

EU official sees hope for T&T amid carbon tax threat

... experts urge local focus



With T&T's energy sector bracing for the impact of the European Union's Carbon Border Adjustment Mechanism (CBAM) in early 2026, one EU official says there's still reason for optimism and potential for transformation.

CBAM is a policy designed to tax the carbon emitted during the production of certain goods imported into the EU, with the goal of cutting emissions and preventing carbon leakage by incentivising cleaner production methods globally.

As one of the world's largest exporters of ammonia, T&T is expected to feel the effects of CBAM directly.

In 2024, the country produced more than four million tonnes of ammonia, nearly all of which was exported with 21 per cent sold to the EU and UK.

Amidst growing concerns, Ivan Ovando-Lacroux, international cooperation officer for Latin America and the Caribbean at the EU's Directorate-General for International Partnerships, told Guardian Media that the EU and T&T have reached an advanced stage in a joint wind energy exploration project.

The initiative aims to repurpose existing offshore platforms between Trinidad and Venezuela to host wind turbines.

The project is supported by a €3 million grant from the EU and a US\$50 million loan from the CAF Development Bank of Latin America and the Caribbean.

Ovando-Lacroux disclosed that a workshop is scheduled for July 23 to develop a concrete action plan for implementation, with expectations that turbines could be installed by 2027.

He said the use of wind energy in ammonia production could significantly help T&T meet CBAM compliance, reducing the risk of costly border taxes on exports to the EU.

But not everyone is convinced.

Energy strategy and policy advisor Anthony Paul is urging the country to take a more critical look at the EU-supported plan.

He argues that wind power may not be the right fit for T&T, either economically, geographically, or developmentally.

“Why are the European Union and the Americans pushing us to biofuels? Because they want to sell us solar and wind? They struggle, even with all the wind they have, to get consistent power from wind,” he said.

Paul questioned whether the proposed technologies genuinely reflect T&T’s national interests, or whether they serve external agendas under the guise of clean energy partnerships. He emphasised the importance of investing in homegrown, climate-appropriate renewable technologies that create real employment and longterm development.

“Now, biofuels, biodiesel and bioethanol can go directly into your car or your truck or your generators. They can use the same pumps they have, the same tank wagons, the same refinery, in fact, right? So, we can actually use installed infrastructure. And if we do biotechnology research, biofuels research, we can have a big impact on agriculture. Wind and solar don’t give us a lot of highlevel jobs, you know,” he warned.

Meanwhile, climate change expert Steve Maximay is urging the Government to focus on climate justice and skilled negotiation.

He also noted that the transition should be fair and strategic.

“It is about understanding principles like just transition. In other words, we are being forced to transition how we produce all kinds of things, including things in the energy sector. And I’m saying that if you have somebody with enough climate justice and expertise on your team, you can negotiate those taxes downwards significantly.”

As debate around the project grows, Energy Minister Dr Roodal Moonilal has not responded to multiple requests for comment.