



06 Dec

Share

# EU's carbon pricing on exports would be 'devastating' for SA – Creecy

Lameez Omarjee in Dubai

news24

Comments

Gift article

Bookmark

Listen to this article

07:20



The UN climate talks are under way in Dubai, UAE, and a decision on the future of fossil fuels is critical in determining whether the world can limit temperature rise beyond 1.5 degrees Celsius.

Lameez Omarjee

**The SA delegation at COP28 is using every opportunity to speak out against the EU's Carbon Border Adjustment Mechanism.**

**The trade measure will be fully implemented from 2026, and will have a "devastating" impact on the SA economy, says Minister Barbara Creecy.**

**Concerns from developing nations at this year's climate talks is that unilateral trade measures go against the principles of the Paris Agreement.**

**For climate change news and analysis, go to [News24 Climate Future](#).**

## MOST READ

- 1 **No reforms, no investment: French companies halt further SA commitments**
- 2 **NHI is 'unstoppable train', say ANC MPs – but business, medical professionals gear up for a fight**
- 3 **NHI one step closer after NCOP votes in favour of bill**
- 4 **Eskom a step nearer to 'bailout' of billions**
- 5 **Parliament steams ahead with preferential procurement plan**

Unilateral trade measures - like the EU's Carbon Border Adjustment Mechanism, which will be in full force from 2026 - will have a "devastating" effect on the South African economy, according

to Forestry, Fisheries and Environment Minister Barbara Creecy.

Speaking to News24 on the sidelines of the United Nations Climate Change Conference, COP28, in Dubai, UAE, Creecy said there is a strong view from developing nations that unilateral trade measures should not be imposed on them.

South Africa is part of a few negotiation blocs – the G77 +China, the African Group of Negotiators (AGN) and BASIC (which includes Brazil, China, India) – that have raised concern at this year's climate talks that the trade measures imposed by certain developed nations go against the principles of the Paris Agreement.

The EU's Carbon Border Adjustment Mechanism (CBAM) is one example where a carbon cost will be imposed on exports. For countries like South Africa, which already has a carbon tax, this is an additional carbon cost.



Analysis of the impact of the CBAM, based on 2021 data, by independent think tank, Trade and Industrial Policy Strategies (TIPS), indicates that \$1.5 billion of South Africa's exports are at risk. This will increase as the CBAM is applied to more categories of products in the future. For now, South Africa's iron and steel exports are most at risk.

On the flip side, a 2021 study by the United Nations Conference on Trade and Development shows the impact of the CBAM on reducing global emissions is limited.

"... The CBAM reduces global CO2 emissions by 27 million MtCO2, a reduction of 0.1% of global emissions or 0.9% of European Union's emissions," the report read. With a \$44 per tonne carbon tax would see developing countries' incomes fall by \$5.9 billion, it further indicated.

**READ | COP28 | Ramaphosa slams 'unilateral, coercive' trade measures to tackle climate change**

The South African delegation meanwhile has been using every opportunity available to speak out against the CBAM and unilateral trade measures at most forums.

President Cyril Ramaphosa led the charge when he delivered the national address last week Friday, highlighting that "unilateral, coercive and trade-distorting" measures would have a "detrimental" impact on developing economies.

## SPONSORED FINANCIAL CONTENT

### What is the latest on ETFs?

MarketViews

### Robotics and Artificial Intelligence. Discover the trends.

MarketViews

### The latest news on commodity markets from leading experts

MarketViews

### Gain new perspective. Develop professionally and personally. Go.

HBS Executive Education

### The latest trends on responsible investing

MarketViews

### Discover the latest trends and ideas for retirement planning.

MarketViews

### Trending news on Gold Markets.

MarketViews

Dianomi

## CURRENCIES COMMODITIES JSE INDEXES

Rand - Dollar	18.87	+0.6%
Rand - Pound	23.75	+0.3%
Rand - Euro	20.32	+0.5%
Rand - Aus dollar	12.39	+0.3%
Rand - Yen	0.13	-1.1%

All JSE data delayed by at least 15 minutes

## Company Snapshot



The president also called for climate technologies to be considered a "public good" so that such resources can be shared with developing economies which are bearing the brunt of climate impacts.

Creedy also raised the issue of increasing the costs of trade and how it would negatively impact the sustainable development of developing countries during a high-level roundtable on the just transition.

"Our ministry of trade and industry has done an analysis on the implications of this, it will be devastating for our economy," Creedy told News24.

These unilateral measures are "fundamentally opposed" to the principle of common but differentiated responsibilities and respective capabilities – or CBDR-RC. According to the Paris Agreement, the principle is based on the understanding that not all countries contributed equally to the climate crisis. For example, developed nations industrialised on the back of fossil fuels and have to take the lead in addressing the crisis, and also providing the resources for developing nations- which are not the historical emitters – to combat climate change.

