



Are Governments Sending the Right Signals?

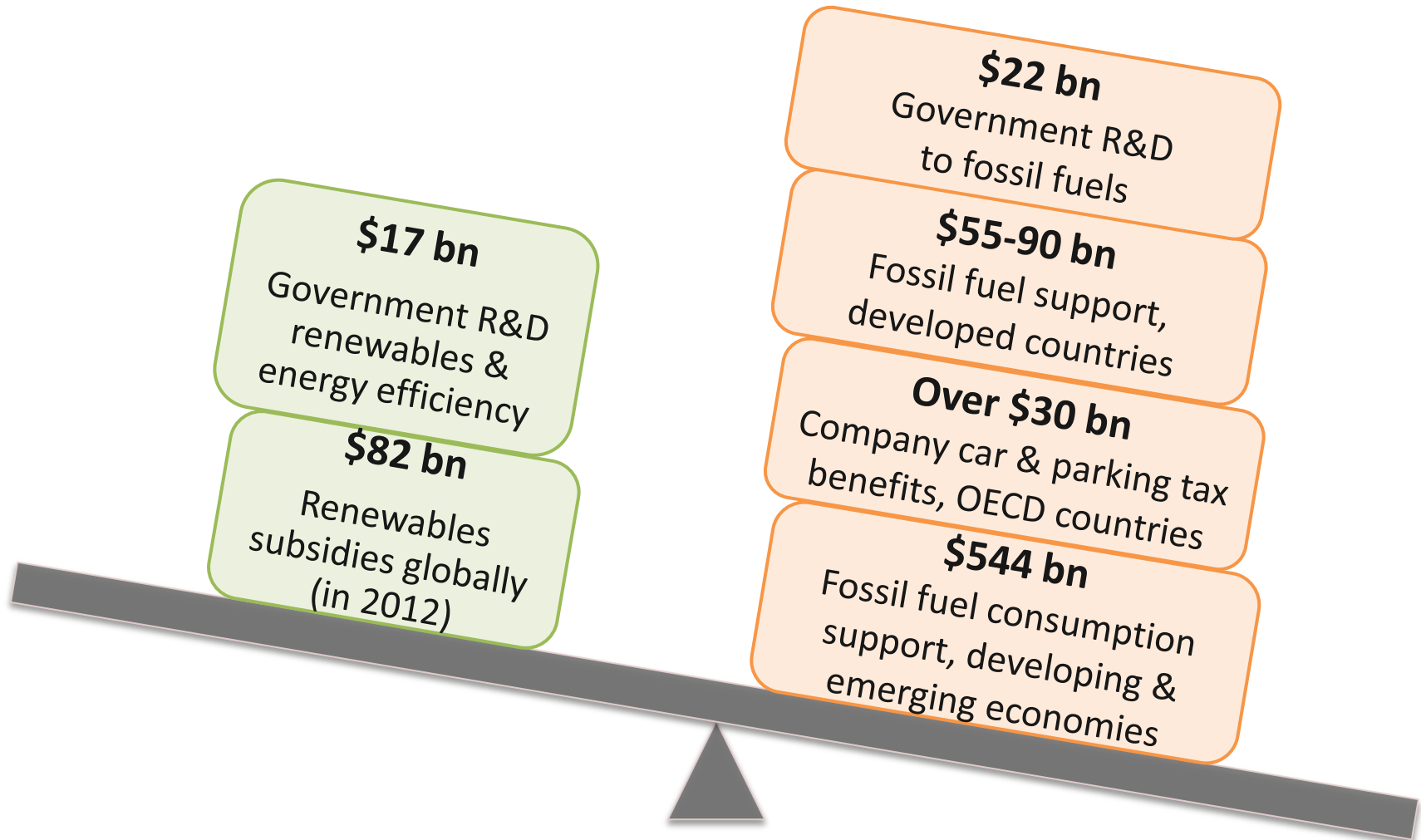
Subsidies, taxes and policy alignment

Simon Upton, Director
Environment Directorate, OECD

Singapore, 8-10 January 2014



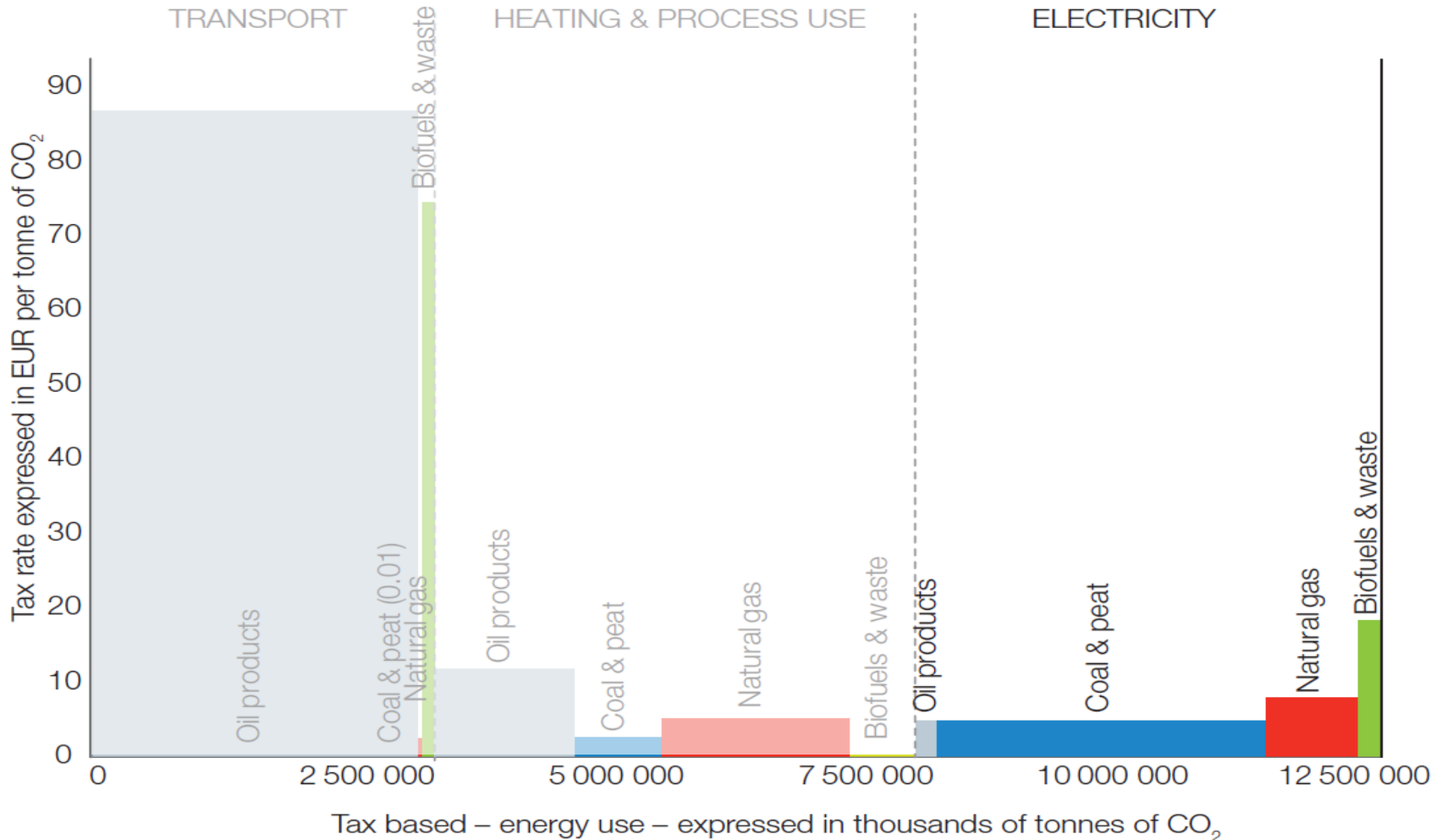
Are governments sending the right policy signals?



Sources: OECD (2013), Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels; IEA (2013), World Energy Outlook; IEA (2013), Tracking Clean Energy Progress Report; OECD (2013), Effective Carbon Prices.



