

The EU's CBAM and Its 'Significant Others': Three Perspectives on the Political Fallout from Europe's Unilateral Climate Policy Initiative

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Abstract

As part of the European Green Deal, the European Commission has launched a tool to protect the fulfilment of Europe's climate policy targets – the carbon border adjustment mechanism (CBAM). It is thought that the CBAM will spark stiff resistance from Europe's external trade partners, potentially undermining the initiative. How this plays out will depend in part on who the opponents and potential allies are – and how the European Union (EU) engages with them. But *which* non-EU countries have a stake in the CBAM? The criteria for selecting third countries that are relevant for the CBAM are often implicit, which can lead to contradictory policy analyses and confused climate diplomacy. This research note compares three different perspectives that result in different lists of non-EU countries that are important for the success of the CBAM. Awareness of these three perspectives amongst EU actors can help the CBAM succeed.

Keywords: CBAM; climate policy; foreign policy; political feasibility; trade

Introduction

In 2019, the incoming European Commission, led by President Ursula von der Leyen, announced the European Green Deal (EGD). This growth and industry strategy seeks to accelerate the decarbonization of the European economy and make Europe the first carbon-neutral continent by 2050 (von der Leyen, 2019). The EGD has been lauded for representing European climate leadership, but it also contains the seeds of increased friction between the European Union (EU) and its trading partners (Oberthür and Dupont, 2021). One of the most controversial components of the EGD is the implementation of an environmental fee on imported goods from jurisdictions that lack CO₂ pricing, through the introduction of the *carbon border adjustment mechanism* (CBAM). The CBAM is intended to protect European companies from unfair competition and prevent carbon leakage (Wettestad, 2022). However, by introducing one of the first climate-related international trade measures, the EU has also opened a new front for trade disputes (Bacchus, 2021; Holmes et al., 2011; Werksman et al., 2023).

The academic literature on the CBAM has focused on two issues: compatibility with World Trade Organization (WTO) rules and effectiveness in limiting carbon leakage (Al Khourdajie and Finus, 2020; Banerjee, 2021; Dobson, 2022). Except for some recent publications that have sought to set the political dimension on the agenda (Bercero and Nicolaidis, 2021; Buylova et al., 2022; Gläser and Caspar, 2021; Overland and Sabyrbekov, 2022), the political feasibility of a CBAM has so far not received sufficient scrutiny in the literature as an independent factor. This lack of attention to the political

implications is problematic, as noted by Marcu and Mehling (2021, p. 1): ‘even the most robust design will mean little, however, if the measure fails to secure buy-in from relevant stakeholders in Europe and abroad.’

But *who* are the relevant stakeholders the EU needs to secure support from or fend off? A prerequisite for analysing the political feasibility of a policy like the EU’s CBAM is that we know which countries to study (Meltsner, 1972; Webber, 1986). Identification of relevant stakeholders is required, but how? This research note highlights both the need for more research on how the EU can create international policy space for its CBAM and the challenge of stakeholder identification as part of such analysis.

European climate diplomacy and the EU’s attempts to cast itself as an international climate policy leader have focused on and sought to ‘build alliances with *other major emitters*, with *neighboring countries* and *vulnerable developing countries*’ (Rayner and Jordan, 2016, p. 1, our italics). In this research note, we suggest that a similar tripartite agenda is also visible in the literature on the EU’s CBAM. Drawing on existing scholarship on the EU’s CBAM, we argue that scholars explicitly or implicitly adopt three different perspectives to identify relevant stakeholders outside the EU – or Europe’s ‘significant others’: One perspective focuses on economic power, another on trade and a third on justice.