#### **READ | SA, Brazil and others want COP28 to tackle 'unilateral, coercive' trade measures**

While developed nations can take steps to reduce their emissions, these measures should not be imposed on developing nations.

Creedy said:

**We agree - the EU can move in this direction and we think they should, because they have created this climate crisis. But they can't impose it on developing countries.**

The minister added that this is a strong view coming from countries within the G77+ China, the AGN and BASIC.

Asked about whether it would be disappointing if there is no outcome on this matter at COP28, Creedy said the situation would be "much more serious than disappointing":

**When you have unilateral trade exclusion measures imposed on you, it is a disaster for your country.**

The Presidential Climate Commission is of a similar view, that the mechanisms are unilateral, which is why there is a strong pushback, said executive director Dr Crispian Olver. "We think do not take into account the principle of common but differentiated responsibility in these negotiations," he said.

As talks continue, a draft text released on Wednesday on the Global Stocktake - which will also highlight recommendations for the world to limit temperature rise to 1.5 degrees C by 2030 – speaks to the issue of unilateral measures and that it goes against the Paris Agreement.

## Newsletters

Climate Future Weekly

news  
24



An overview of the challenges and opportunities of the climate crisis, as it changes the world we know.

[Get the newsletter](#)

"... Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade," the draft read. The text has not yet been agreed to and is still considered a work in progress.

Creecy and Denmark's Minister Dan Jørgensen are the co-facilitators on the political discussions on the Global Stocktake.

**#COP28** stocktake latest There is not going to be a third draft text (yet), version 2 will be handed over to ministers as-is BUT the current doc is "not an agreed text and represent[s] work in progress" Ministerial leads South Africa + Denmark have a huge job on their hands... [pic.twitter.com/IXsRCVD632](https://pic.twitter.com/IXsRCVD632)

— Simon Evans (@DrSimEvans) **December 6, 2023**

During talks the G77+ China, of which South Africa is part, have emphasised the need to abide by the Paris Agreement.

Brazil and China have also raised concern on unilateral trade measures linked to climate change and want CBAM to be addressed at this conference.

News24 has learnt that Turkey, the Arab league, Latin America, the Caribbean and Asia have also supported calls for the unilateral measures to be addressed at this COP.

The COP28 talks should conclude by 12 December with a clear roadmap on various climate matters.

*This article was produced with support from MESH and IDRC Eastern and Southern Africa office.*

## Game on!

Can you ace them all?



Today's crossword, wordflower, sudoku and weekly news quiz

Play Now

## Partner Content

Take back the night – 7 ways to feel more confident and safer on the night-time...

4h ago



LISTEN | Overcoming insurance hurdles and myths with Nedbank MythsBusters

06 Dec



Meet the bicycle 'Banditz' who use Apple tech to stay connected on the Jozi

25 Oct



Find more



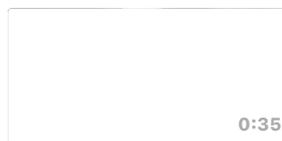
Volunteer divers guard Oman's coral reefs

AFP 2 days ago



Climate activists protest at entrance to COP28 venue

AFP 6 days ago



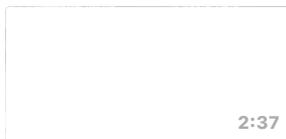
Pope Francis cancels trip to COP28 on doctor's orders

euro news 1 week ago



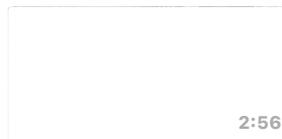
Will the world continue to prioritise profits over the

2 days ago



'We must be ambitious' at COP28, says EU climate

euro news 1 week ago



Ukraine allies look to rebuild country in more sustainable

euro news 1 week ago

Powered by  OOVVUU

### You have invested in the future

News24 has been there for South Africa's defining moments over the last 25 years, and you've been right beside us. Your support of trusted journalism has sustained us, and now it will propel us to continue to strive to inform, inspire and empower as we try to build a better future for us all.

Discover News24

READ MORE ON:

- COP28
- CEDRIC FROLICK
- CYRIL RAMAPHOSA
- BARBARA CREECY
- UAE
- EUROPEAN UNION
- DUBAI
- CLIMATE CHANGE
- TRADE
- CARBON TAX
- CARBON BORDER ADJUSTMENT MECHANISM

COMMENTS

News24 wants to hear your voice. Please keep your comments respectful and relevant to the topic. No hate speech, including racism or sexism, will be tolerated. Comments are moderated according to our commenting policy.

Comments are closed on this story.



