



GOBIERNO  
DE ESPAÑA

Mr. Miguel Arias Cañete  
Commissioner for Climate Action & Energy  
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Mr. Pierre Moscovici  
Commissioner for Economic and  
Financial Affairs, Taxation and Customs  
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Madrid, 20 de mayo de 2019

Dear Commissioners,

The recent Sibiu declaration recalls that, since its inception, the Union has provided stability and prosperity across the continent, and stresses that Europe will be a responsible global leader, including on preserving our environment and fighting climate change.

The EU is at the forefront of global efforts to reduce greenhouse gas emissions. The 2030 climate and energy framework puts us on track to deliver emissions reductions beyond our minus 40% target, and includes binding legislation which strengthens the EU Emissions Trading System (ETS), the national reduction targets for sectors not covered by the ETS and the objectives on renewables and energy efficiency. Furthermore, the Council is currently discussing a Long Term Strategy which, in order to be consistent with the Paris Agreement's temperature goals, should aim at carbon neutrality by 2050.

The transition towards a decarbonized economy is full of opportunities but Europe should reinforce its industrial policy and ensure a level playing field in the global markets. The new economy and the new industry need to come along with concrete measures to grant a level playing field and the environmental effectiveness. Indeed, if Europe ends up importing goods produced under lower climate standards, the emissions we avoid will be counterbalanced, or even overcome, by those generated in countries where goods are manufactured. This applies as well to electricity imports: while we put a price on carbon emissions and increase efforts to move towards a decarbonized electricity system, imports of fossil fuel based electricity should be taxed, so its carbon footprint is also taken into account.

We are aware of the complexity of a carbon border tax and the challenges it may pose on the WTO discussions. However, recent reports, including by UNEP and the WTO itself, indicate that, if properly designed, trade measures aiming at reducing GHG emissions are feasible and can be effective.



The current discussions on the Multiannual Financial framework provide an excellent opportunity to have a proper debate on a carbon border tax, which would be ideally placed to meet the need for new own resources for the EU budget. Custom duties are traditional own budgetary resources; therefore, a carbon border tax would perfectly fit within the traditional EU approach on this field.

Finally, protecting our industry while redoubling efforts to reduce emissions, sends a powerful message outside Europe. With this measure the EU would show its international partners that it continues ready to lead on climate action, while we signal our expectation for other countries to follow. In our view, the European strength on trade relations is a persuasive element that can be effectively used in promoting higher climate ambition at global level. I look forward discussing this issue with you in the coming months. I am convinced that this is a great occasion to continue delivering on our environmental and economic objectives. Europe should seize the opportunity of the ecological transition to keep providing prosperity and welfare to its citizens, as we committed to in Sibiu.

Kind regards,

Teresa Ribera Rodríguez  
Ministra para la Transición Ecológica en funciones

María Jesús Montero Cuadrado  
Ministra de Hacienda en funciones