

Study: UK businesses overwhelmingly back carbon border tax

New survey data of UK manufacturers reveals that businesses overwhelmingly support the UK government introducing a carbon border adjustment mechanism (CBAM), with the measure also polling well with the British public.

Executive Summary

This memorandum summarises the research findings from two polls conducted by Stack Data Strategy:

- The first poll surveyed 400 respondents in upper management roles within the manufacturing sector, with data being collected between 6th October and 23rd October 2023.
- The second poll surveyed a representative sample of 1,513 UK adults between Friday 13th October and Monday 16th October 2023. The poll was sampled and weighted to be nationally representative on age, gender, region and voting behaviour.

Our main findings from the research are:

For the Business Leaders in Manufacturing Survey:

- **Awareness and support for CBAM:** Although pre-existing awareness levels of CBAMs vary substantially, almost three-quarters (73%) of the manufacturing business community expressed support for the policy (net support: +65%). Nearly half of all respondents (49%) said they expect positive impacts from the CBAM on their business, with several anticipating that the CBAM would improve competitiveness, level the playing field with high-polluting importers, and create an incentive to source primary materials within the UK.
- **Message testing:** For the manufacturing business community, the most convincing arguments for the UK adopting a CBAM centred around the potential benefits to domestic businesses, such as protecting British companies from unfair competition, raising new funds to assist domestic industries in decarbonising and protecting the UK from becoming a dumping ground for high-carbon imports.
- **Developing countries:** A large majority (62%) of the business community expressed support for spending part of the money raised from the levy to support other countries in their decarbonisation efforts, with opposition to the proposal standing at 19% (net support: +43%)
- **UK-EU alignment:** We also find a clear consensus within the manufacturing business community in favour of coordinating the UK's CBAM with the European Union's legislation (net agreement: +59%), as well as aligning the UK's Emissions Trading Scheme with the EU (net agreement: +54%) in order to minimise trade friction.
- **Climate concerns:** The business community in the manufacturing sector is clearly attuned to the risks stemming from climate change, with 77% saying they are "Very" or "Somewhat concerned" about its potential impact on their businesses. The views expressed by our respondents also reveal dissatisfaction with the UK Government's

performance on climate change (with 55% saying that it is not doing enough in this space), as well as with the UK's global leadership role on these issues.

- **Support for green investment:** A large majority (80%) of the business community in the manufacturing sector expressed support for greater investments in subsidies for green industries and infrastructure (net support: +72%), with most of our respondents (63%) saying that the Government should prioritise such investments to spur economic growth over limiting public borrowing.

For the General Population Survey:

- **Support for CBAM:** The British public generally supports the introduction of CBAM (net support: +41%), but a significant portion remains uncertain (with 28% saying they would “Neither support nor oppose” the policy, and 9% affirming they “Don’t know”). Many (42%) also favour using CBAM-generated funds to help poorer countries reduce emissions, and there is majority support (51%) for aligning UK carbon border regulations with the EU. These opinions vary by political affiliation, EU vote, and age.
- **Message testing:** Aligning with the business manufacturers poll, messaging that emphasises the protection of British businesses and domestic benefits received strong public support. As expected, there are key differences in responses to messaging related to the role of the EU depending on political partisanship.
- **Climate change action:** Public opinion on the UK government's performance in tackling climate change is divided, with 46% saying that the government's actions are “not enough” compared to 32% who affirm they have been sufficient, and 12% who say it has done “too much”. The public expresses a higher level of trust in the Labour Party (27%) to take action on climate change compared to the Conservative Party (15%), with 22% believing neither party would handle the issue well.
- **Support for green investment:** When presented with a choice to fund green investments or minimise public borrowing, a plurality (45%) of the public said that the Government should prioritise efforts to stimulate economic growth through green investments, with 39% instead prioritising keeping borrowing down, and 16% saying they were unsure.

Business Leaders in Manufacturing

Survey methodology and demographics

We surveyed 400 individuals working in upper management across the manufacturing sector. While we were unable to quota by census values when targeting such a specific audience, our sample included 64% men and 36% women. A significant portion, 62%, fell within the 35-55 age range, while 15% were over 55, and 23% were under 35. This distribution aligns with our expectations regarding the demographic composition of upper management in this sector.

Within the manufacturing sector, our sample reached a diverse set of businesses and industries as well as business sizes.¹ Over half (55%) of our respondents belong to organisations that either import from the European Union (EU) or trade with Northern Ireland. 18.5% of our sample penetrates high-polluting sectors.² Finally, half of our sample (50%) participants work within organisations that already participate in the UK Emissions Trading Scheme (ETS).

