



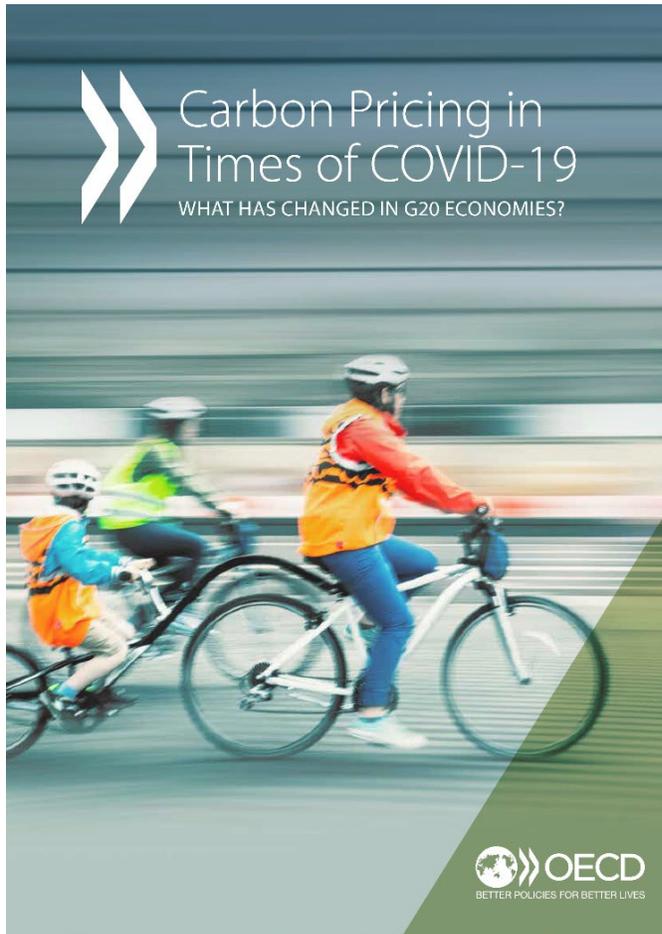
# PROGRESS WITH CARBON PRICING IS STRONG BUT UNEVEN

Jonas Teusch, Economist, Centre for Tax Policy and  
Administration

3 November 2021



# Introduction

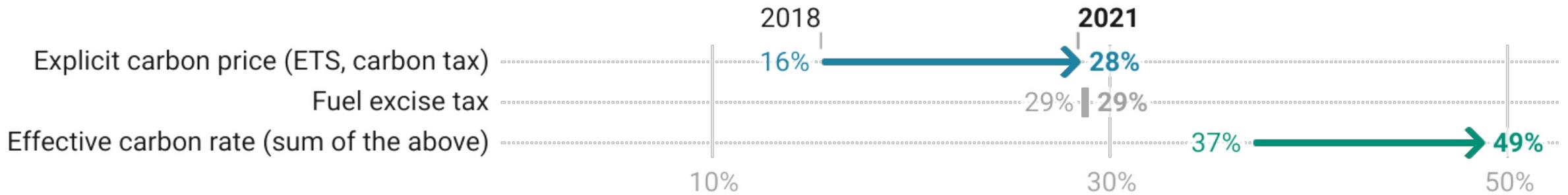


- » Carbon pricing is a powerful tool that can help countries meet climate objectives and support a green recovery.
- » New OECD report takes stock of how carbon prices have evolved across G20 economies between 2018 and 2021.
- » It estimates carbon prices resulting from carbon taxes, emissions trading systems, and fuel excise taxes.
- » G20 countries account for approximately 80% of global greenhouse gas emissions.



