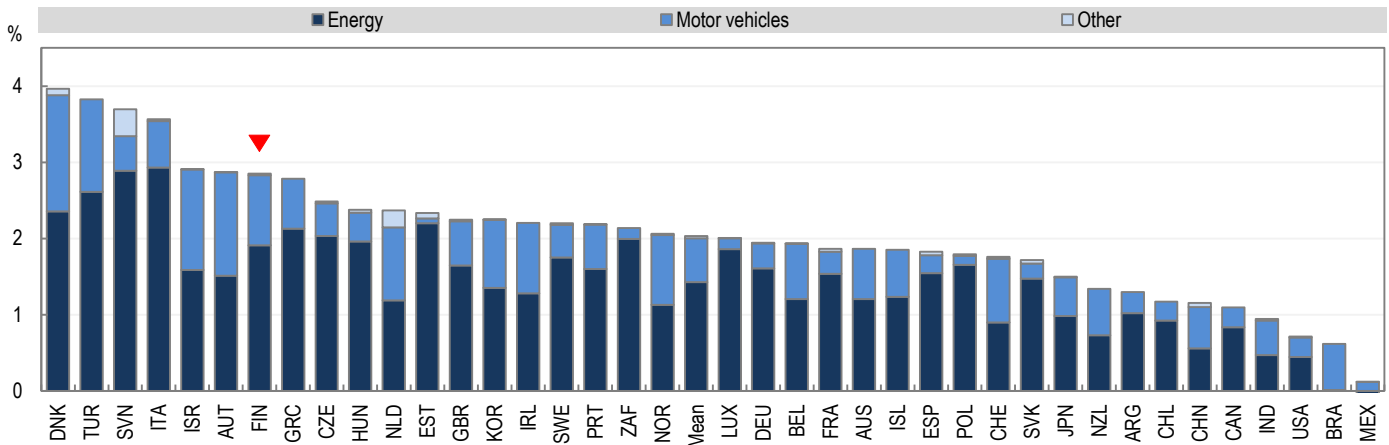


### Revenue from environmentally related taxes in Finland<sup>1</sup>

As a share of GDP, Finland has the 7th highest environmentally related tax revenue among 34 OECD and 5 partner economies. In 2014, environmentally related tax revenues were at 2.85% of GDP, compared to 2.0% on average among the 39 countries.

In Finland, taxes on energy represented 67% of total environmentally related tax revenue, compared to 70% on average among the 39 countries.

Environmentally related tax revenue as a percentage of GDP, 2014



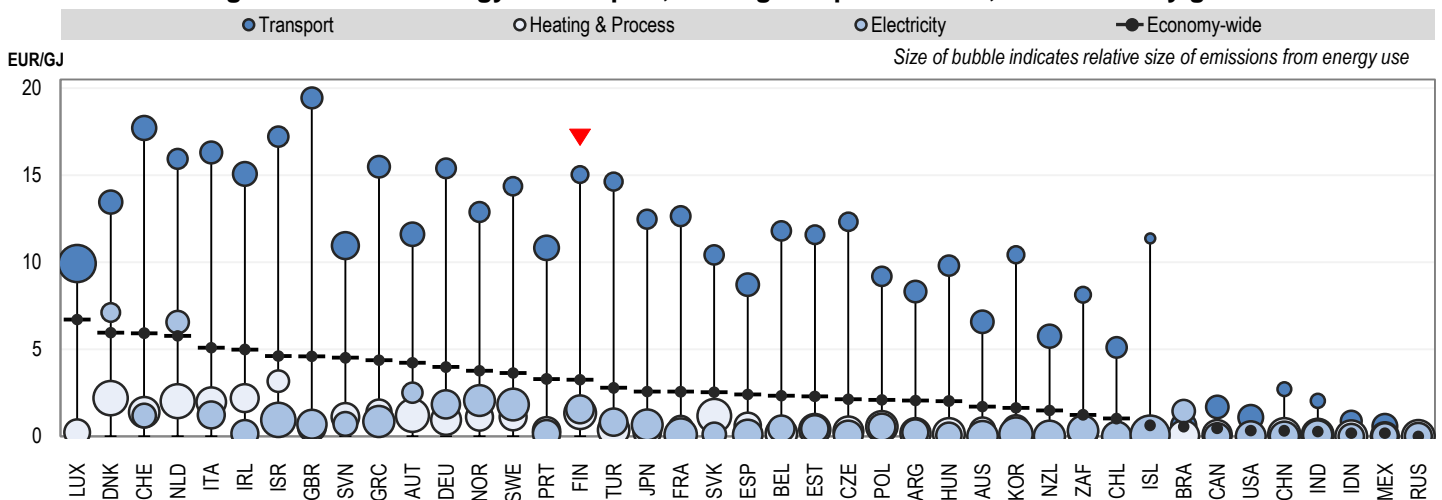
<sup>1</sup>Data from OECD.Stat include all OECD countries (except Latvia) and Argentina, Brazil, China, India and South Africa. Please see OECD.Stat for country specific notes.