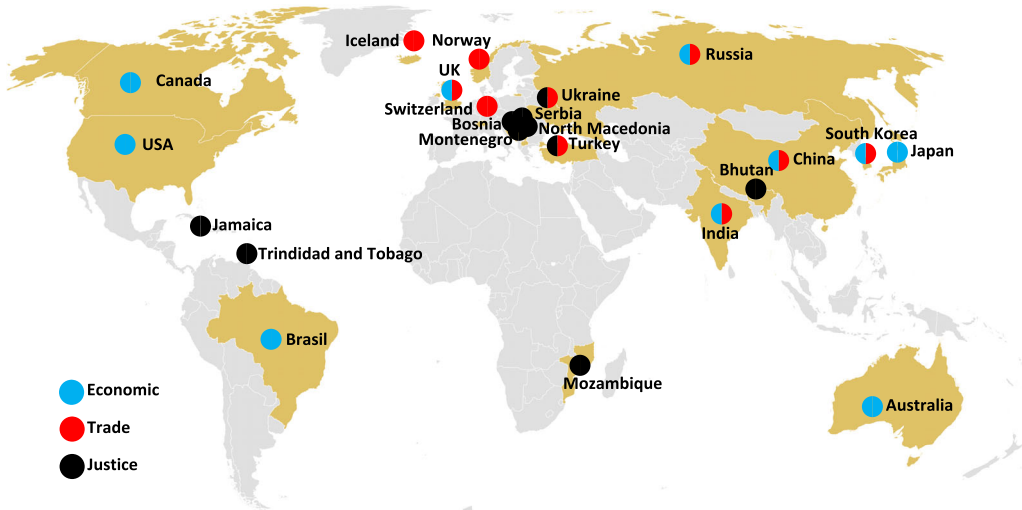
These three perspectives are based on different assumptions about Europe’s international roles and obligations and about the drivers of climate politics. Each perspective generates a different list of the CBAM’s ‘significant others’, which in turn leads to distinct and sometimes contradictory policy recommendations. We discuss the theoretical assumptions behind each of these perspectives and elaborate on how they may be linked to different views on the purpose of the CBAM and answer different questions. Understanding the divergent implications of the three perspectives is important for the CBAM to survive and for the EU to maintain its climate policy leadership. Our focus in this article is thus firmly on the feasibility (rather than effectiveness) of the CBAM and on ways of identifying the countries that may have the will and capacity to bring it down.

The EGD is not only the most comprehensive environmental policy framework in the history of the EU, but it also has important international implications and may recast the EU as a global actor (Bongardt and Torres, 2022; Eckert, 2021; Oberthür and Dupont, 2021; Proedrou, 2020). Our research note contributes to this literature by dealing with the EU’s global climate policy leadership as a relational concept. Being a leader depends not merely on visions and declarations produced in Brussels and the EU member-state capitals but also on external impacts and perceptions of European policies amongst third parties (Gurol and Starkmann, 2021; Klose, 2018; Torney, 2014). Amongst the many elements of the EGD, the CBAM is of particular interest in this context because it is the most clearly foreign policy-oriented element of the EGD.

I. Three Perspectives on How to Define the ‘Significant Others’

The European Commission presented its draft legislative proposal on the CBAM in July 2021 (European Commission, 2021), followed by an agreement on the broad outline of the CBAM between the European Parliament and the Council in December 2022 (European Council, 2022). The CBAM was formally adopted in 2023 [Regulation (EU)

Figure 1: Top 10 Countries Within Each Perspective. [Colour figure can be viewed at wileyonlinelibrary.com]



Source: See Table A1. Notes: Beige indicates countries that are relevant for the carbon border adjustment mechanism in one way or another. Blue, red and black indicate in which way they are relevant.

2023/956]. The CBAM will come into effect from October 2023, initially as a reporting obligation only, with full implementation commencing in 2026.

Since the initial proposal by the Commission, trading partners have expressed resistance to the CBAM (BASIC, 2021; Hook, 2021; Law, 2023; Mishra, 2021). Such reactions – and assessment of their significance – call for in-depth analysis of trading partners and the international policy space for the CBAM.

