The Swedish carbon tax

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About the Swedish Energy Agency

• National authority for energy policy issues
• Sorts under Ministry of the Infrastructure
• The Director-General is appointed by the Government
• Government funded
• Around 430 employees, Eskilstuna
Challenges for Sweden

1. 2045: No net GHG emissions
2. Transport sector emissions -70 % 2030
3. Energy efficiency 2030
4. Secure energy supply
Financial policy measures in Sweden

- Emission Trade
- Electricity Certificates
- Energy Tax
- CO₂ Tax

- Industry
- Transport
- Power Heat
- Housing
- Service
The path towards carbon taxation
27 Years of Carbon Taxation experiences

Carbon Tax
1988-1989 Committee of inquiry 1989
Committee Report
1990 Governmental Bill and Parliament
Decision
1991 Carbon Tax introduced
Carbon tax

• Introduced in 1991 part of the 1990/91 tax reform
• Initially 26 €/ton CO2 today ~120€ /ton (1 SKR=0.093 €)

Initially:
• Reduced and simplified labour taxes (-6 billion $)
• Value Added Tax on energy (+ 1.8 billion $)
• Carbon tax introduced at a low levels combined with approx. 50% cuts in energy tax rates (+ 0.4 billion $)
• Certain investment state aid measures

Today: Generating around 23 billion Skr ~ 2.15 billion €
Green tax change shift

2001-2006 Green tax shift
raised environmental taxes, cuts in income taxes focusing on low incomes

2007-2013 Increased environmental taxes significant cuts in labour taxes

2014 and onwards, for example
- phasing out carbon tax reductions
- increased taxes on pesticides and natural gravel as well as energy tax on transport fuels
- reform of vehicle taxation

• In Sweden no earmarking of revenues …. but it may be a solution in other national contexts!
The Swedish carbon tax over time

Carbon tax levels: € per ton

Since 2008 Industry only outside of EU ETS, since 2000 fuels in agriculture forestry and fishery subject to the lower tac level
Real GDP and Domestic CO2eq Emissions in Sweden, 1990–2016

\[ CO_2 \text{ eq} = CO_2 \text{—equivalent} \]
Most evident success - housing

Utsläpp av växthusgaser från uppvärmning av bostäder och lokaler 1990-2017

Källa: Naturvårdsverket
Thank you for your attention!

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