EUROPEAN UNION GREEN DEAL

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ABSTRACT

In this century, when we are faced with the climate crisis, states and individuals are taking various measures. The European Green Deal stands out as the most comprehensive of the regulations in this context. Addressing the European Green Deal only in terms of environmental pollution and climate change and not taking into account the economic transformation that this deal will bring carries a great risk for countries. In particular, if Turkey, which makes the majority of its exports to Europe, cannot achieve this economic transformation in the short term, deterioration in the current foreign trade balance is inevitable.

If companies delay this transformation, they will face a carbon tax of approximately 85 Euros per metric ton, with sectoral differences (EMBER: Carbon Price Viewer, 2023). This tax will threaten the profit margins of many sectors and trigger a process that could result in the bankruptcy of businesses. In this context, special country targets have been determined for Turkey, with Turkey becoming a party to the Paris Climate Agreement in 2021. When the historical process is examined, the liberalization process has accelerated as the period when foreign trade was regulated by customs duties or quotas is over. Trade freedom has been encouraged with the guidance of the World Trade Organization. In today's world economy, measures regarding the restriction of foreign trade will be shaped through environmentally friendly production. In this context, the Green Deal harmonization process must be completed as soon as possible so that our country's exports do not get stuck in these restrictions. For this reason, it is essential that companies operating in our country do not remain indifferent to this adaptation process.

The Emissions Trading System, which should be established within the framework of the Green Agreement, is very important. The most important feature of this system is that companies that cause pollution above the specified limits can purchase quotas from companies that do not exceed the specified limits. In this way, companies that complete their transformation will have access to an additional source to finance their transformation, while companies that cause pollution above the limits will purchase quotas from other companies in the country instead of paying carbon tax to the country they export to. Many countries have started to establish their own Emissions Trading Systems in this sense. One of the most important conditions for the establishment of this system is the existing carbon footprint information of the companies that register. Thanks to ETS, companies that produce environmentally friendly products in particular will be encouraged to use this advantage in the marketing of their products. The Green Product market is developing every day in our country and in the world, and is becoming indispensable for consumers with high awareness. In this book, while examining the historical process of the Green Deal, its environmental and economic impacts, Turkey's Green Deal Roadmap is presented with a comprehensive analysis.

Keywords: The European Green Deal, Carbon Price, The Emissions Trading System, Foreign Trade.