

POLICY BRIEF

## **INTRODUCTION**

**In this paper, I will take stock of the EU Trade Policy Review released by the European Commission in late February.<sup>1</sup> I have organized my thoughts in three sections and each segment – the**





development dimension is clearly called for: self-declaration, the current way, leads to unequal trade obligations for similar types of economies.<sup>10</sup>











**Annex) is set in that context.<sup>25</sup> It says that Europe has values and interests to defend in relations to China. It also says that the priority is to build a fairer and rules-based relationship with China,**

**e second problem is that the EU is everywhere and nowhere when it comes to bilateral fric-**

The second group includes what the Commission euphemistically calls a Carbon Border Adjustment Mechanism (CBAM), and it is this instrument that will be discussed in this chapter.<sup>30</sup> The Review only has this to say about CBAM: “In addition, autonomous measures are supporting

**Second, and related to the first point, countries will not just go after CBAM but are likely to also include the Emission Trading System (ETS) in the EU. Why? A CBAM in the EU will most likely be connected to the ETS and the requirement for EU producers to buy ETS allowances for their carbon emissions. But the ETS also allocates allowances for free and has done so since its inception: hence, European installations emitting a lot of carbon don't pay for all their carbon**