In this section, we elaborate on three perspectives on stakeholder identification and their respective theoretical underpinnings: economic power, trade and justice. The economic power perspective defines the EU's 'significant others' based on the ability of countries to set the rules of global economic governance the trade perspective focuses on the major CBAM exporters to the EU and the justice perspective draws attention to the countries most vulnerable to the CBAM. Figure 1 illustrates the top 10 countries within each of the three perspectives.

The Economic Power Perspective

The first perspective identifies the EU's 'significant others' based on their ability to set the rules of global economic governance. We refer to this as the 'economic power' perspective, where power is a function of the size of the economy (Hancock and Vivoda, 2014; Keohane and Nye, 2001). In this perspective, scholars focus on 'key players', particularly the United States and China.¹ Scholars who apply this perspective do so because these

¹In addition, emerging economies, such as Brazil, India, Indonesia and Russia, and industrialized countries, including Canada, Japan, South Korea and the United Kingdom (UK), are relevant stakeholders. In Table A1, we have listed the top 20 countries (leaving out the European countries) for each of the case selection criteria.

countries have the financial clout to fight back and involving them in the development of the CBAM makes it more likely that they will comply (Fouré et al., 2016; van Asselt and Zelli, 2012). In a power perspective, the central role of China and the United States is also derived from the assumption that their acceptance of the CBAM will make it less likely that other (less powerful) countries will oppose the measure.

In addition, several scholars posit the CBAM as a tool that the EU may apply to incentivize climate action by other major carbon emitters (Barichella et al., 2021; Bierbrauer et al., 2021; Voituriez and Wang, 2011). In this case, it is not the economic size per se that matters, but that economic size is closely correlated with carbon emissions. Because any effective climate mitigation strategy requires the participation of the largest emitters (Hovi et al., 2015), China, the EU and the United States are again defined as the ‘key players’.² This understanding of the CBAM is also reflected in the EU’s recent quest for ‘open strategic autonomy’ (Anghel et al., 2020; Weinhardt et al., 2022). In this strategy, the CBAM is seen as a form of leverage vis-à-vis great powers like the United States and China, a ‘message that if the EU is left alone in forging a more ambitious path, the Commission will, in its new guise as a “geopolitical Commission,” seek to protect EU domestic interests with implications for foreign producers’ (Lehne and Sartor, 2020, p. 5).

The CBAM, in this context, is a tool to keep climate change on the agenda amongst the main emitters. However, whether EU market and regulatory power (Bradford, 2020; Drezner, 2005; Eckert, 2021) can be mobilized and used to balance the economic power of key third countries remains to be seen. Importantly, these ideas do suggest that the CBAM is not only a stick (a negative consequence for EU trade partners that have laxer climate regulation) but also a carrot. It offers the EU a way to negotiate the potential rewards for good behaviour, a perspective closely aligned with the climate club literature (Keohane and Victor, 2016; Nordhaus, 2015; Szulecki et al., 2022; Tagliapietra and Wolff, 2021).

The economic power perspective draws our attention to power dynamics and coalition building in international governance. The EU may, for instance, work via existing inter-governmental organizations such as the G7, which constitutes the world’s largest advanced economies and liberal democracies, to develop accounting standards for carbon emission content and to build alliances with like-minded countries. We would even argue that seen from the economic power perspective, the CBAM is part of a broader discussion on climate governance. It is about the potential need for reform of the WTO in accordance with climate policy objectives, which will require the support of ‘key players’ but will likely also require a revision of established rules of the game (Bacchus, 2018, 2022; Hoekman and Wolfe, 2021).

Engaging the key players in economic governance, however, is not only necessary to secure the acceptance of the CBAM amongst those key players. The strategy that China and the United States choose to decarbonize their own economies will also largely influence the rules of decarbonization globally. The United States’ Inflation Reduction Act and China’s green industrial strategy are warnings that whilst the EU is fighting for the CBAM, its effectiveness may be undermined due to more protectionist competing policy approaches from other major economies (Bergmann and Steinberg, 2022; Jackson and Hellmich, 2022).

