タイトル

A Computable General Equilibrium Analysis of EU CBAM for the Japanese Economy

要旨

The EU plans to introduce a carbon border adjustment mechanism (CBAM) to curb carbon leakage and to protect energy-intensive and trade-exposed (EITE) industries. This move by the EU to introduce CBAMs has raised concerns in Japan that it will harm Japanese industry and the Japanese economy. To address these concerns, this study tries to provide an ex-ante and quantitative analysis of the economic and environmental effects of the introduction of the EU CBAM.

To capture the effects of the EU CBAM, this study employs a global multiregional, multisector computable general equilibrium model with 18 sectors and 17 regions. The main insights obtained from the analysis are as follows. First, we find that the introduction of the EU CBAM significantly reduces carbon leakage from the EU. Second, the effects of the introduction of CBAMs on the GDP and welfare of each country vary from country to country, but the effects are generally very small. While there is a positive impact on GDP and welfare in Japan, the magnitude of the impact is very small. There will also be a negative impact on Japan’s EITE industries, but the magnitude of this impact is very small and not of great concern.