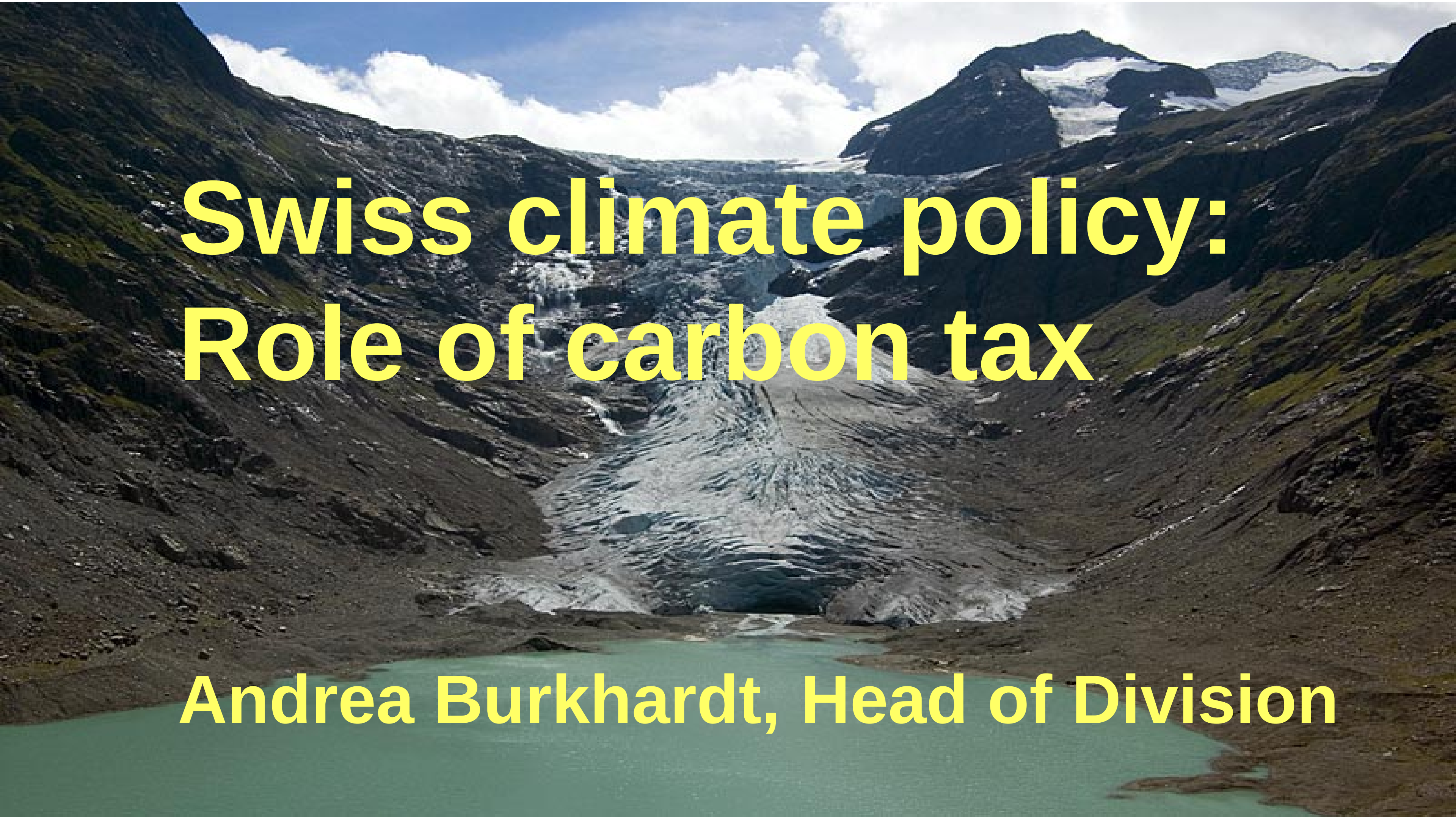
Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of the Environment,
Transport, Energy and Communications DETEC