²Although key players measured according to GDP and total CO₂ emissions overlap, countries such as Russia, Indonesia and Brazil turn out to be more important if we define key stakeholders based on CO₂ emissions. See Table A1.

The Trade Perspective

Instead of asking which countries have the greatest capabilities to push back against the CBAM, we could ask which third countries will be most affected by the CBAM in absolute terms. This could help identify countries likely to mount the fiercest resistance and thus potentially undermine the feasibility of the CBAM.

The European Commission proposed to apply a CBAM to imports from five sectors: cement, iron and steel, aluminium, fertilizer and electricity (European Commission, 2021). A sixth category, hydrogen, was added as part of the provisional agreement between the European Council and the Parliament (European Council, 2022). To measure the most affected trading partners in such a trade perspective, scholars may look at countries' exports to the EU in the five sectors covered by the mechanism (Lim et al., 2021; Marcu et al., 2021; Simola, 2021).

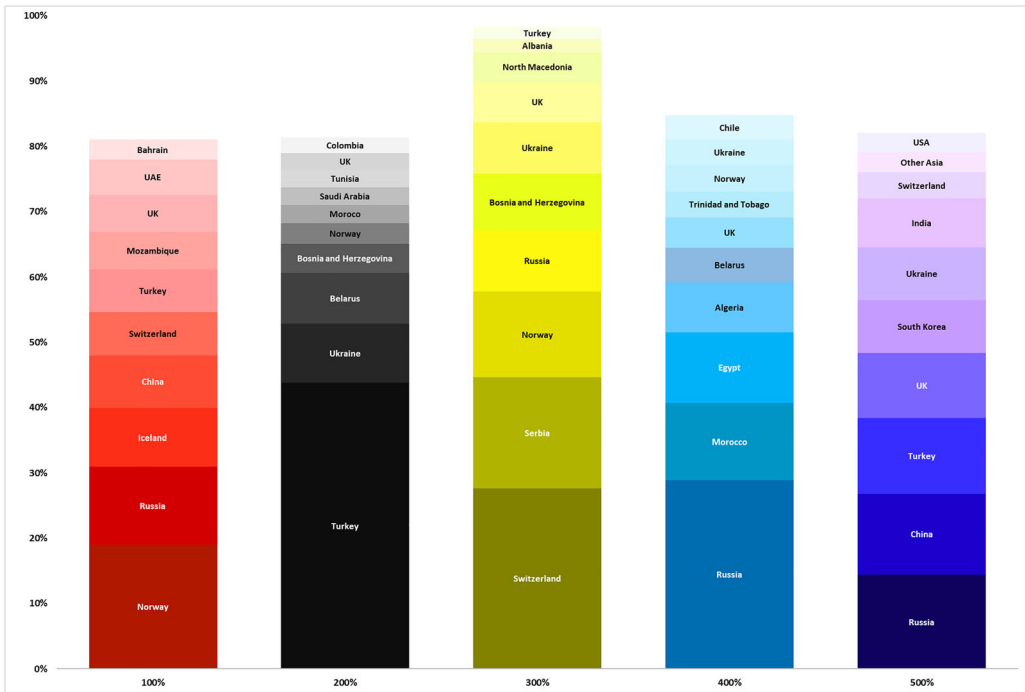
Countries tend to trade relatively more with their neighbours (De Benedictis and Taglioni, 2011). This is also the situation for EU trade relationships in the CBAM sectors. Applying the trade perspective shifts the geographical focus towards countries in the European neighbourhood such as Russia, Turkey and Ukraine (see Table A1). However, there are overlaps between the power and trade perspectives; for example, China is ranked high within both groups. The regional focus is further strengthened if we analyse trading patterns at the sectoral level and identify top exporters to the EU within each of the five CBAM sectors, as illustrated in Figure 2. The 'significant others' from a trade perspective tend to receive less attention in the international governance literature because they are less active in global climate politics and do not have the same capacity to project power globally.

