

COP30

EU trade tensions threaten to hold UN climate talks hostage

China and India among exporters to challenge carbon border tax



Thousands of people march outside the COP30 climate conference, calling for real solutions to global warming © AFP via Getty Images

Kenza Bryan and Attracta Mooney in Belém

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The EU is battling to hold the line on its carbon border tax under pressure from China and other large trading partners at the UN COP30, as the issue threatens to take hostage the global climate negotiations in Brazil.

Almost 200 governments gathered in Belém, a gateway to the Amazon, are bruised from a year in which US President Donald Trump's tariff wars have strained international trade relations.

Country groups led by China, India and Saudi Arabia have pushed both in public statements and closed-door consultations, according to people present, for a negotiated outcome at COP30 that singles out "unilateral trade measures".

The first week of the fortnight of the UN talks has involved jostling to establish a final agenda around national climate action plans and finance for poorer countries to adapt to clean energy and extreme weather.

An “orchestrated” effort had been made to raise trade in every negotiating room, said Alden Meyer, a senior associate at the climate think-tank E3G.

Some country negotiators had flagged legitimate concerns about trade, he said, while others were using the issue as leverage against proposals aimed at taking greater action on cutting greenhouse gas emissions. The context of the global trade war had “supercharged” the issue, he added.

Australian lead climate negotiator Sally Box said she did not rule out the possibility of differences over trade becoming a “spoiler” in the wider negotiations.

The EU aims to phase in the world-first carbon border tax (CBAM) from next year. Initially, the tax will apply to products such as steel, cement and fertilisers, to ensure that imported goods meet similar green standards to those produced inside the EU.

Red tape and price pressures are cited as issues by companies that are readying to pay about €80 a tonne for carbon emitted as a result of goods sold in the bloc.

Countries including Brazil, Turkey and Japan have this year introduced or strengthened domestic carbon pricing schemes that should lessen their exporters’ payments to the EU, and some are preparing their own schemes.

“You have to make sure that an open market isn’t driving the deindustrialisation of your own economy,” Jacob Werksman, the EU’s chief COP negotiator, said this week. “You have to make sure, in other words, that the terms of trade around clean tech and clean energy are free, but also fair.”

But the EU was not prepared to see the climate talks used as a “proxy” for settling trade disputes that had no place in the COP30 forum, Werksman said.

“If you want to have an argument about whether or not a particular country’s measure is consistent with their international legal obligations, the only dispute settlement system that we all as parties have agreed to . . . is the World Trade Organization.”

The Brazilian [COP30](#) presidency was also trying to ensure the trade issue did not hijack an intended focus on countries putting into place improved climate action plans. It has so far managed to keep trade off the COP agenda.

It has also sought to highlight the potential for trade to drive the rollout of technologies and critical minerals needed to electrify grids and transport. On Saturday, it launched a Geneva-based forum to bridge climate and trade without encroaching on the WTO.

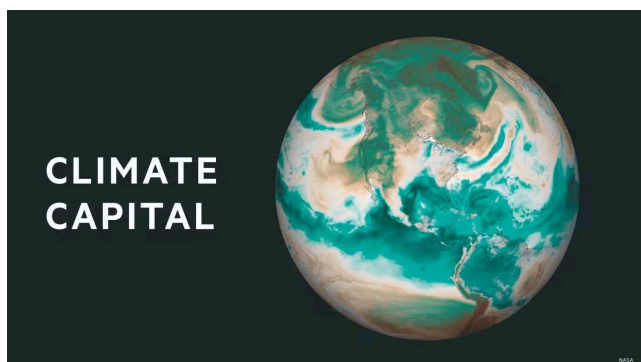
Li Gao, China’s head of delegation, welcomed the initiative and said “only through unity can we overcome”.

India said in a statement during the week that “unilateral climate-related trade measures risk becoming instruments of protectionism” that could “undermine multilateral co-operation”.

Beyond the COP, some feared the US could still attempt to scupper the CBAM after the Trump administration had derailed a global shipping tax, with the help of petrostates. “We’ve been urging the EU members to prepare for when the Trump folks turn their malign attention on them,” said Sheldon Whitehouse, the only US senator to make it to Belém.

The carbon border tax should be defended to help avoid a “climate catastrophe that will be far worse for those countries than anything the CBAM could do,” he said.

Climate Capital



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