Piyush Goyal Cautions EU Against Carbon Tax and CBAM

Commerce and Industry Minister Piyush Goyal cautioned the European Union at the Berlin Global Dialogue regarding the economic risks of the Carbon Border Adjustment Mechanism (CBAM).

The Carbon Border Adjustment Mechanism (CBAM) is a climate measure by the European Union designed to put a carbon price on imports of carbon-intensive goods.

KEY EXAM POINTS

- Commerce and Industry Minister Piyush Goyal spoke at the Berlin Global Dialogue on October 22, 2026, cautioning the European Union against its carbon tax on steel imports.
- Piyush Goyal stated that the Carbon Border Adjustment Mechanism (CBAM) and regulations would raise costs, stoke inflation, and erode the bloc's global competitiveness.
- The minister pointed out that higher costs for steel, aluminium, and cement would affect critical infrastructure projects including ports, airports, and highways.
- Piyush Goyal noted that the European Union has accumulated around 75 to 77 regulations, increasing compliance burdens and creating non-tariff barriers for trading partners.
- The Union Minister warned that trading partner countries could respond with their own retaliatory regulations, potentially hurting European companies in global markets.

DID YOU KNOW..!?

India's foreign trade policy is regulated under the Foreign Trade (Development and Regulation) Act enacted in **1992** by the Parliament.

The Directorate General of Foreign Trade (**DGFT**) under the **Ministry of Commerce and Industry** formulates and implements export-import policies in India.

The World Trade Organization (**WTO**) was established on **January 1, 1995**, following the Marrakesh Agreement which replaced the General Agreement on Tariffs and Trade (GATT).

India is a founding member of the General Agreement on Tariffs and Trade (**GATT**) since **1948** and subsequently a member of the World Trade Organization (WTO).

Non-tariff barriers (NTBs) refer to trade restrictions such as quotas, embargoes, sanctions, and complex compliance standards that restrict international trade.

The **European Union** (EU) is a political and economic union of **27 member states** located primarily in Europe, operating a single internal market.

REVISION FLASHCARD

Piyush Goyal cautioned the European Union that its Carbon Border Adjustment Mechanism (CBAM) carbon tax could stoke inflation and erode global competitiveness.

Syllabus Relevance: Highly relevant for TNPSC Group 1 and Group 2 Economics questions covering international trade agreements, WTO, and foreign trade policies.

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