Markets sampled within the manufacturing sector³	Sample size
Construction and building materials	15%
Machinery and equipment	15%
Industrial automation and machinery	14%
Food and beverages	13%
Electronics	8%
Metalworking and fabrication	8%
Automotive	8%
Plastics and rubber	7%
Textiles and apparel	6%
Aerospace and defence	5%

Understanding the context: views on the UK's performance on climate change

Overall, we find that the business community in the manufacturing sector is very aware and concerned about the potential impact of climate change on their businesses. The views expressed by our respondents reveal dissatisfaction with the UK's global leadership on climate change and the performance of the current Government in this area. What also emerges is a clear call for greater investments in subsidies for green industries and infrastructure, with most of the business community in the manufacturing sector prioritising

¹ We define businesses as follows: **small and micro businesses** have fewer than 50 employees and turnover equal or less than £10 million, **medium businesses** have more than 50 employees and turnover equal or less than £50 million, **large businesses** have more than 250 employees and no restrictions on turnover. Businesses that should be placed in a given category based on their number of employees but exceed that category's upper threshold for turnover were placed in a higher category (e.g.: a business with 40 employees but turnover of £20 million was considered a "medium" sized business)

² Within this memo, we have defined "high-emission" businesses as those who produce at least one of the following manufactured goods: steel and metal, cement and concrete, paper and pulp, fertilisers, glass and ceramics, metalworking and fabrication.

³ Please note that we have only displayed the top 10 responses. As respondents were allowed to select more than one response, the total may add up to more than 100%.

the need to prioritise such investments to spur economic growth over limiting government spending.

- To gain deeper insights into business leaders' responses to CBAMs and related policies, it was valuable to gauge their overall assessment of the government's performance in addressing climate change.
- There were notably high levels of concern across the board. Over three-quarters of all respondents (77%) said they were either “Very concerned” or “Somewhat concerned” about the potential negative impacts of climate change on their business and their operations.
- Over half of the business community in the manufacturing sector (53%) estimate that climate change will either have a major (14%) or somewhat negative (39%) impact on their business and operations. A further quarter of all respondents (26%) estimate that climate change will have a *minor* negative impact. Only 12% think climate change will have no impact on their business, with 2% anticipating that it will have a positive impact on their business.
- Respondents were divided on the UK’s leadership role in this space. A notable proportion believe that the UK has lost its position as a global leader on climate change (27%) or never was a leader to begin with (24%). A further 20% said that, although still a leader on climate change, the UK had fallen behind other countries in recent years.
- A majority of respondents (55%) indicated that the UK Government is currently not doing enough to tackle climate change (this is around 10% higher than what we saw in the General Population survey, suggesting greater concern among the business community around lack of action).
- We then asked those who said the UK is currently not doing enough to address climate change to tell us in their own words what they believe should be the Government’s top priority. Several themes emerged from the open-text responses:
 - The far and away dominant theme of these open-text responses was the need for the Government to invest in green infrastructure, which was cited by around 40% of all responses. Specifically, respondents zoomed in on the need to invest domestically in renewable energy, improving energy efficiency, updating existing infrastructure and investing in expediting the transition to green alternatives (e.g.: Electric Vehicles).
 - Around 1 in 5 responses emphasised the need for greater consistency in the Government’s actions on climate change, referencing recent decisions to delay or U-turn on existing policy commitments. Among these responses, several highlighted a perceived lack of commitment towards tackling climate change. Around 10% of responses concentrated on the need for the Government to provide greater funding and incentives for businesses to pursue more sustainable paths, as well as working with businesses to find solutions to climate change.
- We also found further evidence of very strong support for the UK Government investing in subsidies for green industries and infrastructure. 4 out of 5 respondents (80%) said they would support the UK investing in these areas, with only 8% expressing opposition (net support: +72%).
 - When we asked respondents to trade-off investing in a green industrial strategy against keeping levels of Government borrowing low, nearly two-thirds of respondents (63%) said that “*The priority should be on funding green investments and fostering UK economic growth, even if it involves short-term borrowing*”, with a third of respondents (33%) holding the opposite view (“*The priority should be minimising*

borrowing, even if it means postponing green investments and leading to slower UK economic growth”).

