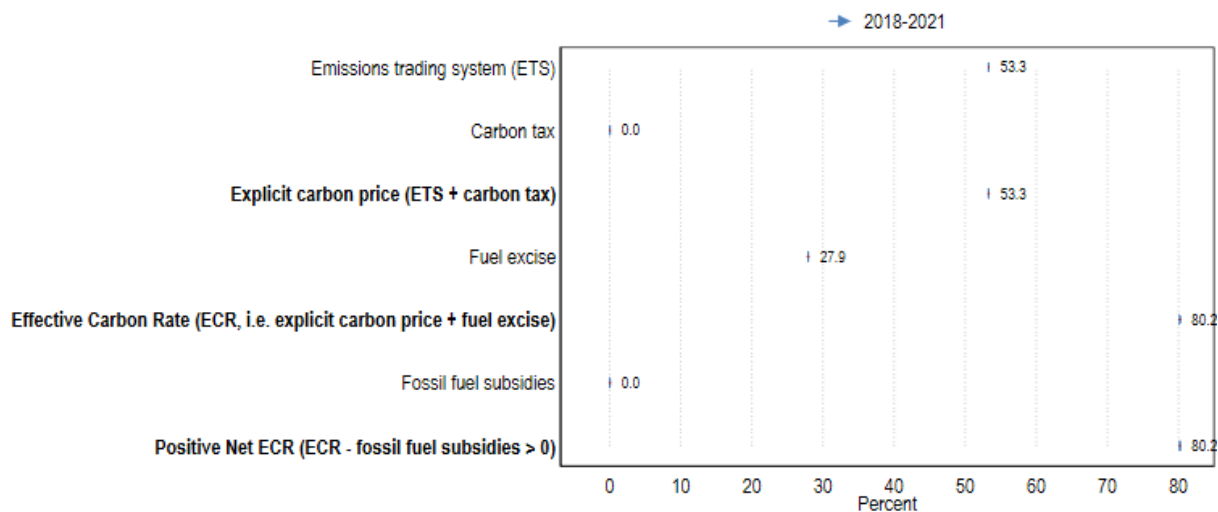


Carbon pricing in Cyprus¹

Share of greenhouse gas emissions subject to a positive price by instrument, 2018-2021

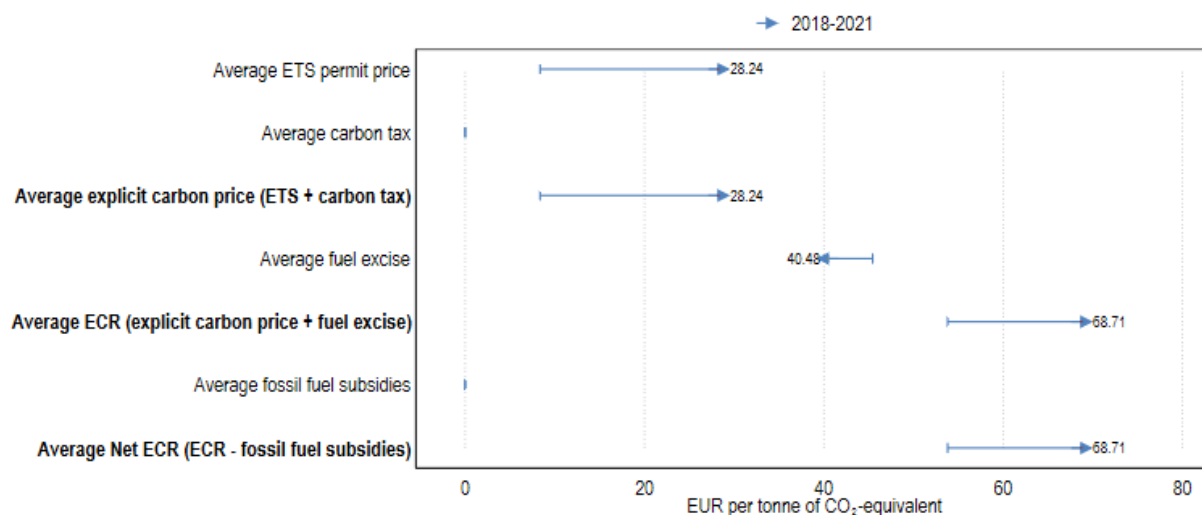
In 2021, explicit carbon prices in Cyprus consist of emissions trading system (ETS) permit prices, which cover 53.3% of greenhouse gas (GHG) emissions in CO₂e. In total, 80.2% of GHG emissions in Cyprus are subject to a positive Net Effective Carbon Rate (ECR) in 2021, unchanged since 2018. Fuel excise taxes, an implicit form of carbon pricing, cover 27.9% of emissions in 2021, unchanged since 2018.



Note: Percentages are rounded to the first decimal place.

Average effective carbon prices by instrument, real 2021 EUR, 2018-2021

Explicit carbon prices have increased to an average of EUR 28.24 per tonne of CO₂e, up by EUR 19.89 (238.2%) since 2018. In 2021, fuel excise taxes amounted to EUR 40.48 on average, down by EUR 4.97 (10.9%) relative to 2018.



Note: Prices are rounded to the nearest eurocent.

