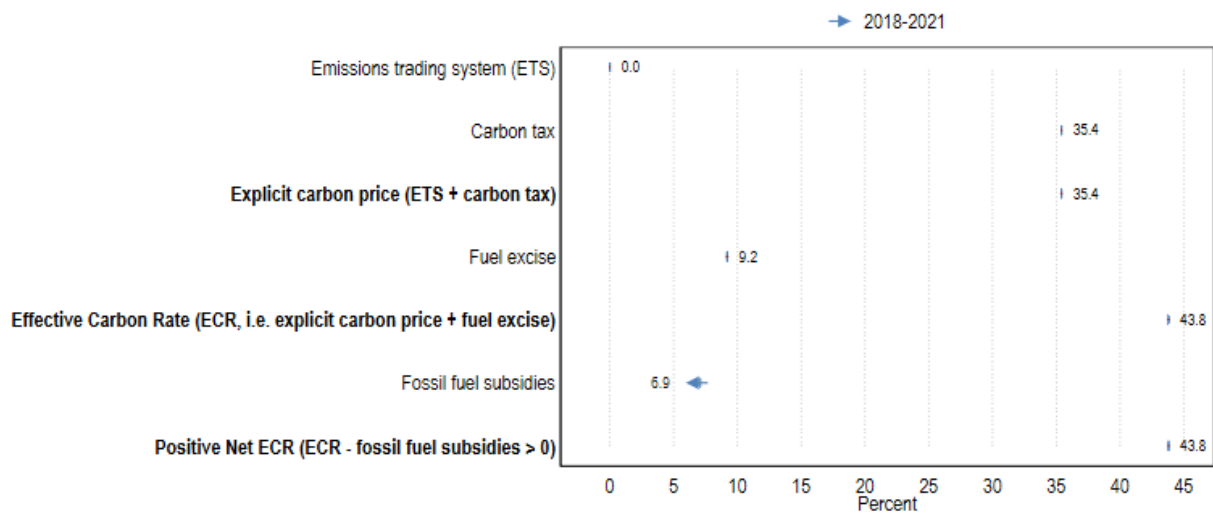


Carbon pricing in Ukraine

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

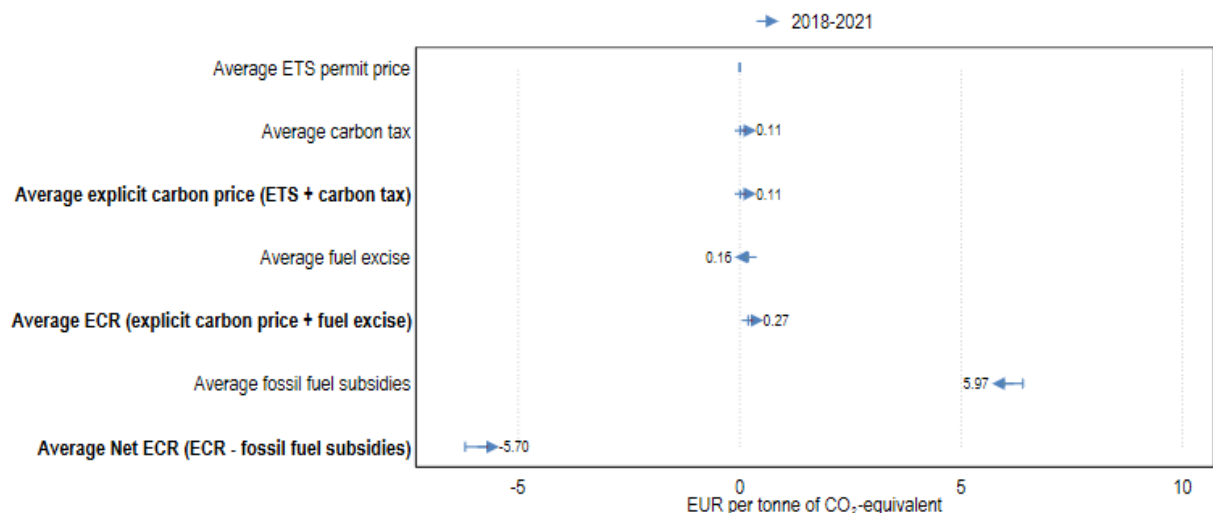
In 2021, explicit carbon prices in Ukraine consist of carbon taxes, which cover 35.4% of greenhouse gas (GHG) emissions in CO₂e. In total, 43.8% of GHG emissions in Ukraine are subject to a positive Net Effective Carbon Rate (ECR) in 2021, unchanged since 2018. Fuel excise taxes, an implicit form of carbon pricing, cover 9.2% of emissions in 2021, unchanged since 2018. Fossil fuel subsidies cover 6.9% of emissions in 2021, essentially unchanged from 7.1% in 2018.