Federal Office for the Environment FOEN
Climate Division



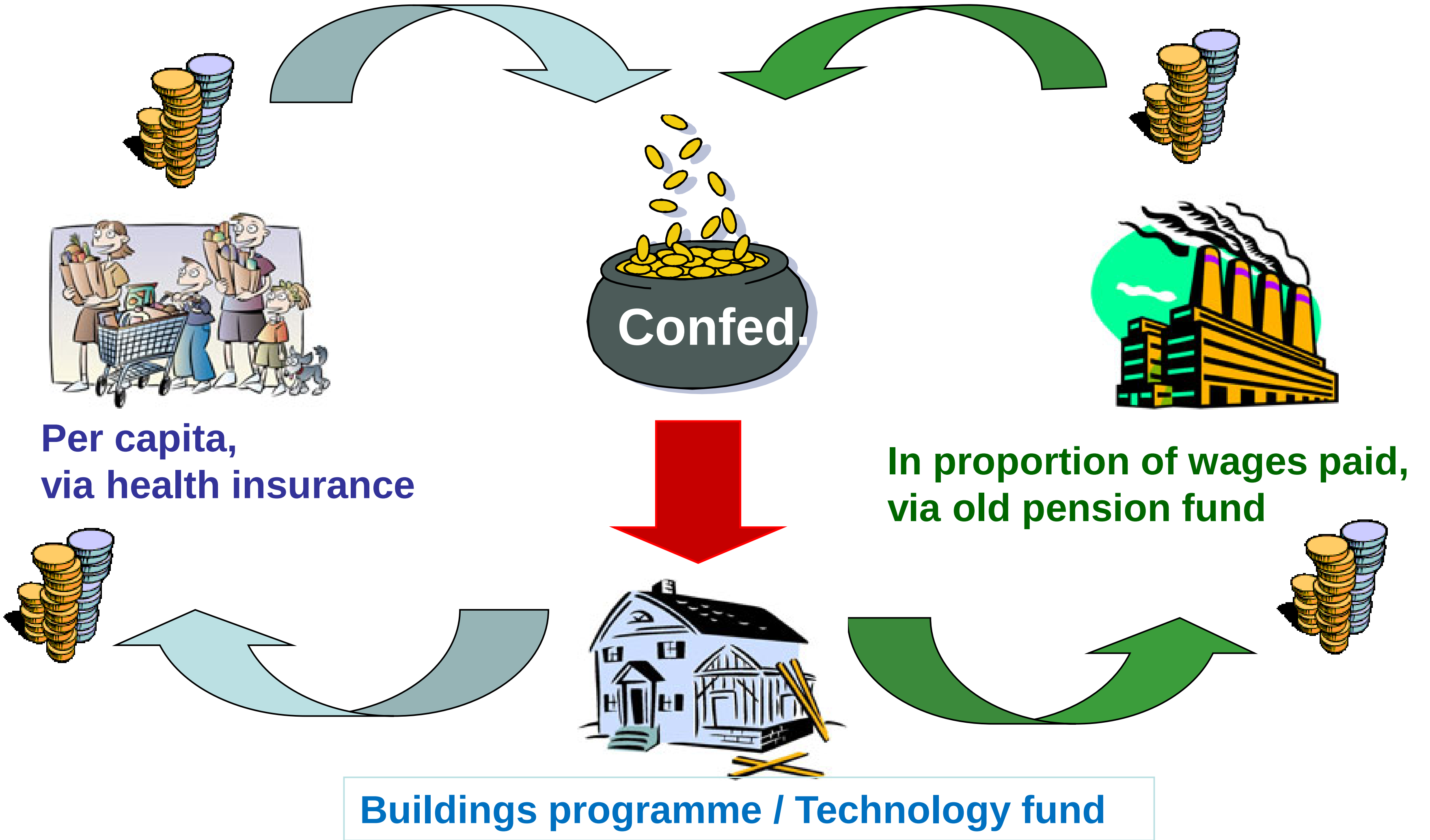
Swiss climate policy: Role of carbon tax