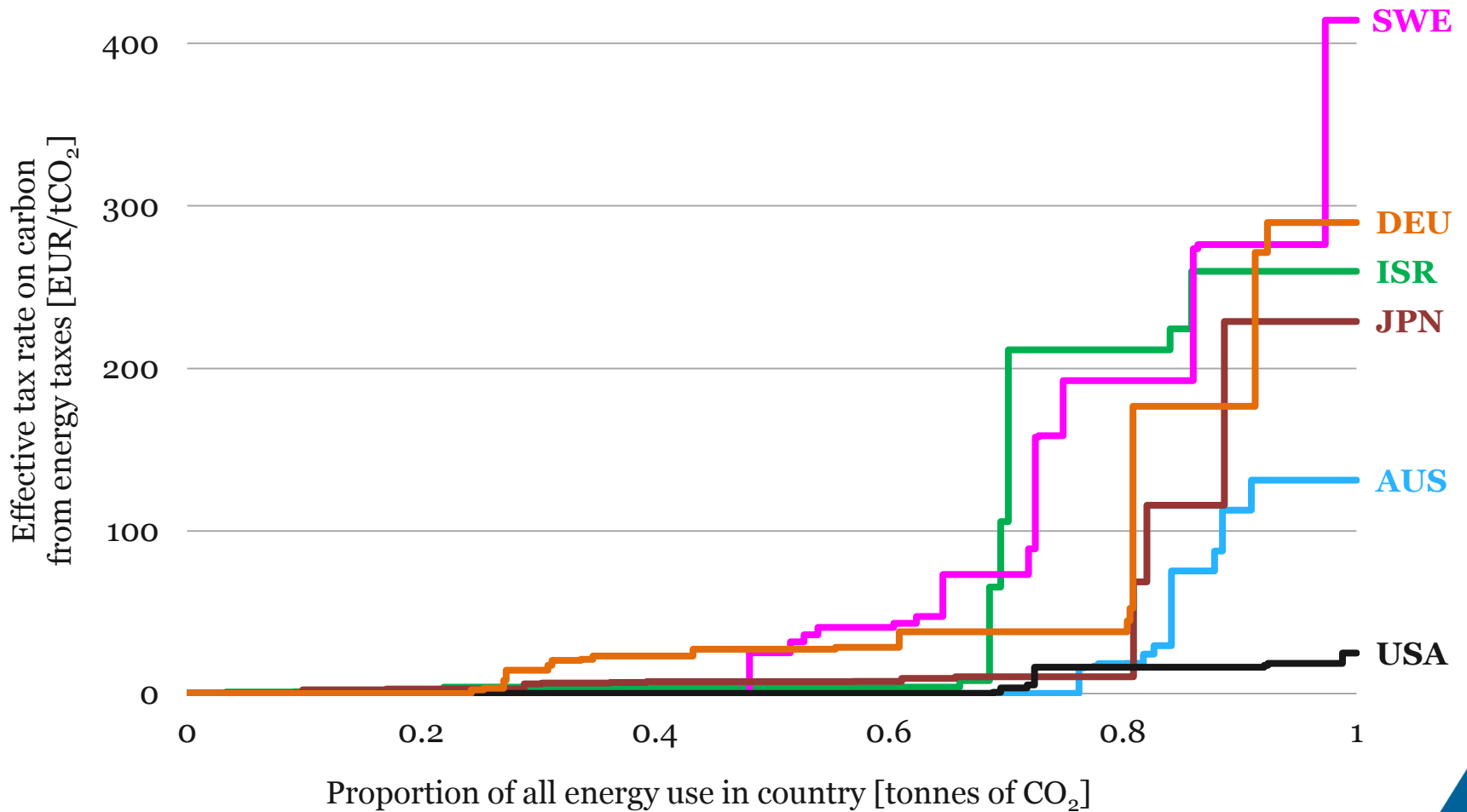
Is energy taxed well in the OECD area, as based on a carbon content basis?



Source: OECD (2013), Taxing Energy Use: A Graphical Analysis.