# G20 countries are increasingly using carbon taxes and emissions trading systems

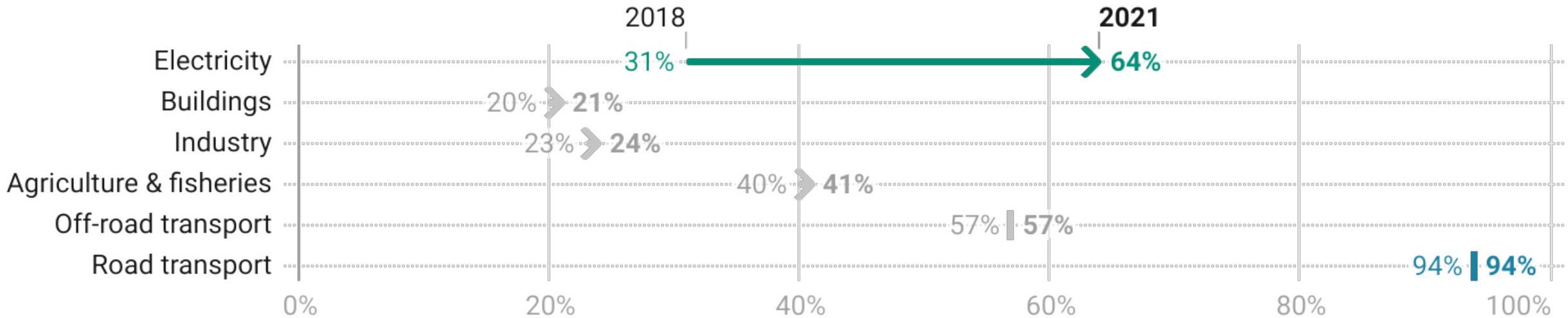
Share of G20 emissions covered by carbon pricing, by instrument, 2018-2021