### Taxes on energy use in Finland<sup>2</sup>

The [OECD's Taxing Energy Use \(2015\)](#) publication compares taxes on energy use (excise and carbon taxes) across 34 OECD and 7 partner economies. The chart below shows average tax rates, expressed in EUR per GJ, by sector across all fuels and the economy-wide average. The bubble size represents the weight of the sector in total energy use.

- » Finland has higher average tax rates on transport fuels (15.03 EUR/GJ) than on fuels used for heating and process purposes (1.32 EUR/GJ) or electricity generation (1.55 EUR/GJ);
- » Finland has the 16th highest tax rate on energy on an economy-wide basis, at EUR 3.25 per GJ, compared with EUR 2.7 per GJ on a simple-average basis across the 34 OECD and 7 partner economies.

Average tax rates on energy in transport, heating and process use, and electricity generation



<sup>2</sup>Data from *Taxing Energy Use* are for 2012 and include all OECD countries (except Latvia) and Argentina, Brazil, China, India, Indonesia, Russia and South Africa.

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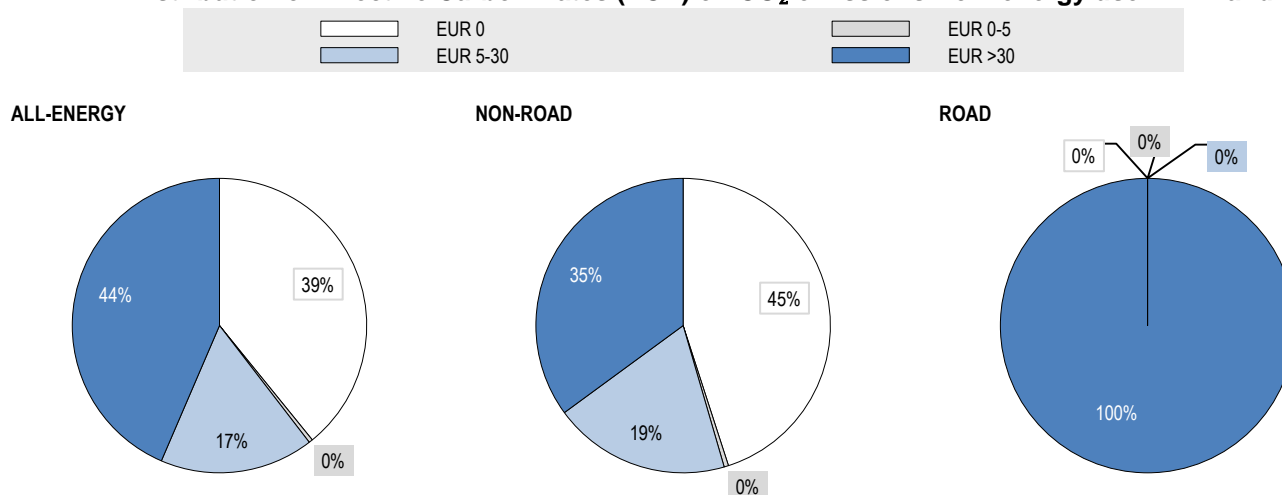
## Effective carbon rates in Finland