Effective energy tax rates on a carbon-emissions basis in selected countries

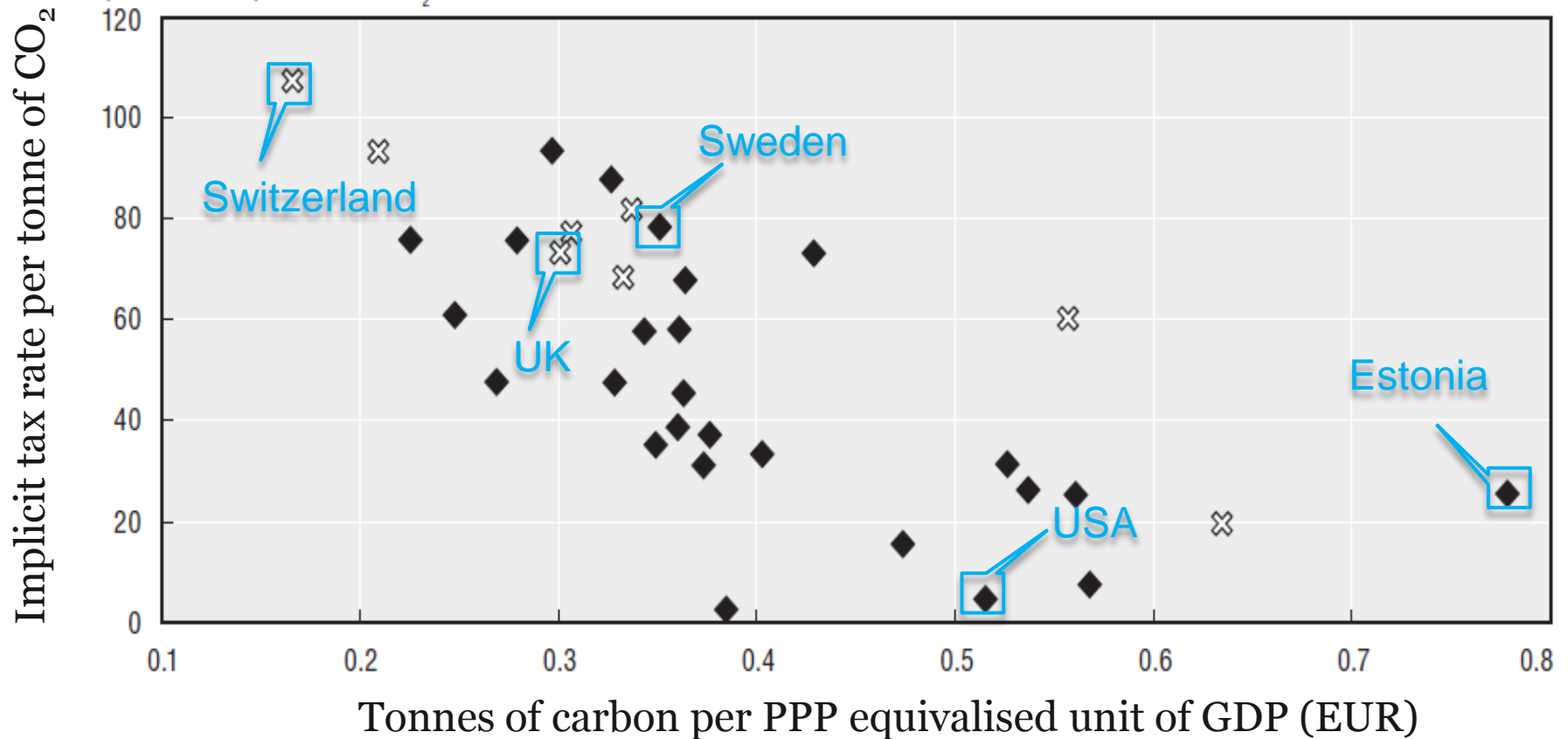


Source: OECD (2013), Taxing Energy Use: A Graphical Analysis.