# Coverage changes are concentrated in the electricity sector

Share of G20 emissions covered by effective carbon rate, % by sector, 2018-2021

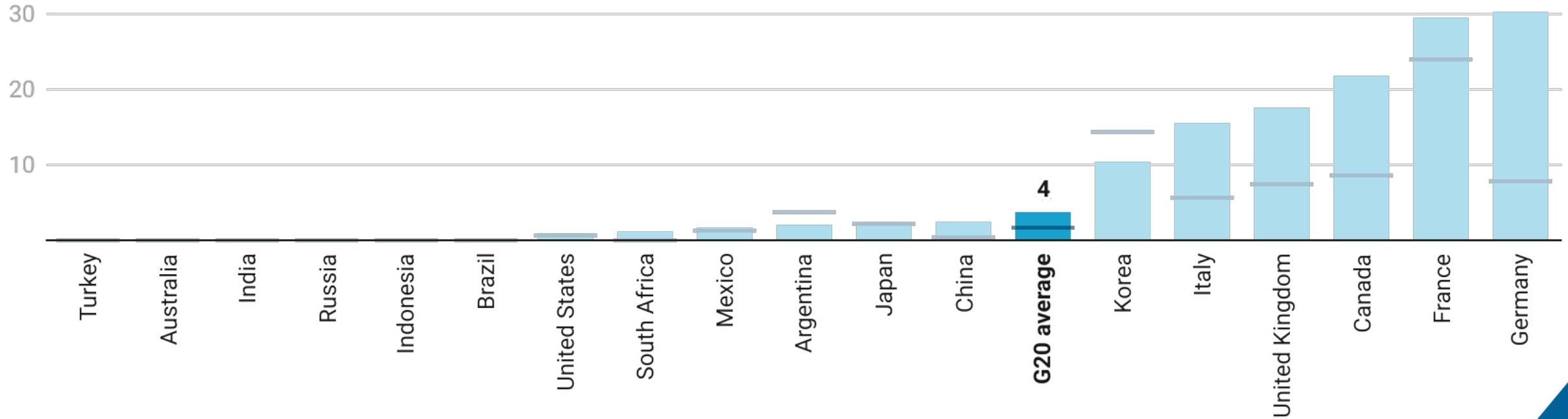




# Explicit carbon prices have doubled on average, but the variation across countries is large

Average explicit carbon price, by country, EUR/tCO<sub>2</sub>

■ 2021 | 2018

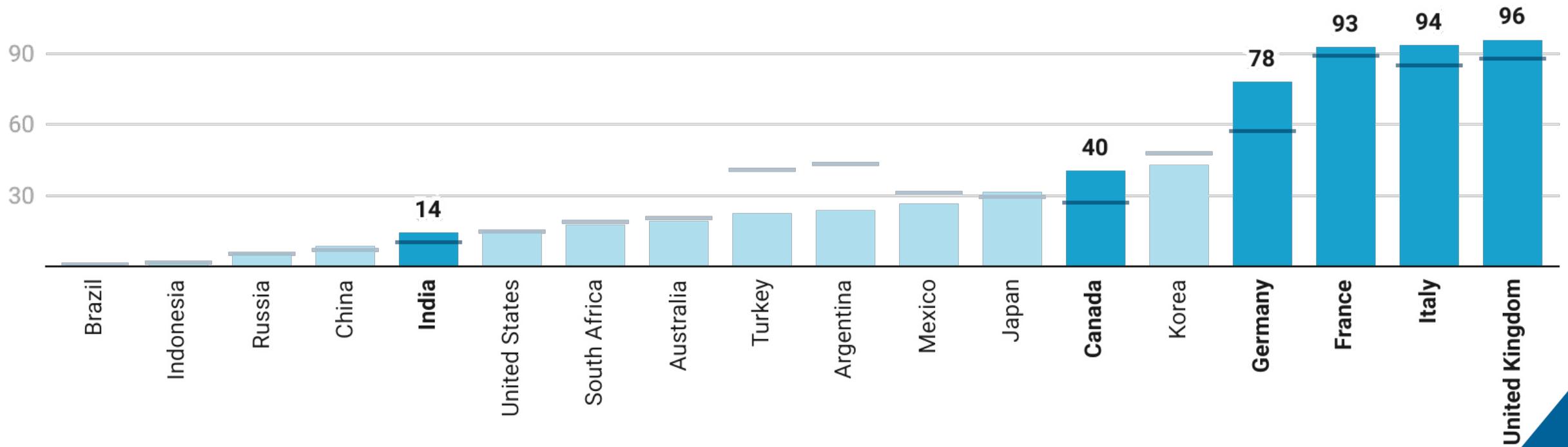