All Comments (7)

6 hours ago

MeritWillSetUsFree

Creecy is now reaping what she has sown. For example, her decision on pollution at Kusile, allowing the coal power station to use temporary stacks that bypass the flue gas desulphurisation (FGD) pollution-control plant, is totally unconscionable. Why would any responsible leader in the world listen to her? European nations can decide from whom they will buy and what price they are willing to pay. If South African products contribute excessively to global harm, why would you buy

Show Comments (7)

Recommended Stories

Recommended by Outbrain

Top 50 models			Top 50 Latest launches		
Model	2024 Price	2023 Price	Brand	Model	2024 Price
1. FIAT 500E	255 500	+5%	BAIC/BEIJING	WEICAR	202 100
2. RENOVA	255 500	+5%	CHEVROLET	CAVALIER	202 100
3. COLP	255 500	+5%	BUICK	SONIC	202 100
4. X-TRAIL	260 500	-5%	CHANGAN	CS75	202 100
5. MERU	260 500	+5%	CHEVROLET	SAFARI	202 100
6. TIGUAN	264 200	+5%	BEIJING	KWID	195 100
7. INFINITI	264 200	+5%	BYD	SONG MAX	194 800
8. MERU	264 200	+5%	BYD	SONIC	194 800
9. MERU	264 200	+5%	BYD	SONIC	194 800
10. MERU	264 200	+5%	BYD	SONIC	194 800
11. MERU	264 200	+5%	BYD	SONIC	194 800
12. MERU	264 200	+5%	BYD	SONIC	194 800
13. MERU	264 200	+5%	BYD	SONIC	194 800
14. MERU	264 200	+5%	BYD	SONIC	194 800
15. MERU	264 200	+5%	BYD	SONIC	194 800
16. MERU	264 200	+5%	BYD	SONIC	194 800
17. MERU	264 200	+5%	BYD	SONIC	194 800
18. MERU	264 200	+5%	BYD	SONIC	194 800
19. MERU	264 200	+5%	BYD	SONIC	194 800
20. MERU	264 200	+5%	BYD	SONIC	194 800
21. MERU	264 200	+5%	BYD	SONIC	194 800
22. MERU	264 200	+5%	BYD	SONIC	194 800
23. MERU	264 200	+5%	BYD	SONIC	194 800
24. MERU	264 200	+5%	BYD	SONIC	194 800
25. MERU	264 200	+5%	BYD	SONIC	194 800
26. MERU	264 200	+5%	BYD	SONIC	194 800
27. MERU	264 200	+5%	BYD	SONIC	194 800
28. MERU	264 200	+5%	BYD	SONIC	194 800
29. MERU	264 200	+5%	BYD	SONIC	194 800
30. MERU	264 200	+5%	BYD	SONIC	194 800
31. MERU	264 200	+5%	BYD	SONIC	194 800
32. MERU	264 200	+5%	BYD	SONIC	194 800
33. MERU	264 200	+5%	BYD	SONIC	194 800
34. MERU	264 200	+5%	BYD	SONIC	194 800
35. MERU	264 200	+5%	BYD	SONIC	194 800

4 Versatile Charging Methods  
EcoFlow Christmas Sale

Paid Content

What's my car worth? Online Calculator for Car Resale find out the value in a few clicks of cars and motorcycles Car Value

Take a Whopping R37,999 Off EcoFlow DELTA Pro Solar Generator Today, More Savings Bye bye, loadshedding! This Dec 1, get festive deals on power stations & solar EcoFlow Official



A quick question to you!

What is your relationship to Fundhub?

- Not familiar
- Familiar, not interested
- A brand I would consider
- One of my preferred brands
- A brand I plan to buy/use



Editorial feedback and complaints

Contact the public editor with feedback for our journalists, complaints, queries or suggestions about articles on News24.

LEARN MORE

Government tenders

Find public sector tender opportunities in South Africa here.

Government tenders

This portal provides access to information on all tenders made by all public sector organisations in all spheres of government.

Paid Content

### Why has nobody told Johannesburg motorists older than 35-years about this welcome

InsuranceHelp

Paid Content

### Cardiologists: Too Much Fat? Do This Before Bed

DietDrops

Browse tenders



### 'I'm lost and in darkness,' says man after finding partner and son murdered in their Alberton home

South Africa News



### Two alleged knife-wielding robbers arrested on Table Mountain

South Africa News

Editorial Complaints | Tip-Offs | Press Code | Advertise on News | Jobs at 24.com | About us | FAQs | Careers24 | Property24 | Autotrader | Superbalist

© 2023 (3.0.23335.5) 24.com. All rights reserved.

TERMS AND CONDITIONS

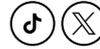
MEDIA24 PRIVACY POLICY

VULNERABILITY DISCLOSURE

Contact us

Help with my subscription

Follow:



Paid Content

### International Celebrities Stand With Israel

Goodnet

Paid Content

### [Pics] Meteorologist Suffers Hilarious Green Screen Fashion Fail

Investing Magazine

Paid Content

### Why people over 45 love this toothbrush

Teeth Care

Paid Content

### Unsold Never-Driven 2022 SU Now Almost Being Given Away (See Prices)

SUV Deals | Search Ads

## Next on Business

SA may export its own electric cars by 2026, as govt gears up subsidies

05 Dec