The [OECD's Effective Carbon Rates \(2016\)](#) publication presents the combined price signal on CO<sub>2</sub> emissions from taxes on energy and emissions trading systems (ETS), or the effective carbon rate (ECR).<sup>3</sup> The charts below show shares of CO<sub>2</sub> emissions subject to different price ranges, for road, non-road and all emissions from energy use. EUR 30 is a conservative estimate of the climate damage from one tonne of CO<sub>2</sub> emissions.

- » In Finland, 39% of carbon emissions from energy use face no price signal at all; 60% face a price at or above EUR 5 per tonne of CO<sub>2</sub>; and 44% face a price at or above EUR 30 per tonne of CO<sub>2</sub>. This compares to a zero price for 60% of emissions across all countries, a price at or above EUR 5 per tonne for 30% and at or above EUR 30 per tonne for 10% of emissions.

- » Excluding road use, 45% of carbon emissions from energy use in Finland face no price signal at all; 54% face a price at or above EUR 5 per tonne of CO<sub>2</sub>; and 35% face a price at or above EUR 30 per tonne of CO<sub>2</sub>. This compares to a zero price for 70% of emissions across all countries, a price at or above EUR 5 per tonne for 19% and at or above EUR 30 per tonne for 4% of emissions.

### Distribution of Effective Carbon Rates (ECR) on CO<sub>2</sub> emissions from energy use in Finland



Figures shown in the charts may not add up to 100% due to rounding.

<sup>3</sup>Notes on the interpretation of effective carbon rates: Box 3.1 (p.38-40), OECD's Effective Carbon Rates (2016), or consult <http://oe.cd/ECRinterpretation>

### CO<sub>2</sub> emissions priced and average rates in Finland

The table below shows the average price signals from taxes and trading systems, and the share of emissions priced by these instruments.

- » Finland is subject to the EU ETS, which had an average permit price of EUR 7.24 per tonne of CO<sub>2</sub> in 2012.

- » In total, taxes in Finland price 48% of CO<sub>2</sub> emissions from energy use; and the EU ETS prices 30%. The sectors with the highest tax coverage are electricity (100%) and road transport (100%). The sectors with the highest price coverage by the ETS are electricity (66%) and industry (35%).

### Share of emissions priced and average price signals from tax & ETS, Finland

CO <sub>2</sub> emissions by sector (in t CO <sub>2</sub> )	Tax		ETS		Overlap of tax and ETS <sup>5</sup>	Emissions not priced by tax or ETS
	Average price (in EUR/tCO <sub>2</sub> )	Share of emissions priced	Average price (in EUR/tCO <sub>2</sub> )	Share of emissions priced		
Agriculture & Fishing	19.2	69%	7.2	1%	1%	31%
Electricity	37.6	100%	7.2	66%	66%	0%
Industry	63.8	27%	7.2	35%	13%	51%
Offroad transport	237.6	40%	7.2	24%	10%	46%
Residential & Commercial	59.2	30%	7.2	0%	0%	70%
Road transport	216.1	100%	0.0	0%	0%	0%
<b>Total<sup>4</sup></b>	<b>46.7</b>	<b>48%</b>	<b>2.1</b>	<b>30%</b>	<b>17%</b>	<b>39%</b>

Access the data for all 41 countries: <http://oe.cd/emissionsdata>

<sup>4</sup>Total average prices are weighted by the share of emissions in each sector that is priced in the country.

<sup>5</sup>Tax and ETS can apply to the same emissions base. The overlap describes the percentage of emissions in a sector that is priced by both tax and ETS.