Unlike the economic power perspective, the trade perspective focuses on stakeholders that are directly impacted by the CBAM. However, not all the stakeholders in Figure 1 have the financial muscle to mount a credible threat of trade war. Thus, instead of a spiralling trade war with other major economies, a potential scenario is legal disputes within the WTO. Such legal disputes are common and do not *necessarily* threaten the political survival of the CBAM, but if sufficiently severe, they could pose a serious threat.³ Such disputes can lead to trade wars where the trade partner targets sensitive and/or powerful interest groups, which could in turn undermine support for the CBAM within the EU. Accordingly, one way the EU may create political acceptance for the CBAM is to ensure its compatibility with WTO rules. However, with this focus, the perspective treats the trade regime as a constant that conditions climate policy responses. Thus, this perspective provides little room to discuss broader reform of the WTO trade regime.

Another difference between the two perspectives is the effect on climate policies outside the EU. Whereas the power perspective starts from the idea that the EU may use the CBAM as a leverage point for engaging the main emitters to step up their climate ambitions, the trade perspective provides an alternative bottom-up path for diffusion of carbon regulation through a chain reaction. Because those directly impacted are incentivized to implement carbon pricing policies, the total geographical area with a price on carbon might expand, incentivizing yet another set of trading partners to implement carbon pricing policies. As Lehigh (2019) explains: 'If a carbon tax became the world's accepted policy-making tool

³For instance, the EU is currently in a legal dispute with Malaysia and Indonesia concerning the EU's law restricting the use of palm oil-based biofuel.

Figure 2: Share of EU imports of the five CBAM goods by the top ten exporters in 2020. [Colour figure can be viewed at [wileyonlinelibrary.com](https://onlinelibrary.wiley.com/doi/10.1111/jcms.13512)]



Source: World Integrated Trade Solutions (WITS) (see also Table A1). Notes: Imports of hydrogen to the EU are currently small and are therefore not included in the analysis.

to fight climate change, and the United States refused to go along, the international community could encourage this country to adopt such a system by imposing a carbon tariff on our international products.’ It is uncertain whether such a scenario would play out as the United States has a history of strong domestic opposition to carbon pricing; however, at least the CBAM could be one factor contributing to the pull in that direction.

Finally, the trade perspective also encourages a more in-depth analysis of trade flows, which moves us from high politics to sector-based decarbonization. Thus, we argue that this perspective is more sensitive to sector-specific characteristics and the complexity of global value chains. Once we start to analyse trade flows, for instance, it makes sense to move from top exporters across all CBAM sectors to top exporters within each CBAM sector (see Figure 2). In practice, this move can mean depoliticization, because such a focus requires dialogue not only with decision-makers but also with industry, and it makes the CBAM an object of technocratic governance. However, existing co-operation on sector decarbonization is far from strong enough to achieve the deep structural changes needed (Åhman et al., 2017; Hermwille et al., 2022). The notion of regulatory power on the other hand is more optimistic in terms of the EU’s ability to influence private sector actors. Bradford (2020) argues that the private sector often seems to be faster and more willing to comply than states due to a combination of market and risk

assessment. To understand how this de facto Brussels Effect in the private sector may interact with the politics of CBAM diplomacy will require further analysis of the political influence of the affected companies in their home countries and their particular business interests.

The Justice Perspective

Instead of looking at which countries are most important to the EU, scholars can look at those for whom the EU is the most important trading partner. In this instance, one needs to assess countries according to the value of the CBAM products they export to the EU, as a share of GDP in the home country. A handful of publications have advocated for such a justice perspective in analysing the EU's CBAM (Berahab and Dadush, 2021; Eicke et al., 2021; Lowe, 2021; UNCTAD, 2021; Weko et al., 2020). This justice perspective on the CBAM exists in the literature but does not self-identify explicitly as such and is drawn out by us here on the basis of the literature.