¹ Note by the Republic of Türkiye

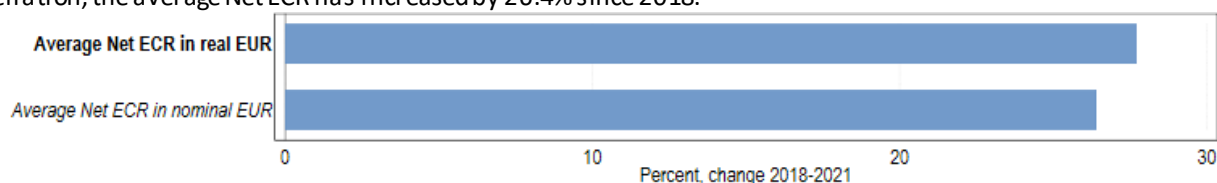
The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

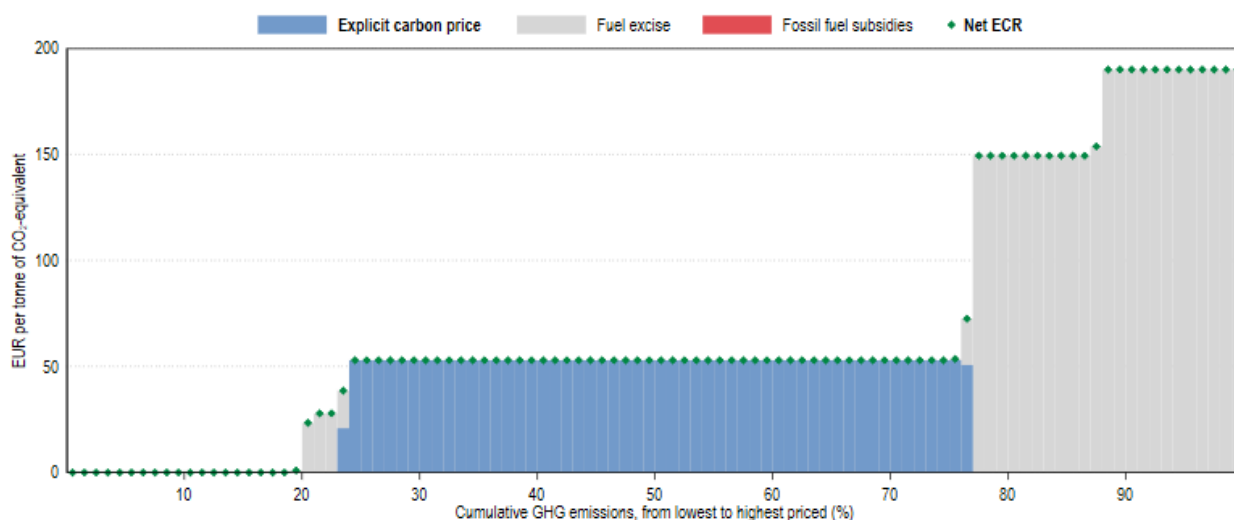
Percentage change in the average Net ECR by reference price, 2018-2021

The change in carbon prices in Cyprus was affected by deflation. The average Net ECR on GHG emissions has increased by 27.7% since 2018 when measured in real 2021 euros. In nominal euros, appreciated because of deflation, the average Net ECR has increased by 26.4% since 2018.



Distribution of effective carbon prices across GHG emissions, 2021

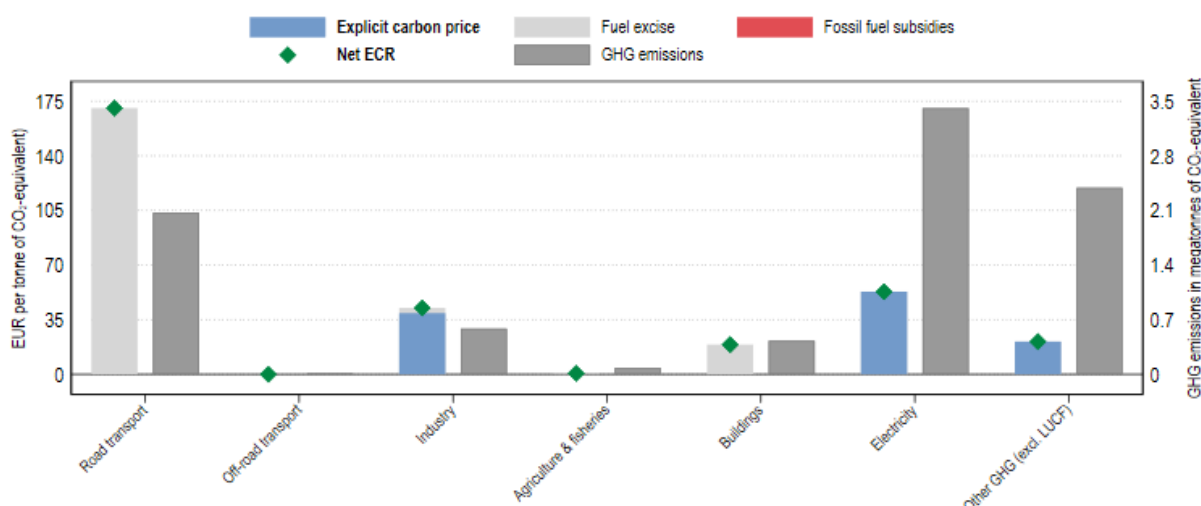
Less than 23.6% of GHG emissions have a Net ECR above EUR 60 per tonne of CO₂e, a mid-range estimate of current carbon costs.



Note: Simplified for illustration (the average price for each percentile bracket is shown).

Average effective carbon prices (left axis) and GHG emissions (right axis) by sector, 2021

Net effective carbon rates are highest in the road transport sector, which accounts for 23.1% of the country's total GHG emissions. The Net ECR is zero in the off-road transport sector. The off-road transport sector accounts for 0.1% of GHG emissions.



Want to know more?

- Access the report *Pricing Greenhouse Gas Emissions* (OECD 2022): <https://oe.cd/pricing-greenhouse-gas-emissions>.
- Which domestic policy instruments are included as carbon pricing instruments? View the background information: www.oecd.org/tax/tax-policy/carbon-pricing-background-notes.pdf
- Access the data shown in the country notes: <https://stats.oecd.org/Index.aspx?DataSetCode=ECRS>