# Overall carbon prices increasingly diverge across G20 countries

Average effective carbon rate, by country, EUR/tCO<sub>2</sub>

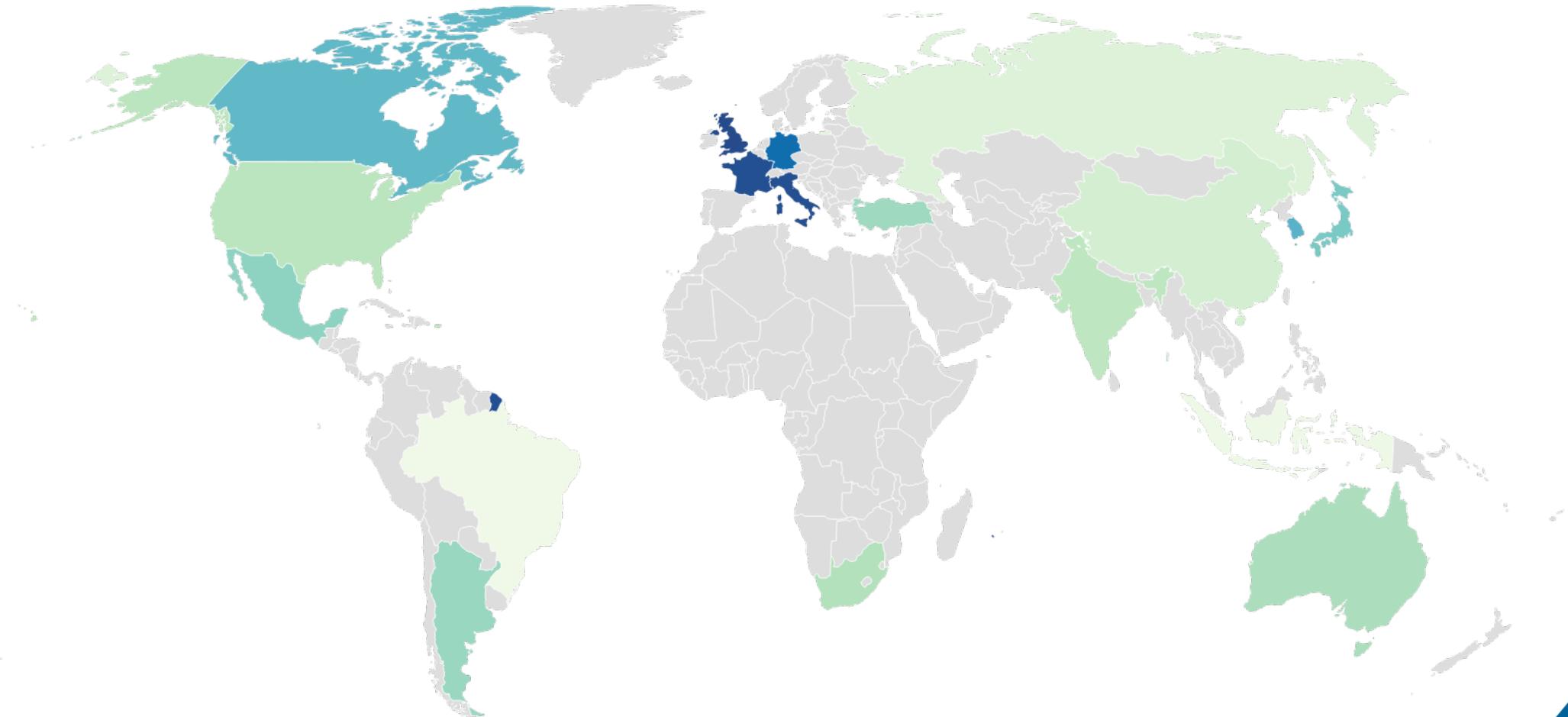
■ 2021 | ■ 2018





# Uneven carbon prices exacerbate carbon leakage and competitiveness concerns

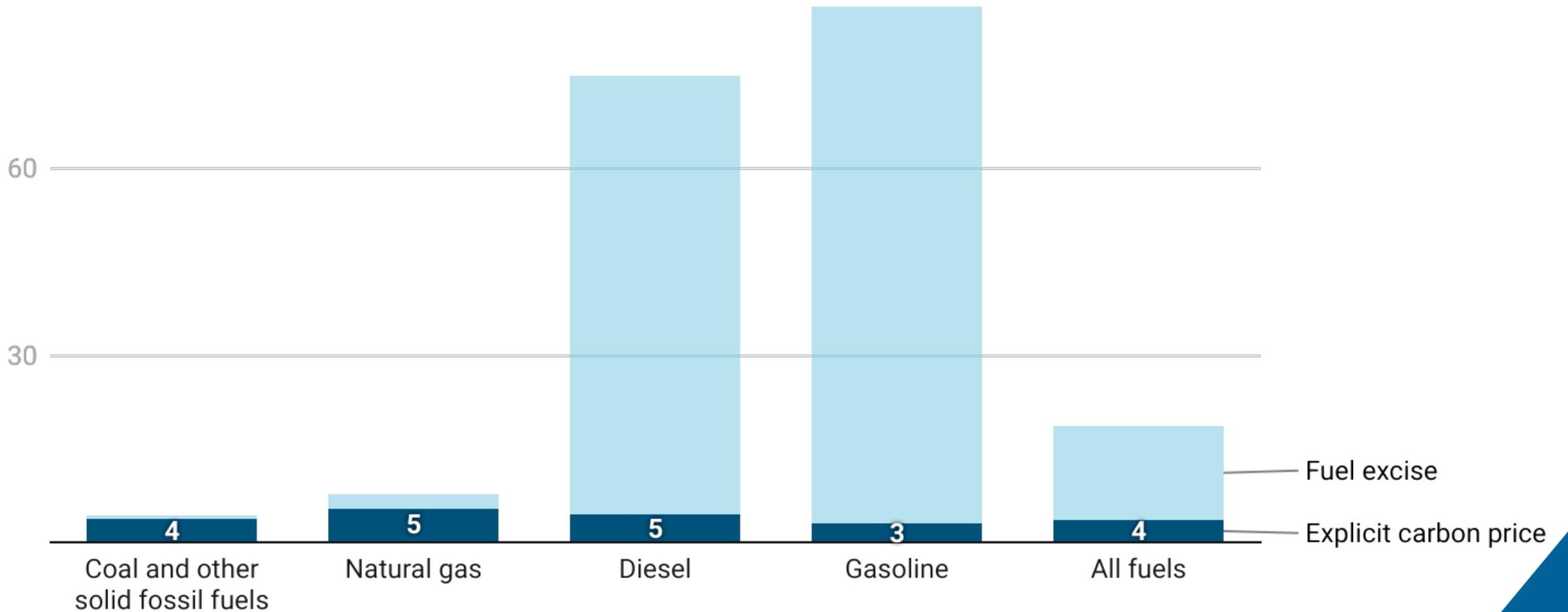
Average effective carbon rate, EUR/tCO<sub>2</sub>, 2021