Whilst the EU's CBAM proposal would primarily affect neighbouring middle- and high-income countries as described under the trade perspective, the justice perspective highlights how exports of the CBAM products are also important to some least developed countries. For instance, iron exports from Mauritania and Sierra Leone accounted for respectively 10%–18% and 2.5%–15.4% (depending on the price fluctuations) of the GDPs of those countries, although they accounted for a small share of iron imports to the EU (European Commission, 2021). Mozambique is the only country considered a stakeholder in both a trade and a justice perspective. Aluminium production accounts for 7% of the country's GDP, and its aluminium exports account for almost 8% of the EU's imports of aluminium (European Commission, 2021). In this regard, Mozambique is evidently a key stakeholder in the EU's CBAM.

Similar to the trade perspective, WTO regulation is also a relevant political constraint in the justice perspective. However, this is particularly so because developing countries enjoy greater flexibility in the implementation of their obligations under WTO rules (Markkanen et al., 2021).

In addition, the justice perspective draws attention to other relevant institutions. The EU must implement the CBAM in a way that does not conflict with international commitments such as the principle of common but differentiated responsibilities and respective capabilities (CBDRRC) under the United Nations Framework Convention on Climate Change. Politically, if the EU does not take into consideration the needs of vulnerable countries, it may undermine the co-operative spirit of climate negotiations and exacerbate the North–South divide (Ravikumar, 2020; Weko et al., 2020). This potential problem is also recognized by the EU, which states: 'In order to avoid new global dividing lines between countries with a low- and high-carbon export structure, the EU should carefully assess risk levels and support the transformative process that partner countries would need to undertake to adjust to the CBAM' (European Commission, 2021, p. 193).

Although justice considerations appear to be at odds with interest-based diplomatic practice, they have been central to the EU's self-conception as a 'normative power', seeking to lead by example in global climate policy (Van Schaik and Schunz, 2012; Wunderlich, 2020). From a justice perspective, the EU may build legitimacy for the CBAM by ensuring that it is perceived as fair. Because a norm such as the CBDRRC is

so open, it is unlikely that countries will be able to agree on a common definition of what a ‘fair’ CBAM policy would look like. By securing support from the most vulnerable countries however, the EU will shape the understanding of what fairness is.

Both pragmatic political considerations and ethical concerns gain additional importance in the context of the EU’s quest for an ‘open strategic autonomy’, which requires the diversification of raw material imports. The strategy has been combined with calls for a ‘partnership with Africa’, as well as calls for preferential bilateral relations with developing countries (European Commission, 2022).

In Table 1, we summarize seven parameters of the three perspectives: level of analysis, relationships that matter, criterion for identifying the ‘significant others’, operationalization or measurement, the main purpose of the CBAM, success criteria and key climate politics issue.

II. Discussion

Building on the three perspectives discussed in this research note, the EU’s CBAM may face three different types of fallout if the EU is unable to solve disputes over the CBAM diplomatically: It may fail due to geopolitical rivalry between economic powers even before it starts operating it may lead to long-lasting trade disputes with main trading partners instead of facilitating sector decarbonization and, finally, it may be judged as an unethical policy tool and weaken the EU’s position as a ‘normative power’.

The value of mapping out the three perspectives lies in the structure it provides for political economy analysis and the discussions this may facilitate concerning

Table 1: Three Perspectives on the EU’s CBAM and Its ‘Significant Others’.

	<i>Economic power</i>	<i>Trade</i>	<i>Justice</i>
Level of analysis	Global economic order (countries/ coalitions of countries)	Sectors/companies/ countries	Countries, communities
Relationships that matter	Between great powers	International trade	Between developed and developing countries
Criterion for identifying the ‘significant others’	Ability to set rules of economic governance	Countries that have most to gain from implementing equivalent carbon pricing	Countries most vulnerable to the CBAM
Operationalization	Size of economy/ GDP	Main exporters to the EU in the five CBAM sectors	Share of CBAM production of domestic GDP
Interpretation of the CBAM	A signal to the main emitters	A climate policy tool to level the playing field of global competition	A policy tool with unintended consequences
Success criteria for the CBAM	Can the EU launch the CBAM without being pressed back?	Effectiveness in limiting carbon leakage Carbon pricing policy diffusion	‘Leave no one behind’ – ability to avoid detrimental effects on the most vulnerable countries
Key climate politics issue	Economic governance	Sector decarbonization	North–South divide

