

The Impact of the European Carbon Border Adjustment Mechanism on Moroccan Exports



Amine Mounir Alaoui

rapporteur du thème



Moncef Ziani

Président de la commission

Acting on its own initiative, the ESEC has prepared an opinion on the impact of the European Carbon Border Adjustment Mechanism (CBAM) on Moroccan exports. It reviews the main issues arising from the mechanism's implementation, examines the challenges for Morocco, and sets out recommendations to foster adaptation to the new regulatory framework, enhance competitiveness, and accelerate the shift toward a low-carbon economy. The ESEC General Assembly unanimously adopted the opinion at its 173rd session on August 28th, 2025.

The Carbon Border Adjustment Mechanism (CBAM) is a cornerstone of the European Green Deal, developed in alignment with the European Union's Emissions Trading System (EU ETS). It is intended to curb carbon leakage and safeguard fair competition between EU industries and producers in non-EU countries. This mechanism is due to enter into force in January 2026, initially applying to carbon-intensive sectors including steel, aluminum, cement, nitrogen fertilizers, hydrogen, and electricity. In practice, CBAM will increase the cost of EU imports by charging for the greenhouse gas emissions embedded in their production, mirroring the obligations imposed on European industries under the EU ETS. However, several of the EU's trading partners perceive it less as an environmental measure to promote carbon neutrality than as a trade barrier restricting access to the European market.

In the short term, CBAM's impact on Morocco is limited, as it currently covers only a small share of exports—estimated by the EU at 3.7 percent—mainly fertilizers. The companies affected so far, mostly large industrial operators, are already pursuing decarbonization strategies or have the resources to comply with the mechanism.

From 2026 onward, however, the EU intends to broaden CBAM to include additional products, indirect emissions, and downstream goods. This expansion could bring a greater share of Moroccan exports within its scope and, in turn, put pressure on the competitiveness of key sectors of the national economy, such as automotive, tourism, agriculture, and aerospace. Meanwhile, several of Morocco's trading partners have already begun rolling out similar mechanisms, adding further pressure on national exports and their competitiveness.

For several years, Morocco has pursued ambitious environmental, energy, and industrial policies aimed at building a low-carbon economy, cutting greenhouse gas emissions, and reaching carbon neutrality by 2050. At the core of this effort is the National Low-Carbon Strategy, which sets out measures to anticipate CBAM's implementation and mitigate its impact on export-oriented industries. The strategy also calls for the gradual introduction of a national carbon tax and the development of a domestic carbon market consistent with international standards. In parallel, since the launch of CBAM, public authorities have rolled out initiatives to help industries adapt their exports to the new technical and environmental requirements.

Morocco nevertheless faces a number of challenges in adapting its industries to CBAM requirements. Key elements of the low-carbon transition—such as expanding access to renewable electricity, particularly at medium voltage, and reducing reliance on fossil fuels with high greenhouse gas emissions—are advancing at a pace that has yet to fully meet the competitiveness demands imposed by the mechanism. In addition, the cost of upgrading production systems to integrate low-carbon solutions remains very high for domestic industries, especially small and medium-sized enterprises. These firms also contend with a marked shortage of human resources specialized in measuring greenhouse gas emissions in line with European standards.

Building on a common assessment with stakeholders, the Council calls for a coordinated strategy to help Moroccan exporters prepare for CBAM, accelerate the low-carbon transition, mobilize financing, and strengthen technical and institutional capacity. Its overarching aim is to position Morocco as a green industrial and export hub, consistent with its national commitments to reduce greenhouse gas emissions. To this end, the ESEC recommends the following measures:

- Establish a national coordination mechanism on CBAM to ensure harmonized action and timely responses to future changes.
- Create a national support fund for SMEs exporting to the EU, designed to:
 - partially cover the costs of preparing their carbon inventories in line with EU requirements;
 - support investments in the decarbonization of industrial facilities and strengthen their competitiveness in the European market.
- Accelerate the deployment of renewable energy across the country and ensure access to green electricity for all enterprises, with traceability mechanisms in place, particularly for medium-voltage supply.

- Expand access to natural gas for industries subject to CBAM to reduce their reliance on other fossil fuels with high greenhouse gas emissions.
- Initiate prompt negotiations with the EU to obtain European accreditation of Morocco's national greenhouse gas verification system, allowing exporters to use a nationally recognized mechanism and thereby reduce compliance costs.
- Undertake detailed studies, in partnership with stakeholders, on the potential impact of different carbon pricing instruments (such as a carbon tax or an emissions trading system) to better understand their implications for the national economy and the competitiveness of exports.
- Over the medium term, and in collaboration with domestic industries, establish a carbon trading system in Morocco to accelerate the decarbonization of the energy and industrial sectors, together with a border adjustment mechanism to ensure fair competition between domestic and imported products.
- Strengthen Morocco–Africa cooperation to build regional capacity for CBAM negotiations, to defend the interests of low-emission African countries and secure preferential treatment (such as moratoria or specific rates) for their products, in line with Article 2 of the Paris Agreement and the principles of climate justice.