Revenue from environmentally related taxes in Finland¹

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](image)

¹Data 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 Finland²

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](image)

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

**Contacts**

David Bradbury  
Centre for Tax Policy and Administration  
Head, Tax Policy and Statistics Division  
David.Bradbury@oecd.org

Kurt Van Dender  
Centre for Tax Policy and Administration  
Head, Tax and Environment Unit  
Kurt.VanDender@oecd.org
Effective carbon rates in Finland

The OECD’s Effective Carbon Rates (2016) publication presents the combined price signal on CO₂ emissions from taxes on energy and emissions trading systems (ETS), or the effective carbon rate (ECR). The charts below show shares of CO₂ 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 CO₂ 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 CO₂; and 44% face a price at or above EUR 30 per tonne of CO₂. 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 CO₂; and 35% face a price at or above EUR 30 per tonne of CO₂. 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 CO₂ emissions from energy use in Finland

![Distibution of Effective Carbon Rates (ECR) on CO₂ emissions from energy use in Finland](chart)

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


CO₂ 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.

In total, taxes in Finland price 48% of CO₂ 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 rates from tax & ETS, Finland

<table>
<thead>
<tr>
<th>CO₂ emissions by sector (in t CO₂)</th>
<th>Tax</th>
<th>ETS</th>
<th>Overlap of tax and ETS&lt;sup&gt;3&lt;/sup&gt;</th>
<th>Emissions not priced by tax or ETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average price (in EUR/tCO₂)</td>
<td>Share of emissions priced</td>
<td>Average price (in EUR/tCO₂)</td>
<td>Share of emissions priced</td>
<td></td>
</tr>
<tr>
<td>Agriculture &amp; Fishing</td>
<td>2 234</td>
<td>19.2</td>
<td>69%</td>
<td>7.2</td>
</tr>
<tr>
<td>Electricity</td>
<td>12 320</td>
<td>37.6</td>
<td>100%</td>
<td>7.2</td>
</tr>
<tr>
<td>Industry</td>
<td>52 741</td>
<td>63.8</td>
<td>27%</td>
<td>7.2</td>
</tr>
<tr>
<td>Offroad transport</td>
<td>814</td>
<td>237.6</td>
<td>40%</td>
<td>7.2</td>
</tr>
<tr>
<td>Residential &amp; Commercial</td>
<td>10 170</td>
<td>59.2</td>
<td>30%</td>
<td>7.2</td>
</tr>
<tr>
<td>Road transport</td>
<td>11 749</td>
<td>216.1</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Total&lt;sup&gt;4&lt;/sup&gt;</td>
<td>90 027</td>
<td>46.7</td>
<td>48%</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Access the data for all 41 countries: [http://oe.cd/emissionsdata](http://oe.cd/emissionsdata)

<sup>3</sup>Total average prices are weighted by the share of emissions in each sector that is priced in the country.

<sup>4</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.