- In terms of which political party they trust the most, a narrow plurality of the business community currently trust the Labour Party with taking action on issues surrounding the environment and climate change (28%), compared to 19% who said they trusted the Conservatives the most, and 16% who affirmed that both parties would be equally good in this policy area.
 - However, we note a substantial degree of cynicism towards both parties' commitment to tackling climate change: nearly a quarter of all respondents (23%) said that “Neither party would be good at taking action on climate change”, with a further 11% saying that they are yet to make up their mind.

Broad attitudes towards taxing high-carbon goods

Overall, a majority of the business community agrees that the Government should in principle make active efforts towards limiting emissions of goods produced overseas but consumed within the UK. We also find that large majorities of the business community in the manufacturing sector are supportive of raising taxes on high-emission imports as an incentive for other countries to tighten their environmental standards or to protect British businesses from competing against companies operating in jurisdictions with looser regulations.

- Prior to asking specific questions surrounding the Carbon Border Adjustment Mechanism, we asked respondents some general questions about whether they believe the UK Government should limit its overseas emissions and whether it should tax high-polluting imports in the pursuit of certain policy goals.
- When asked whether the Government should seek to limit all carbon emissions on goods consumed within the UK (even on items made abroad), a clear plurality of respondents (47%) agreed that the UK should “*consider limiting the emissions of goods produced overseas that are consumed in the UK by taxing high-carbon imports*”. While agreeing that the UK Government should be limiting its overseas emissions, another 30% of respondents expressed opposition to taxing “*high-carbon imports*”. However, just under 1 in 5 (18%) expressed opposition to the UK making efforts to limit its overseas carbon emissions because they “*are not the UK’s responsibility*”.
- We then presented respondents with two questions where respondents were asked whether they would have a favourable view of taxing high-polluting imports if it was done in the pursuit of certain policy goals. We find that nearly two-thirds (64%) of respondents are supportive of the UK taxing high-polluting imports in order to incentivise countries with lower environmental standards to limit their emissions. Less than a third (30%) of the manufacturing business community instead expressed a dissenting view based on the fact that taxing high-polluting imports would unfairly disadvantage developing countries.
 - Among respondents whose business imports goods from developing countries listed under the Developing Countries Trading Scheme, support for taxing high-polluting imports was higher than for the overall sample (71% support). We note, however, that this finding is based on a very small sample of respondents (N = 17).
- We find even greater consensus over the question of whether respondents would be supportive of the UK Government taxing high-polluting imports to protect British businesses from competing against countries with lower environmental standards, with over two-thirds of the manufacturing business community (68%) agreeing with the need

for such a measure. Once again, fewer than a third of respondents (28%) expressed the opposite view, suggesting that the UK should instead minimise any barriers to free trade, while 5% reported being unsure.

CBAM: awareness, overall views and impact on business

Although pre-existing awareness levels of CBAMs varied substantially according to business size, existing participation in the UK's Emissions Trading Scheme, and whether their business imports goods, we found that the policy received very strong support levels across the board. A large plurality of the business community expect a positive impact of the CBAM on their business, with several respondents anticipating that the CBAM would improve competitiveness, level the playing field with high-polluting importers, and create an incentive to source primary materials within the UK. Among those who anticipated a negative impact of the CBAM on their business, the dominant concerns centred around rising cost of primary materials and imported goods, especially against an unfavourable economic backdrop.

- When presented with several terms relating to climate change policies, 13% of our respondents said they had previously heard of a CBAM and “**know exactly what it means**”, with a further 25% saying that they “**broadly know what it means**” (total awareness: 38%). Another quarter of the surveyed respondents (25%) said that while they had heard of the term, they did not know what it meant, while 35% said they had never heard of a CBAM before.
- There are some noticeable differences in reported awareness levels of the CBAM across different sub-groups. Specifically, we find that:
 - Respondents from small businesses were far less likely to have a strong grasp of what a CBAM entails, with only 11% saying they had heard the term and had at least a broad understanding of it. By comparison, this figure was 40% for medium businesses and 43% for large ones.
 - Members of the business community whose organisations import goods or primary materials to the UK (42%) were more likely than non-importers (32%) to say they had not only heard about CBAMs but also knew what they entailed.
 - Similarly, those working for businesses in high-emissions industries were more likely to know what a CBAM was, with 46% saying they knew exactly or broadly what a CBAM is.
 - Unsurprisingly, awareness of what a CBAM means was also particularly high among respondents in businesses that already participate in the UK's Emission Trading Scheme (54%).
- When presenting an explanation of the CBAM to respondents, we see that there are very **strong levels of support** among the **business community in the manufacturing sector**. Nearly three-quarters of all our respondents (73%) said they would support the UK introducing a CBAM, compared to only 8% who said they would oppose it (net support: +65%). Around 1 in 5 respondents (20%) said they “neither support nor oppose” the CBAM (17%) or that they were unsure (3%).
 - While support levels for the CBAM remain high across all sub-groups, we see some variation according to business size: net support among small businesses was +59%, whereas for medium and large businesses this figure rises to +62% and +68% respectively.
- A clear plurality of respondents (49%) estimated that the CBAM would have a positive effect on their business, compared to the 20% who anticipated a negative effect (net

