based approach to speed up decarbonisation of both integrated steel plants (ISPs) and small and medium enterprises (SMEs) by improving access to alternative fuels and enabling the deployment of deep-decarbonisation technologies; 4) Implementing an aggregator model to pool demand for green steel and thereby support large-scale deployment of renewable energy and wider use of natural gas; and 5) Promoting research, development and demonstration (RD&D) to drive innovation, develop indigenous technologies, and position India as a global manufacturing hub for next-generation clean steel technologies.

Similarly, the Government of India is pursuing the decarbonisation of the aluminium sector through a combination of regulatory measures, policy incentives and support for key technological transitions, with a primary focus on large-scale renewable energy adoption, improvements in energy efficiency, and a circular-economy approach based on enhanced recycling and secondary aluminium production.

4.7 Bilateral Engagement with the EU[1]

The EU-India Free Trade Agreement has been under negotiation for several years. The EU has signaled early signing of FTA with India amid the tariff uncertainty of the US. Trade and sustainability is a critical area on which negotiations are reported to be hanging for long. Given the size of potential markets, there is a lot at stake for both sides. It is unlikely that the EU will agree to any substantial concessions in the FTA under negotiation on applicability of the regulation, as that would create contradictions within its own policy framework. However, seen from a trade perspective, recognizing that CBAM will impact the Indian economy significantly as it evolves, India must insist on a meaningful cooperation and support for programmes on promoting awareness; creating human resource capacities; developing and sharing of relevant technologies; development and setting up of an indigenous standards, verification, and certification system; helping facilitation in addressing non-tariff barriers against eligible Indian products, etc. As India-EU FTA negotiations are once again gaining momentum due to evolving Geo-politics, it is in India's interest to take this opportunity to enforce a deal, suitably accommodating its ask on CBAM. It can specifically ensure the conformity of its carbon trading system with the EU. The Indian carbon trading system is based on carbon-intensity, while the EU's is based on absolute carbon reduction. There are speculations in the US media about the understanding regarding respite from CBAM to the US in the recently concluded agreement between them, which the EU declined.

The developing and least developed countries need help to transition to low carbon economy through the provision of financial and technical support from

[1] In recently concluded India-EU FTA (when the draft was under publication), the EU did not give any bilateral concession to India in CBAM application. However, it agreed to extend benefits to India on MFN basis, if it gives concession to any third country in its application. It also agreed to provide financial and technical support to help Indian firms in cutting their greenhouse emissions and for easy compliance of CBAM.

international institutions and developed countries. A transition to green economy in the developing world requires honest efforts towards the implementation of decisions already taken through multiple institutional processes and rewriting rules for a fair and equitable global economy. It is also worthwhile to negotiate a basic architecture of carbon border tax at multilateral level to obviate the need of navigating multiple CBAM regimes.

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Appendix:

Table 1. Selected LDCs' Total Exports and CBAM-Covered Commodities' Exports to EU (2024 &23)

Partner Country	CBAM Trade value (Mn $)	Total Export Value to EU (Mn $)	GDP (Mn $)	Percentage of CBAM Trade to Total Export to EU (CBAM/ EU Export)	Percentage of Total Export to EU to GDP (EU Export/ GDP)	Percentage of CBAM Trade to GDP (CBAM trade value /GDP)
2024						
Mozambique	1276.423	1829	22745	69.7900	8.0400	5.6119
Cambodia	14.961	5979	46098	0.2500	12.9700	0.0325
Zambia	5.814	336	26326	1.7300	1.2800	0.0221
Senegal	1.568	771	32816	0.2000	2.3500	0.0048
Myanmar	1.330	3397	61653	0.0400	5.5100	0.0022
Liberia	0.738	736	4778	0.1000	15.4000	0.0154
Bangladesh	0.602	21517	450461	0.0000	4.7800	0.0001
Madagascar	0.569	1086	17421	0.0500	6.2300	0.0033
Angola	0.545	6575	115214	0.0100	5.7100	0.0005
Uganda	0.263	1165	56326	0.0200	2.0700	0.0005
2023						
Mozambique	1280.168	2139	20921	59.8402	10.2257	6.1191
Cambodia	10.837	5175	42404	0.2094	12.2032	0.0256
Zambia	3.447	345	27578	0.9992	1.2509	0.0125
Senegal	2.040	509	30701	0.4010	1.6572	0.0066
Myanmar	0.884	3661	62299	0.0241	5.8773	0.0014
Liberia	0.039	626	4390	0.0062	14.2651	0.0009
Bangladesh	1.431	20410	451534	0.0070	4.5201	0.0003
Madagascar	0.510	1153	15870	0.0442	7.2679	0.0032
Angola	0.552	10059	112483	0.0055	8.9425	0.0005
Uganda	0.021	840	52003	0.0025	1.6155	0.00004

Source: Calculations Made by Authors on the Basis of Data from IMF Direction of trade Statistics (2025) and UNCOMTRADE Database (2025)

Table 2. Top 15 Exporters of CBAM Goods to European Union (2020, 2023 & 2024)

