

The Principle of Carbon Pricing



Principle on carbon pricing

Principle 3: Work towards measures that result in effective carbon pricing

Could include:

- Reducing/eliminating subsidies
- Taxes or tax-like measures (in particular carbon taxes)
- Emission trading systems
- Regulatory policies

Sweden will focus on carbon tax



Why should Sweden lead on carbon pricing?

Long experience with Carbon tax

- introduced in 1991 on low levels (increased over time)
- Reductions for different sectors in the beginning
- Over time emissions have been reduced at the same time as GDP has increased
- It as an effective tool to reduce emissions
- Easy to implement and administer
- Gives revenue to the state



The next step

Focus on the coalition as a way to share experience and facilitate best practice.

Planning a workshop 3-4 october (hands-on)

Possible topics:

- How to make administration easy
- How to address competitiveness concerns
- How to use revenue to get acceptance for the tax
- Taxation in the aviation and maritime sector



Questions on ways forward

What is the best way to bring the principle forward?

- Should we also have a survey on Carbon pricing?
- Introduce a system of Peer review?
- Reoccurring workshops?
- Other?