Abbreviations: CBAM, carbon border adjustment mechanism; EU, European Union.

incompatibilities and synergies between the perspectives. Here, we discuss three different insights as they relate to the political feasibility of the CBAM.

First, political feasibility must be understood as a process or path of actions that over time enables an agent to bring about a wanted situation (Gilabert and Lawford-Smith, 2012; Smith, 2020). Interestingly, the three perspectives as described here may lead to conflicting attempts at implementation. Currently, we do not see the EU making any strategic choice between different stakeholder groups. Rather, EU representatives are reaching out to all trading partners by different means to prevent any of these potential political fallouts from occurring. However, depending on the way the process unfolds, the EU may face challenging choices, because of the inherent contradictions of the political economy drivers underpinning the perspectives.

One such inherent contradiction is the framing (in the trade perspective) of the CBAM as a climate policy tool and the need to secure buy-in from economic powers. European policy-makers arguing for the need to introduce the CBAM have been careful to frame the mechanism as a logical extension of the EU's internal climate policy (Pietras, 2022). This framing implies a need to build strong coalitions with other emissions trading system countries (Canada, Iceland, Norway and the UK are already discussing the CBAM), as well as countries such as China, Japan and South Korea. In the United States, on the other hand, a CBAM proposal has been tabled without domestic carbon pricing. Forging an alliance with the United States may therefore undermine the CBAM as a climate policy tool, turning it into an anti-competitive trade measure. This is likely to trigger a response from China.

Second, whilst our focus has been on process rather than policy design as such, the concept of political feasibility is closely related to effectiveness (Underdal, 2017; Webber, 1986). The three perspectives discussed provide different views on both what effectiveness is and what threatens the effectiveness of the EU's CBAM. For instance, viewed from the lens of justice, one solution is to exempt least developed countries from the CBAM. However, such an exception is at odds with the trade perspective that evaluates effectiveness based on the CBAM's ability to protect competitiveness and reduce greenhouse gases. Instead of shielding the most vulnerable, the trade perspective is likely to emphasize technology transfer and other tools to encourage decarbonization of industries also in least developed countries. Furthermore, the economic power perspective highlights how the effectiveness of the CBAM may not be determined by the policy design. Instead, it may depend on how the broader rules of global decarbonization are defined by economic powers.

Third, by mapping out the three perspectives, we also illustrate how political factors must be analysed in relation to institutional constraints. Depending on the perspective, different institutional constraints are viewed as relevant. Above, we have discussed the WTO and the CBDRRC. Other institutions that may be relevant for further analysis are regional trading blocs and trade agreements. Importantly, these institutions may be more or less open for contestation and interpretation. Furthermore, the same institution may be treated differently depending on one's perspective. WTO regulation may be treated as a rather fixed institutional constraint that largely conditions policy responses (in the trade perspective) or part to the reform agenda itself (in the economic power perspective). Thus, whilst the departure point for this research note is the need to treat political factors as independent factors in the analysis, the research note also illustrates how a political

economy analysis requires attention to the interaction between institutional constraints and political actors (Fritz et al., 2009).

Conclusions

The CBAM is a multifaceted policy tool with a variety of impacts because it interacts with complex global value chains, the WTO trade regime and other global governance norms and institutions. Since the EU first proposed the CBAM, numerous analyses have been published to explain these relationships. However, there is not necessarily a one-to-one relation between economic impacts, trade regime assessments and political strategies. In this research note, we have therefore sought to start the conversation about the different perspectives that scholars, analysts and policy-makers may adopt to assess the political challenge for implementing the CBAM. The three perspectives highlight different political economy drivers underpinning the CBAM that may in the worst case lead to competing implementation strategies.