Pricing works! Shifts investment to efficient & clean energy

Average tax rates on CO₂ and carbon efficiency in OECD countries



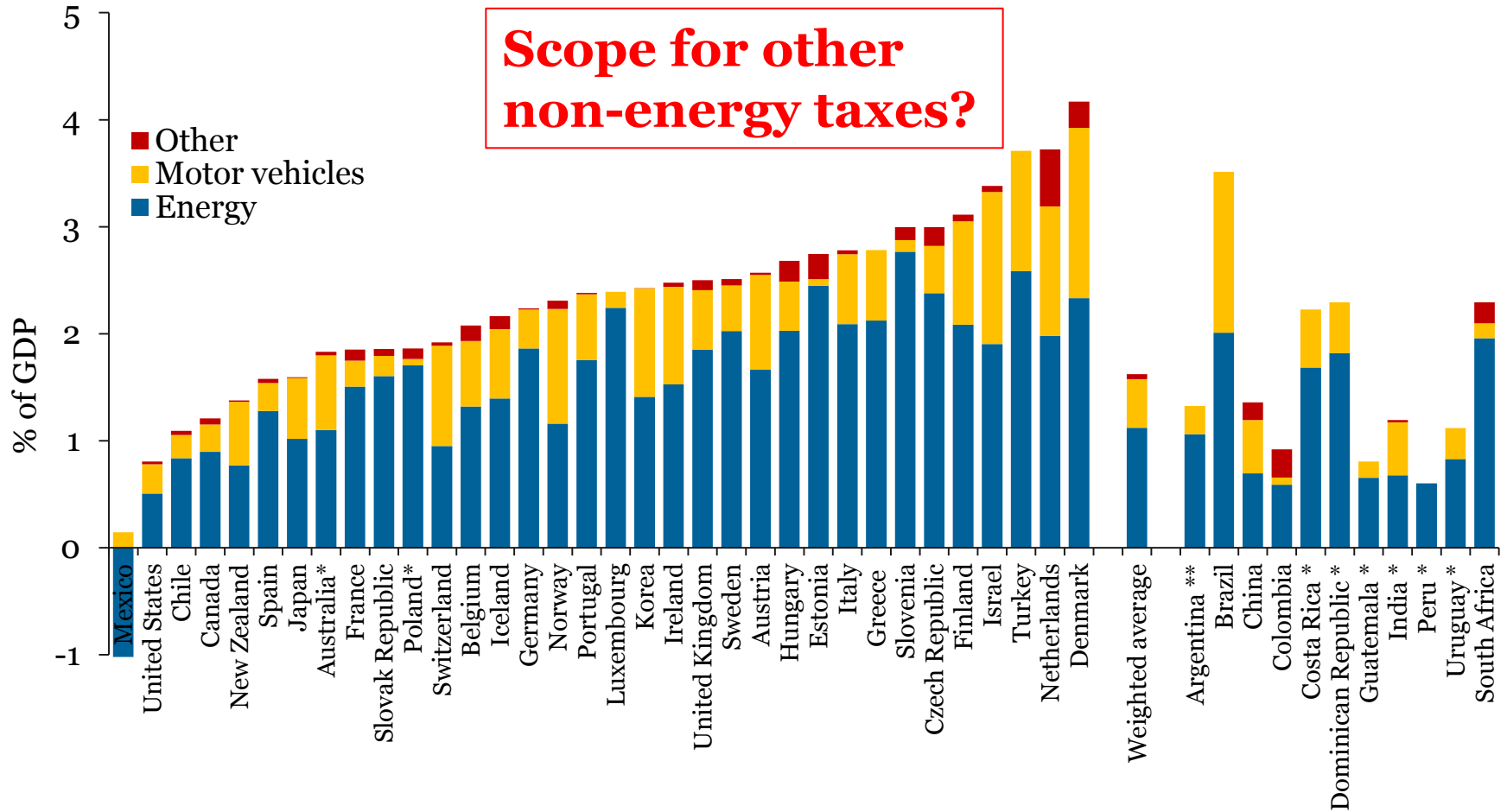
◆ OECD country

⊗ OECD country with explicit carbon tax

Source: OECD (2013), Taxing Energy Use: A Graphical Analysis.



Revenues from environmentally-related taxes, as % of GDP (2011)



*2010 figures ; ** 2009 figure

Source: OECD-EEA Database of Environmental Policy Instruments

[www.oecd.org/env/policies/database]