Andrea Burkhardt, Head of Division

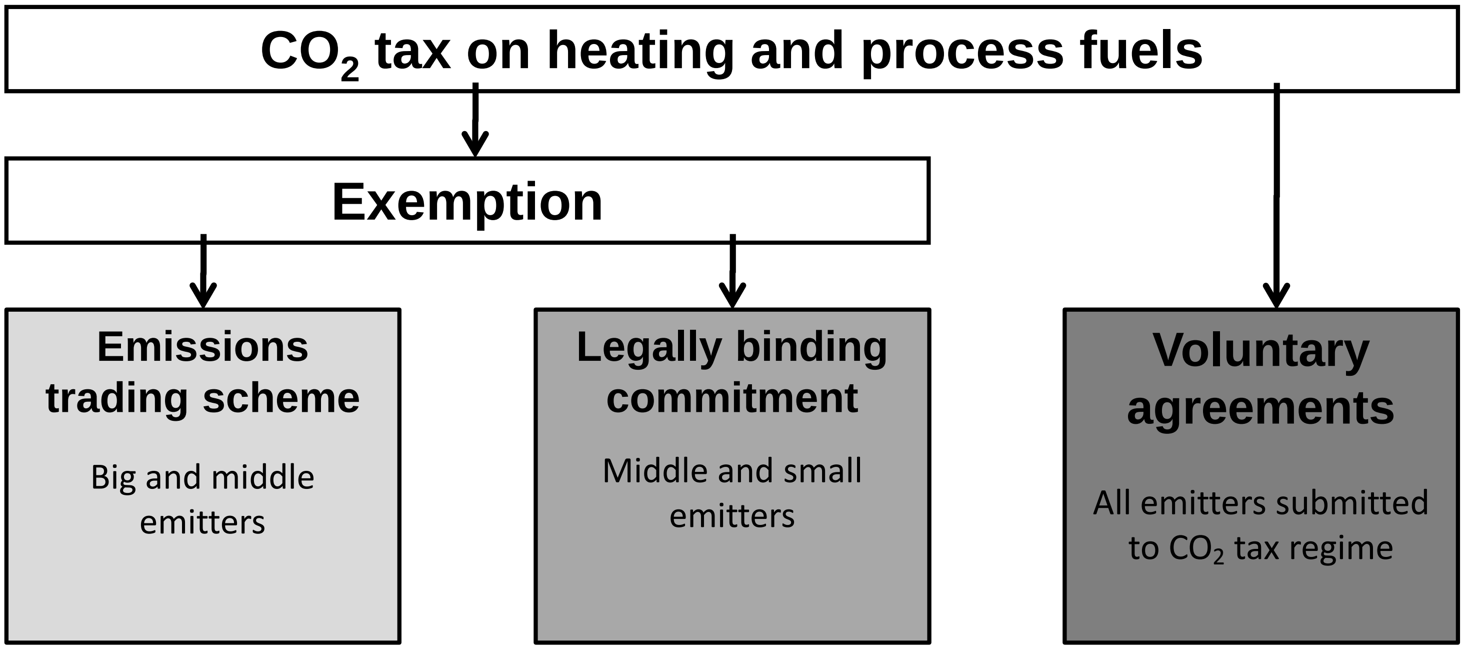
History of CO_2 tax in Switzerland

- 1990: CO_2 tax rejected in formal consultation
- CO_2 Act 1999: CO_2 tax only on subsidiary basis, if voluntary measures are insufficient by 2004
- Introduction in 2008 only on industry and process fuels (motor fuels exempted)
- Gradual increase of tax rate triggered by predefined intermediary targets:
  - 2008: CHF 12 / t CO_2 (3 cts / litre heating oil)
  - 2010: CHF 36 / t CO_2
  - 2014: CHF 60 / t CO_2
  - 2016: CHF 84 / t CO_2
  - 2018: further increase to max. CHF 120 possible

CO_2 levy on heating and process fuels

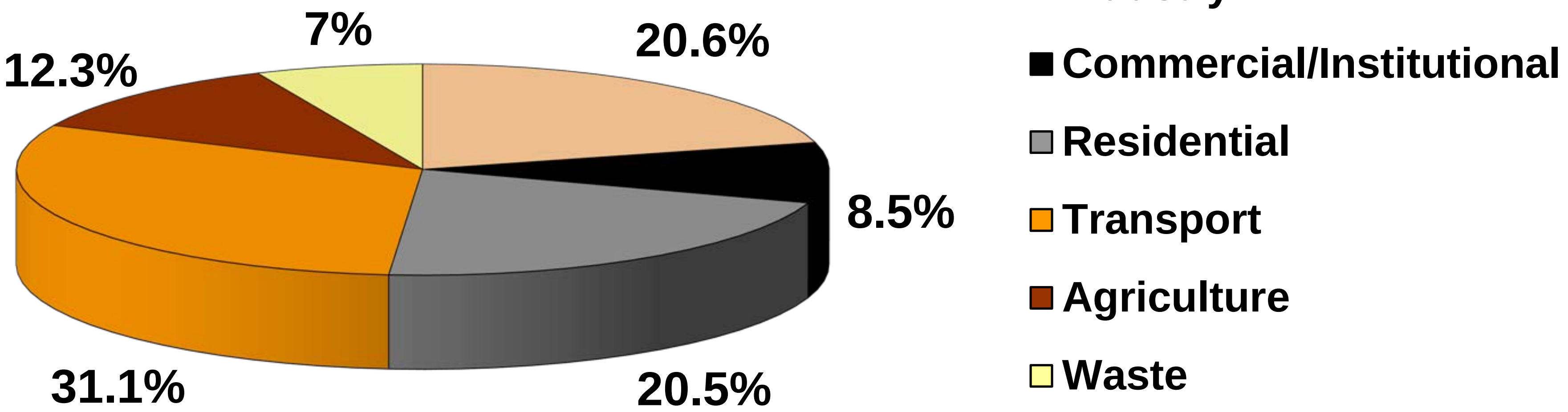


Exemption for CO_2 intensive industry



GHG emissions in Switzerland

GHG emissions by sectors:



Few GHG emissions from power generation:

Electricity production:

- 59 % hydropower
- 36 % nuclear power
- 4 % fossil power plants
- 1 % new renewables

Impact of CO_2 tax

- Switzerland's reduction targets until
  - 2020: 20% below 1990 levels (CO_2 Act)
  - 2030 according to INDC: 50% below 1990 levels (use of market mechanisms envisaged)
- Expected contribution to 2020 target: ~20%
- Confirmed in evaluation under way, difficulties:
  - Top down (modelling): short time series, low tax rate
  - Bottom up (survey with companies): single out effect on decision making
- Beyond 2020: revision of CO_2 Act required, mix of instruments revisited

Thank you for your attention