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Appendix

Table A1: The EU's CBAM and Its 'Significant Others' – Top 20 Countries Based on Different Selection Criteria.

Rank	Power		Trade				Justice			
	GDP	GHG emissions	All CBAM sectors	Aluminium	Cement	Electricity	Fertilizer	Iron and steel	Vulnerability index	
1	USA	China	Russia	Norway	Turkey	Switzerland	Russia	Russia	Mozambique	
2	China	USA	China	Russia	Ukraine	Serbia	Morocco	China	Bosnia and Herzegovina	
3	Japan	India	Turkey	Iceland	Belarus	Norway	Egypt	Turkey	North Macedonia	
4	UK	Indonesia	UK	China	Bosnia and Herzegovina	Russia	Algeria	UK	Ukraine	
5	India	Russia	Norway	Switzerland	Norway	Bosnia and Herzegovina	Belarus	South Korea	Jamaica	
6	Canada	Brazil	Switzerland	Turkey	Morocco	Ukraine	UK	Ukraine	Serbia	
7	South Korea	Japan	Ukraine	Mozambique	Saudi Arabia	UK	Trinidad and Tobago	India	Montenegro	
8	Russia	Iran	South Korea	UK	Tunisia	North Macedonia	Norway	Switzerland	Turkey	
9	Brazil	Canada	India	UAE	UK	Albania	Ukraine	Other Asia, nes	Bhutan	
10	Australia	Saudi Arabia	Iceland	Bahrain	Colombia	Turkey	Chile	USA	Trinidad and Tobago	
11	Mexico	Mexico	Serbia	Egypt	Egypt	Montenegro	Turkey	Serbia	Sao Tome and Principe	
12	Indonesia	South Korea	USA	USA	Malaysia	Belarus	Israel	Japan	Albania	
13	Switzerland	Australia	Egypt	South Africa	Switzerland	Unspecified	China	Belarus	Saint Lucia	
14	Turkey	South Africa	UAE	India	Venezuela	Morocco	Serbia	Brazil	Zimbabwe	
15	Saudi Arabia	Turkey	Other Asia, nes	South Korea	Vietnam	Saudi Arabia	Jordan	Vietnam	Antigua and Barbuda	

Table A1: (Continued)

Rank	Power		Trade				Justice			
	GDP	GHG emissions	All CBAM sectors	Aluminium	Cement	Electricity	Fertilizer	Iron and steel	Vulnerability index	
16	Thailand	Pakistan	Mozambique	Canada	Albania	Tunisia	Oman	Norway	Lesotho	
17	Venezuela	Vietnam	Belarus	Kazakhstan	Japan	Colombia	Tunisia	Indonesia	South Africa	
18	Nigeria	Thailand	South Africa	Serbia	Serbia	Egypt	USA	North Macedonia	Lebanon	
19	Israel	UK	Japan	Unspecified	Moldova	Malaysia	Turkmenistan	South Africa	Solomon Islands	
20	Argentina	Argentina	Bosnia and Herzegovina	Japan	Pakistan	Venezuela	Georgia	Bosnia and Herzegovina	Belarus	

Source: GDP: The World Bank Data, https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?most_recent_value_desc=true (retrieved 15 March 2022); GHG emissions: Climate Watch (2020), *GHG Emissions*, Washington, DC: World Resources Institute, <https://www.climatewatchdata.org/ghg-emissions> (retrieved 29 September 2022); trade: World Integrated Trade Solutions (WITS), <https://wits.worldbank.org/> (downloaded 26 November 2021). We used the product numbers from the European Commission's CBAM proposal and ranked countries according to 2020 export values measured in 2020 USD values; Justice: Eicke et al. (2021). Abbreviations: CBAM, carbon border adjustment mechanism; EU, European Union; GHG, greenhouse gases.