# Diesel and gasoline are taxed the most

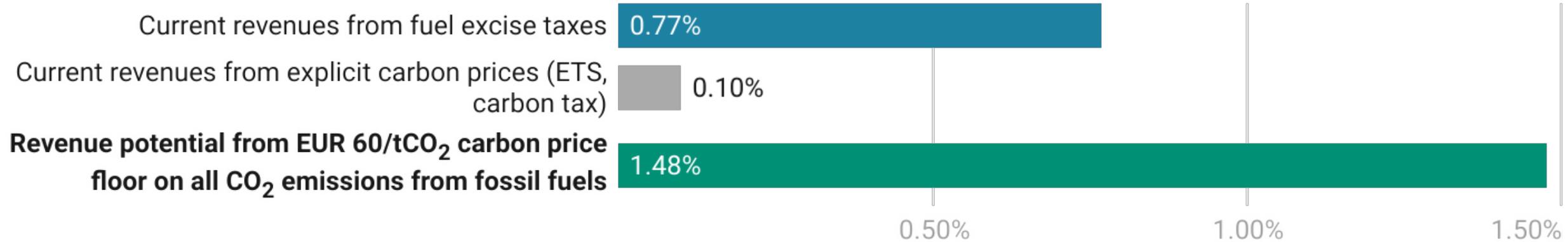
Average effective carbon rate across G20 economies, by selected fuel, 2021, EUR/tCO<sub>2</sub>





# The revenues from carbon price reform could support a just transition

Revenues from carbon pricing across G20 countries, estimates in % relative to GDP





## More needs to be done using the full range of policy tools

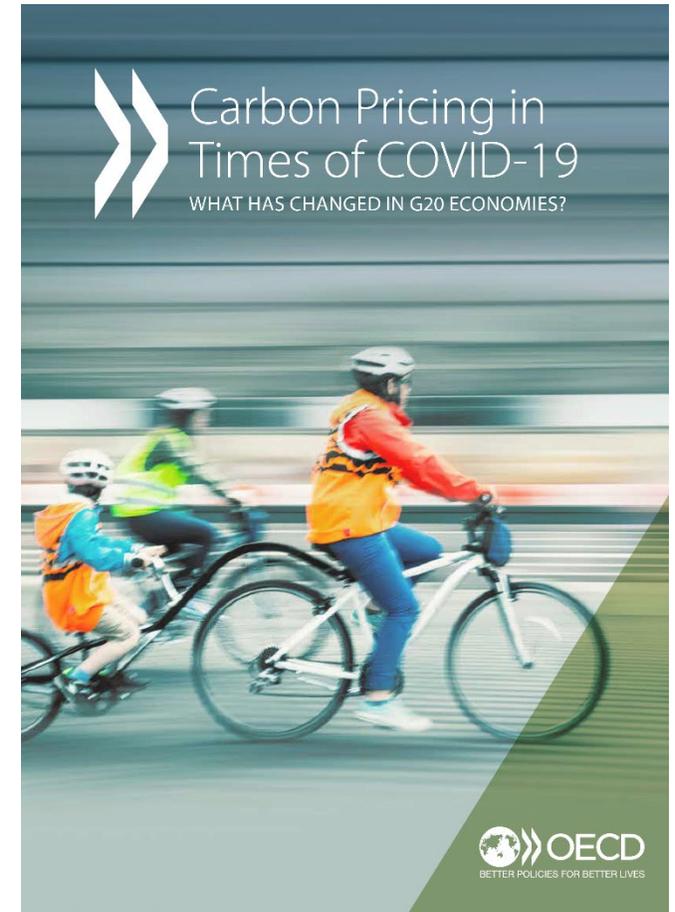
---

- » Comprehensive policy packages are needed to pave the way for an inclusive and sustainable low-carbon economy.
- » The distributional and competitiveness impacts of all mitigation policies, but in particular pricing policies, will continue to shape policy responses.
- » Pricing raises revenue (other policies do not), creating space for combined pricing and spending packages to strengthen public support.
- » Regulations and technology support are needed to complement, and as necessary replace, carbon pricing.



## Would you like to know more?

- » The report, country notes, and the underlying data are available at: <http://oe.cd/carbonpricing-g20>.
- » Taxing Energy Use 2022, additionally covering non-G20 OECD countries and selected developing and emerging economies, will be released in 2022.
- » Any further questions on the report? [CTP.Contact@oecd.org](mailto:CTP.Contact@oecd.org).





# PROGRESS WITH CARBON PRICING IS STRONG BUT UNEVEN

Jonas Teusch, Economist, Centre for Tax Policy and Administration

3 November 2021