anticipated positive impact: +29%). A further 1 in 5 (22%) people anticipated the policy would “have no impact” and 10% said they were unsure.

- Interestingly, we find some variation in the expected impact of CBAM depending on whether the respondent comes from an organisation that imports within the UK. Perhaps counter-intuitively, we find that importers expect a more positive impact of the CBAM on their business (net “more positive” impact: +35%) than non-importers (net: +23%). This finding could be explained by two factors. Firstly, a large number of importers trade with the European Union and would stand to benefit from a UK CBAM (especially if equivalent to the EU’s). Secondly, greater pre-existing awareness levels of CBAMs among businesses that import into the UK (see above) could be resulting in a clearer sense of the potential positive impacts of the policy.
- We then asked respondents who estimated that the CBAM would have some impact on their business (whether positive or negative) to tell us in their own words how they believed the policy would affect them. Analysis of these open-text responses revealed several themes:
- Just over 10% of all responses anticipated that the CBAM would improve competitiveness, level the playing field with high-polluting importers, and create an incentive to source primary materials within the UK. For example:

“It would deter cheap imports which the UK cannot possibly compete with due to the stringent regulations which UK companies have to operate under.”

“We make all of our products in the UK and compete with companies who choose to make their products abroad to save money. So this would help level out costs.”

“It will create a more level playing field for my business competition and provide more opportunities domestically.”

“It would ensure all our imports and exports are broadly working under the same banner”

“People would look to buy locally manufactured products.”

- Around 1 in 10 responses articulated how they anticipated the introduction of a CBAM would encourage their business to become more sustainable. For instance:

“The UK’s Carbon Border Adjustment Mechanism will increase operating costs for my business, but reducing carbon emissions can enhance competitiveness. It will also drive continuous technological innovation.”

“It would help with attaining ESG measures”

“More technological innovation to reduce carbon emissions and improve operational efficiency.”

“It would make us look to become carbon neutral sooner than we would presently anticipate”

- Just under 10% of all responses said that, despite anticipating that the CBAM could have a negative impact in terms of pricing or adaptation (especially in the short-term), the policy had clear benefits for either their business or the environment. For example:

“It would cost us more upfront to fund but the benefits mostly outweigh and would have an overall positive impact, helping our corporate social responsibility targets and green targets”

“It would result in extra costs and charges but would be fairer to match other countries“

"It might be difficult in the beginning but it's a good step in the right direction"

"I will take it in good faith because it will help the environment."

- We find that the potential for increased costs featured prominently among the concerns of those who anticipate a negative impact of the CBAM on their business (mentioned by over 28% of all open-text responses). Respondents were particularly concerned about the potential rise in the cost of raw materials and imports (the latter cited by around 10% of all responses).

"It would increase raw material costs and we have no equivalent vendors in the UK for these materials."

"It would impact my business as no commodities are from the UK and extracting from the earth is a taxable commodity. This would drive up the price of all my supplies bought in the UK as nothing is made in the UK."

"There could be an effect because we import a lot from China. If China doesn't transition to greener methods then it will affect importing costs"

"It would drive our costs up and therefore increase our prices to our customers. This might lose us business to overseas competitors."

- Around 5% of all responses explicitly anticipated that they would pass on any additional costs incurred from the CBAM directly to the consumer. A similar proportion expressed fears about additional business costs from the CBAM in the context of current economic headwinds.

"Can't support anything that increases the cost of doing business. We need GDP to grow and a way to tackle the cost of living crisis."

"I would worry that it would increase costs and at the moment that is the last thing we need"

"It would remove the limited profit my company makes, and turn it into a loss making business."