Country	Total EU Goods Imports (Million US $)			Total EU imports of CBAM Goods (Million US $)			Percentage of CBAM Goods to total EU Goods Imports (%)		
	2020	2023	2024	2020	2023	2024	2020	2023	2024
China	472218	555331	560358	5635	16368	16326	1.19	2.95	2.91
Türkiye	76619	102643	106417	5401	10401	11018	7.04	10.13	10.35
United Kingdom	205541	193201	177136	5401	8310	8196	2.62	4.30	4.63
Switzerland*	125006	151809	147727	4368	9082	7793	3.49	5.98	5.28
Norway*	41253	99135	84683	4303	7682	7546	10.43	7.75	8.91
India	40521	70003	77060	2780	7369	6321	6.86	10.53	8.26
Russian Federation	116558	48024	36286	8576	6392	5745	7.35	13.31	15.83
Rep. of Korea	54115	78495	73462	2931	5130	4775	5.41	6.54	6.50
USA	248976	366154	355764	1394	4572	4341	0.56	1.25	1.22
Ukraine	20178	24342	26105	3183	3191	3570	15.77	13.11	13.68
Vietnam	39363	45507	59272	756	2968	3078	1.92	6.52	5.19
Egypt	7210	10705	13571	1067	2737	2718	14.80	25.57	20.03
Serbia	13160	19997	20744	1434	3310	2437	10.89	16.55	11.75
Iceland*	2952	4405	4445	1514	2331	2326	51.29	52.92	52.33
Japan	62556	75641	68716	933	2645	2011	1.49	3.50	2.93

Sources: UNCOMTRADE Database (2025)

Note: Switzerland, Norway and Iceland are not included in the analysis, as these countries are either part of EU-ETS or having ETS system equivalent to EU-ETS.

RIS
Research and Information System for Developing Countries
विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

RIS specialises in issues related to international economic development, trade, investment and technology. It is envisioned as a forum for fostering effective policy dialogue and capacity-building among developing countries on global and regional economic issues. The focus of the work programme of RIS is to promote South-South Cooperation and collaborate with developing countries in multilateral negotiations in various forums. Through its following centres/forums, RIS promotes policy dialogue and coherence on regional and international economic issues.

The word "DAKSHIN" (दक्षिण) is of Sanskrit origin, meaning "South." The Hon'ble Prime Minister of India, Shri Narendra Modi, inaugurated DAKSHIN – Global South Centre of Excellence in November 2023. The initiative was inspired by the deliberations of Global South leaders during the Voice of the Global South Summits. DAKSHIN stands for Development and Knowledge Sharing Initiative. Hosted at the RIS, DAKSHIN has established linkages with leading think tanks and universities across the Global South and is building a dynamic network of scholars working on Global South issues.

AIC at RIS has been working to strengthen India's strategic partnership with ASEAN in its realisation of the ASEAN Community. AIC at RIS undertakes research, policy advocacy and regular networking activities with relevant organisations and think-tanks in India and ASEAN countries, with the aim of providing policy inputs, up-to-date information, data resources and sustained interaction, for strengthening ASEAN-India partnership.

CMEC has been established at RIS under the aegis of the Ministry of Ports, Shipping and Waterways (MoPS&W), Government of India. CMEC is a collaboration between RIS and Indian Ports Association (IPA). It has been mandated to act as an advisory/technological arm of MoPSW to provide the analytical support on policies and their implementation.

FITM is a joint initiative by the Ministry of Ayush and RIS. It has been established with the objective of undertaking policy research on economy, intellectual property rights (IPRs) trade, sustainability and international cooperation in traditional medicines. FITM provides analytical support to the Ministry of Ayush on policy and strategy responses on emerging national and global developments.

BEF aims to serve as a dedicated platform for fostering dialogue on promoting the concept in the Indian Ocean and other regions. The forum focuses on conducting studies on the potential, prospects and challenges of blue economy; providing regular inputs to practitioners in the government and the private sectors; and promoting advocacy for its smooth adoption in national economic policies.

FIDC, has been engaged in exploring nuances of India's development cooperation programme, keeping in view the wider perspective of South-South Cooperation in the backdrop of international development cooperation scenario. It is a tripartite initiative of the Development Partnership Administration (DPA) of the Ministry of External Affairs, Government of India, academia and civil society organisations.

FISD aims to harness the full potential and synergy between science and technology, diplomacy, foreign policy and development cooperation in order to meet India's development and security needs. It is also engaged in strengthening India's engagement with the international system and on key global issues involving science and technology.

As part of its work programme, RIS has been deeply involved in strengthening economic integration in the South Asia region. In this context, the role of the South Asia Centre for Policy Studies (SACEPS) is very important. SACEPS is a network organisation engaged in addressing regional issues of common concerns in South Asia.

Knowledge generated endogenously among the Southern partners can help in consolidation of stronger common issues at different global policy fora. The purpose of NeST is to provide a global platform for Southern Think-Tanks for collaboratively generating, systematising, consolidating and sharing knowledge on South South Cooperation approaches for international development.

DST-Satellite Centre for Policy Research on STI Diplomacy at RIS aims to advance policy research at the intersection of science, technology, innovation (STI) and diplomacy, in alignment with India's developmental priorities and foreign policy objectives.

— Policy research to shape the international development agenda —

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