Note: Percentages are rounded to the first decimal place.

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

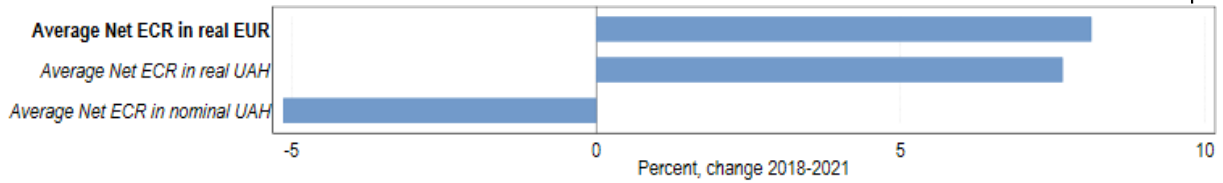
Explicit carbon prices have increased to an average of EUR 0.11 per tonne of CO₂e, up by EUR 0.1 (1000%) since 2018. In 2021, fuel excise taxes amounted to EUR 0.16 on average, essentially unchanged relative to 2018. Fossil fuel subsidies have decreased to an average of EUR 5.97 per tonne of CO₂e, down 6.7% since 2018.



Note: Prices are rounded to the nearest eurocent.

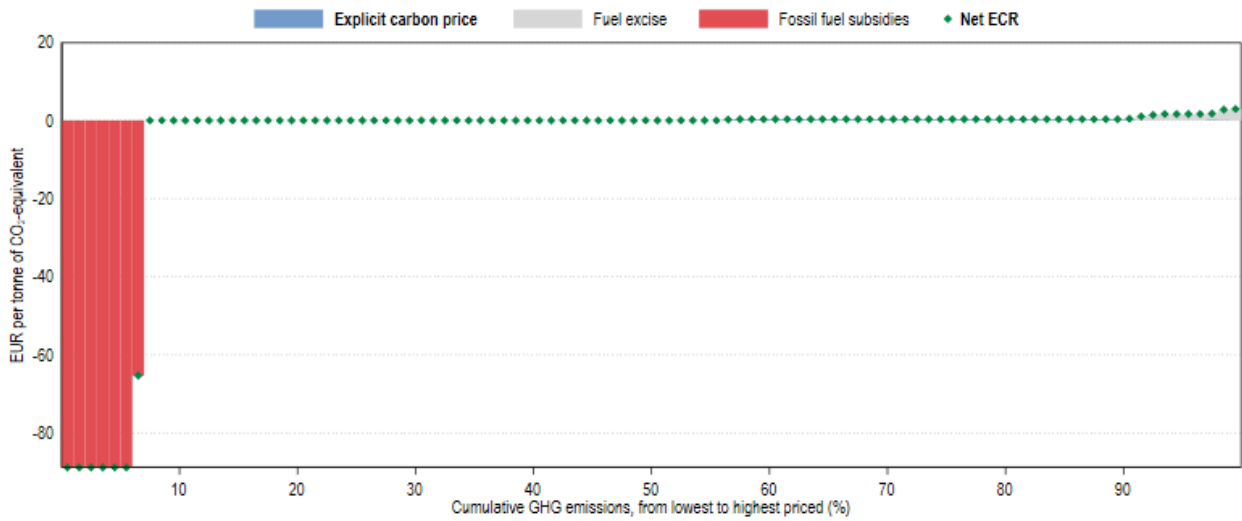
Percentage change in the average Net ECR by reference price, 2018-2021

The change in carbon prices in Ukraine was mainly affected by inflation. The average Net ECR on GHG emissions has increased by 8.1% since 2018 when measured in real 2021 euros. In real Ukrainian hryvni (UAH), which has depreciated relative to the euro between 2018 and 2021, the average Net ECR has increased by 7.7%. In nominal UAH, devalued by inflation, the average Net ECR has decreased by 5.1% since 2018. As the net ECR in 2018 was negative, percentage changes have to be interpreted with caution.



Distribution of effective carbon prices across GHG emissions, 2021

No 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 6.9% of the country's total GHG emissions. The Net ECR is zero or negative in the buildings and other GHG emissions sectors. Together, these sectors account for 38.7% 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>

<https://oe.cd/tax-and-environment>

ctp.contact@oecd.org

[@OECDtax](https://twitter.com/OECDtax)

[OECD Tax](https://www.linkedin.com/company/oecd-tax)