"May force us to increase prices which would have a negative impact"

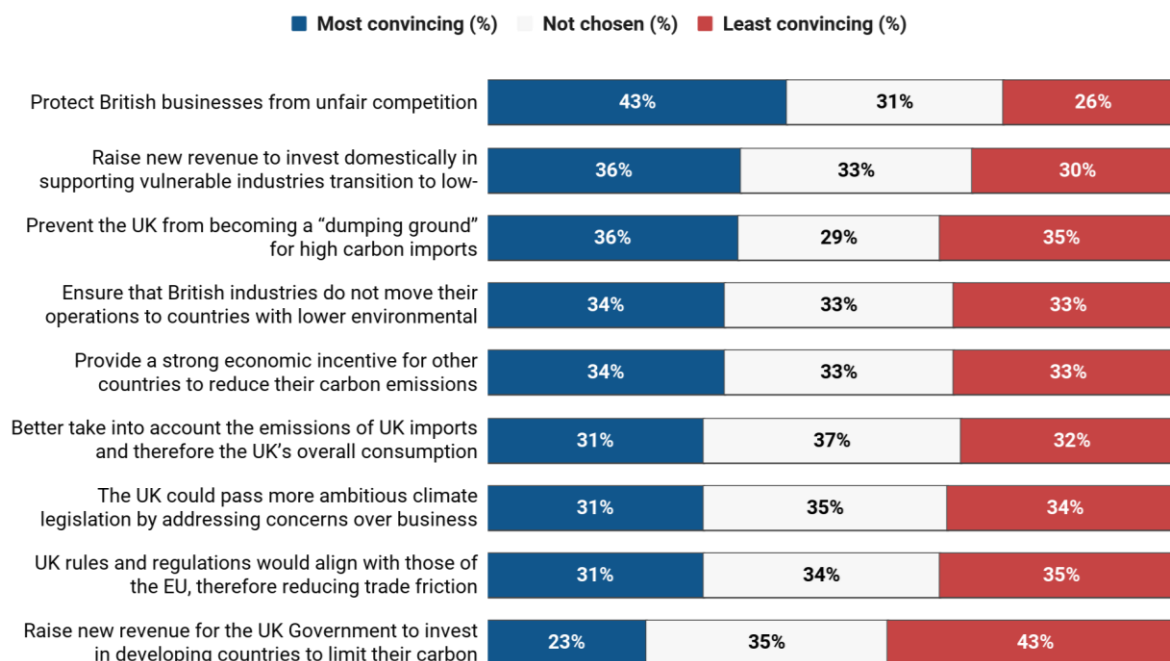
Message testing on CBAM⁴

For the business community, the most convincing arguments for the UK adopting a CBAM centred around protecting British companies from unfair competition, raising new funds to assist domestic industries in decarbonising and protecting the UK from becoming a dumping ground for high-carbon imports. Conversely, the least convincing argument for introducing a CBAM is in order to direct investments towards developing countries. Broadly, we therefore see that the arguments that the manufacturing business community found most compelling emphasised the potential benefits to domestic businesses.

- On message testing, we see that the most convincing argument for introducing the CBAM centred around protecting British business from unfair competition. We find this to be consistently the case across almost all types of business within the manufacturing sector.

⁴ As part of the survey, we tested several arguments in favour of the UK adopting a CBAM against each other utilising an analytical approach called "Max-Diff". This technique asks respondents to choose the most and least convincing out of 3 arguments (which are chosen at random from our list of 9 in total). By repeating this process 5 times (each time selecting at random 3 arguments from our overall list, and asking participants to choose between them), each of the 9 arguments is tested directly against every other at least once.

Figure 1. Results of MaxDiff from business poll⁵



- Raising revenue to invest domestically in supporting vulnerable industries transition to low-carbon practices and preventing the UK from becoming a “dumping ground” for high carbon imports remain similarly persuasive arguments, following close behind arguments from unfair competition. A clear theme emerges here, then, of the importance placed on supporting the British manufacturing sector in the face of new global challenges arising from abroad.
- On the other side of the coin, more ‘universal’ or globally-oriented outcomes such as reducing emissions in other countries or supporting developing nations are seen as the weakest arguments in favour of the CBAM across the board.

Policy design of CBAM

Despite not considering the allocation of funds to developing countries a compelling argument for introducing the CBAM, the large majority of the business community are not opposed to spending part of the money raised from the levy to support other countries in their decarbonisation efforts. We also find a clear consensus within the manufacturing business community in favour of aligning both the UK’s CBAM and its Emissions Trading Scheme with the European Union in order to minimise trade friction.

- We find that there is broad support (62%) among the business community for spending part of the funds from the levy on helping developing countries. Only 19% expressed opposition to this proposal (net support: +43%), with a further 17% saying they would neither support nor oppose it.

⁵ Simplified labels for chart

- We do note some variation in support levels according to business size: respondents from small businesses were least favourable to the proposition (net support: +13%) compared to medium-size (+46%) or large businesses (+51%).
- Support for spending part of the funds on developing countries was particularly high among respondents whose businesses import from the Least Developed Countries, with net support standing at 71% among this group. It should be noted, however, that this sub-group is made up of a small sample size (N = 17).
- There is also strong support for the UK aligning its carbon border adjustment with the EU. Overall, 70% of the business community in the manufacturing sector agree the UK Government should work in concert with the European Union when developing its proposals to make compliance easier and avoid trade disruption, while only 11% affirm the opposite (net agreement: +59%). Around 1 in 5 (20%) say they neither agree nor disagree (18%) with the need to align with the EU or concluded that they were unsure (2%).
 - Support for developing a UK CBAM in concert with the EU is evident across the board. However, we do note some variation according to business size, with net agreement among respondents from large businesses standing at +64% whereas it drops to +45% among those from small businesses. This can be at least partially explained by the fact that only 28% of our small and micro businesses reported importing from the EU or trading with Northern Ireland, whereas this percentage rises to 59% for our respondents from medium and large businesses.
- Equally, we find strong levels of agreement (67%) with the prospect of linking the UK's ETS with the EU's, with only 13% expressing a dissenting view (net agreement: +54%).
 - Support was highest among respondents embedded within a business that already participated in the UK ETS. Indeed, three-quarters of respondents (75%) whose business already participates in the UK ETS stated that they agree the UK should link its ETS with the EU (net agreement: +66%). This same figure was 61% among respondents in businesses that do not participate in the UK ETS (net agreement: +44%).
 - We also find that, unsurprisingly, support is also comparably higher among respondents whose businesses trade with Northern Ireland or import from the EU (net agreement: +60%).

II. Research findings from general population polling

The majority of the British adult population support the introduction of CBAM, however a substantial proportion are not sure. In addition, there was public support for using the CBAM-generated funds to help poorer countries reduce emissions. Finally, more than half of respondents also believe that there should be alignment between the UK and the EU on carbon border regulations. These metrics vary by political affiliation, EU vote, and age.

Views on CBAM: support for the policy, EU alignment, and contributions to developing nations

- Overall, we find that having been presented with a description of the policy, a majority of the British adult population (52%) say they would support the introduction of a Carbon Border Adjustment Mechanism (CBAM) in the UK, compared with only 11% that affirm they would be opposed to it (net support: +41%).
 - There are notable levels of respondents that “Neither support nor oppose” (28%) the policy or said they are unsure about their views towards it (9%). Combined, these two categories make up over a third of the total sample (37%). This finding suggests that, despite the detailed explanation of the policy provided in the questionnaire, a large proportion of the population struggled to situate themselves within the debate.
- A majority of the UK adult population (51%) agreed that the UK Government should develop its carbon border regulations in concert with the European Union, with just over 1 in 3 (35%) expressing the opposite opinion, and 14% expressing that they were unsure.
 - We see that support towards developing common approaches with the European Union unsurprisingly varies depending on how respondents voted in the 2016 Referendum: among those who voted Remain, over two-thirds (68%) agree that the UK should develop common approaches with the EU, whereas among those who voted Leave a majority (51%) expressed the view that the UK should develop its own regulations without aligning with the EU.
- While there were high proportions of those who were unsure or on the fence (39%), we did find a significant 42% portion of the UK public expressed support for some of the prospective funds raised by the CBAM being spent on helping poorer countries reduce their emissions, with 19% saying they would be opposed to this proposal (net support: +23%).
 - Support for spending some of the funds on helping poorer countries is highest among our youngest demographics (18-34 year olds) (52% support, and +38% net support). This figure declines as age increases, with net support standing at +23% for 35-54 year olds and going down to +12% for over 55s.
 - We also see large differences in support for this proposal between those who intend to vote for Labour (52% support, +36% net support) at the next General Election and those who plan to vote Conservative (40% support and +16% net support).

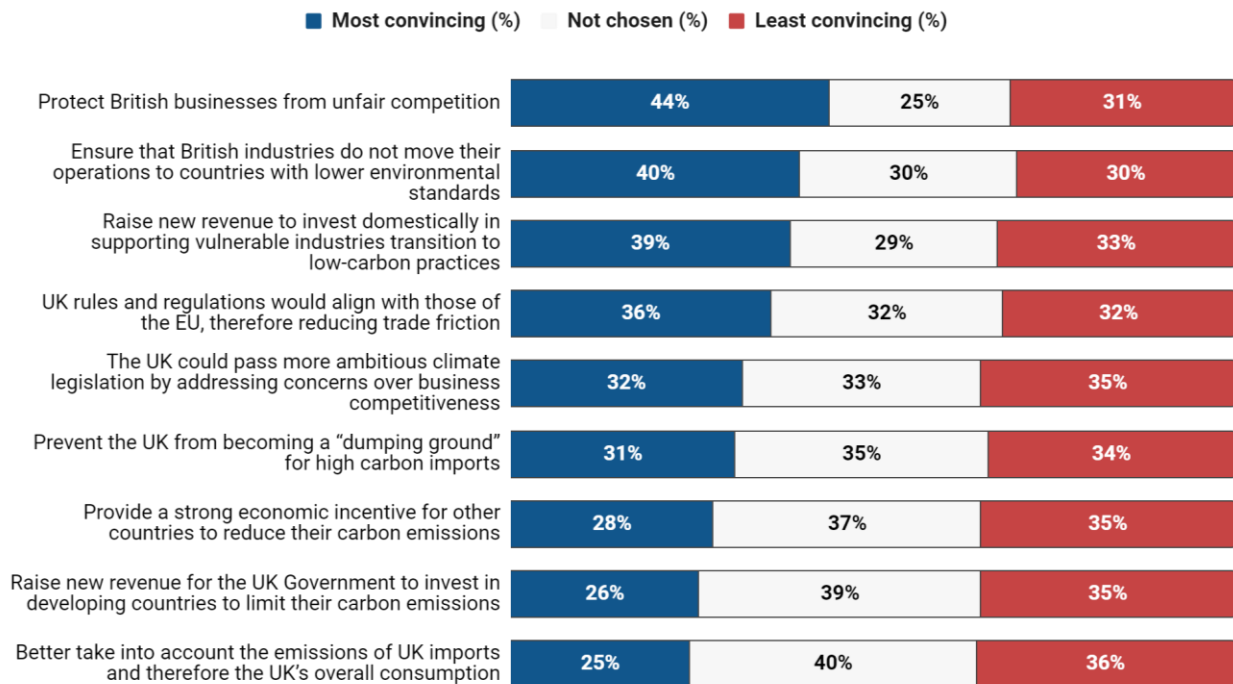
Message testing around CBAM⁶

Aligning with the business manufacturers poll, we found that respondents were most supportive of messaging that protected British businesses and emphasised domestic benefits. Political parties were aligned with both the most and least convincing messages but did vary notably on messaging related to the EU.

- Similar to the business manufacturers poll, the most convincing argument in favour of the UK adopting a CBAM was by some distance that *“It would protect British businesses from unfair competition by companies that produce goods in countries with lower environmental standards”*, which was selected as the “most convincing” 44% of times, and as the “least convincing” only 25% of times.
- The next two most convincing arguments were that the CBAM *“would make sure that British industries do not move their operations to countries with lower environmental standards”* (selected as most convincing 40% of times and least convincing 30%) and that *“It would raise new revenue for the UK Government to invest domestically in supporting vulnerable industries transition to low-carbon practices”* (most convincing: 39%; least convincing: 29%).
- The argument that the public found least convincing was instead that the policy would *“tackle all of the emissions from products consumed in the UK”* (chosen as least convincing 40% of times), followed closely by the promise that the CBAM would *“raise new revenue for the UK Government to invest abroad to support developing countries limit their carbon emissions”* (least convincing: 39%) and the argument that it would *“provide a strong economic incentive for other countries to reduce their carbon emissions”* (least convincing: 37%).
- Broadly, the picture we see emerging quite clearly from the message testing (see the figure below) is that:
 - The arguments in favour of the CBAM that the public find most convincing emphasise domestic benefits by illustrating how the policy can specifically protect or support British businesses.
 - The arguments in favour of CBAM that the public found least compelling were those that did not specifically centre on tangible benefits for the UK or its economy, emphasising instead more ‘universal’ outcomes such as reducing emissions in other countries or supporting developing nations.

⁶ As part of the survey, we tested several arguments in favour of the UK adopting a CBAM against each other utilising an analytical approach called “Max-Diff”. This technique asks respondents to choose the most and least convincing out of 3 arguments (which are chosen at random from our list of 9 in total). By repeating this process 5 times (each time selecting at random 3 arguments from our overall list, and asking participants to choose between them), each of the 9 arguments is tested directly against every other at least once.

Figure 2. Results of MaxDiff from general population poll⁷



- Breaking down the results of our general population poll by political alignment, prospective voters of both major parties are in agreement with protecting British businesses from unfair competition being prioritised across the board. People planning to vote Conservative selected this as their most convincing argument in 46% of iterations and the least convincing in 23% of iterations, whilst those planning to vote Labour found this most convincing in 42% of iterations and least convincing in 27%.
 - Conversely, arguments framed explicitly in terms of carbon emissions perform poorly across the board, with *It would raise new revenue for the UK Government to invest abroad to support developing countries limit their carbon emissions* being selected as the most convincing in 26% of iterations and least convincing in 39% of iterations overall.
- Some differences emerge with regards to aligning trading standards and reducing trade friction with the EU; amongst those who plan to vote Conservative, this was selected as the most convincing argument in 28% of iterations and least convincing in 37% of iterations. Amongst those planning to vote Labour, this argument was selected as the most convincing in 39% of cases and least convincing in 28%.

Views on the Government’s performance on climate change

The public is relatively divided on the UK government’s performance tackling climate change, with more feeling that it needs to do more than who think it is already doing enough. While there is no clear majority, more people do trust the Labour Party than the Conservative Party to deliver on climate. However, there are notable levels of respondents who think that neither party can deliver.

⁷ Simplified labels for chart

- Overall, the British public is divided on whether the UK Government is doing enough to tackle climate change. While 46% of respondents say that the Government is not doing enough, nearly 1 in 3 (32%) say that it is doing enough, and 12% affirm that the Government is doing too much to tackle climate change.
 - When comparing these results to those of the Eurobarometer survey, which asked an identical question in all EU27 countries in May 2023, we note that UK respondents are markedly more likely to deem the actions of the Government on climate change to be sufficient. Indeed, across the EU27, over two-thirds (67%) of respondents said that their respective governments were not doing enough to tackle climate change, with less than a quarter of respondents (23%) instead deeming the actions of their government to be “enough”.
- Views on whether the UK Government is doing enough to tackle climate change differ markedly according to who respondents are currently intending to vote for.
 - Among those who currently intend to vote Conservative, a majority of respondents (55%) say the Government is doing enough, with a further 16% saying that it is doing “*Too much*”, while only 21% affirm that it is not doing enough.
 - Conversely, among those who intend to vote for the Labour Party, a clear majority (59%) think the Government is not doing enough. This figure rises to two-thirds (66%) for those intending to vote Liberal Democrats.
- When asking those who said the UK is currently not doing enough to tackle climate change what they believe the Government should be focusing on, nearly 2 in 3 respondents (63%) said that “*Investing in building renewable energy*” should be a top three priority. This was followed by greater efforts to sponsor “*Conservation and reforestation*” (selected by 36%), “*Increasing public transport links*” (34%) and “*Supporting or creating new international agreements on climate change*” (31%).

Trust in main political parties on environmental issues

- Overall, a greater proportion of the British public currently trust the Labour Party (27%) the most to take action on climate change, with only 15% selecting the Conservatives as the party they trust the most on these issues.
 - However, we note that a large portion of the population expresses cynicism towards both parties’ commitment to the environment, with 22% saying that they think “*neither party would be good at handling these issues*”.
- We also note that a similarly important proportion of the public is yet to determine which party they think would be best at taking action on climate change, with 16% saying they are still making their mind up and 10% affirming that they currently “*don’t know*”.

Support for industrial strategy and green transition

Finally, the UK public agreed that the government should prioritise economic efforts to stimulate economic growth through green investments in the short term when compared to waiting and limiting borrowing.

- Most UK adults (45%) agreed that the Government should prioritise efforts to stimulate economic growth through green investments over keeping borrowing down, with 39% affirming the opposite and 16% saying they were unsure.

- We note that the demographic groups most likely to affirm that the Government should focus on green investments are younger people, with 49% of 18-34 year olds selecting this option, and degree-educated respondents (54% of whom agreed with this statement).
 - Politically, we see that a clear majority (57%) of people intending to vote for the Labour Party in the next General Election agree that the focus should be on growth and green investment over keeping borrowing down. The opposite is instead true for those intending to vote Conservative, with 52% saying that the Government should instead be focusing on keeping borrowing down as its primary priority.