Revenue from environmentally related taxes in Switzerland¹

As a share of GDP, Switzerland has the 12th lowest environmentally related tax revenue among 34 OECD and 5 partner economies. In 2014, environmentally related tax revenues were at 1.76% of GDP, compared to 2.0% on average among the 39 countries.

In Switzerland, taxes on energy represented 51% of total environmentally related tax revenue, compared to 70% on average among the 39 countries.

Taxes on energy use in Switzerland²

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.

Switzerland has higher average tax rates on transport fuels (17.71 EUR/GJ) than on fuels used for heating and process purposes (1.38 EUR/GJ) or electricity generation (1.19 EUR/GJ);

Switzerland has the 3rd highest tax rate on energy on an economy-wide basis, at EUR 5.92 per GJ, compared with EUR 2.7 per GJ on a simple-average basis across the 34 OECD and 7 partner economies.

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 Switzerland

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 Switzerland, 18% of carbon emissions from energy use face no price signal at all; 82% face a price at or above EUR 5 per tonne of CO₂; and 63% 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, 27% of carbon emissions from energy use in Switzerland face no price signal at all; 72% face a price at or above EUR 5 per tonne of CO₂; and 42% 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.

CO₂ emissions priced and average rates in Switzerland

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 Switzerland price 77% of CO₂ emissions from energy use; and the Swiss ETS covers 10%. The sectors with the highest tax coverage are road transport (100%) and residential and commercial (82%). The sectors with the highest price coverage by the ETS are industry (42%) and offroad transport (7%).

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

<table>
<thead>
<tr>
<th>CO₂ emissions by sector (in t CO₂)</th>
<th>Average price (in EUR/tCO₂)</th>
<th>Share of emissions priced</th>
<th>Average price (in EUR/tCO₂)</th>
<th>Share of emissions priced</th>
<th>Overlap of tax and ETS</th>
<th>Emissions not priced by tax or ETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; Fishing</td>
<td>450</td>
<td>0.0</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Electricity</td>
<td>369</td>
<td>50.4</td>
<td>7%</td>
<td>0.0</td>
<td>0%</td>
<td>93%</td>
</tr>
<tr>
<td>Industry</td>
<td>10 585</td>
<td>18.6</td>
<td>40%</td>
<td>25.0</td>
<td>42%</td>
<td>19%</td>
</tr>
<tr>
<td>Offroad transport</td>
<td>315</td>
<td>165.0</td>
<td>35%</td>
<td>25.0</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Residential &amp; Commercial</td>
<td>17 987</td>
<td>29.1</td>
<td>82%</td>
<td>0.0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Road transport</td>
<td>16 864</td>
<td>252.2</td>
<td>100%</td>
<td>0.0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46 570</strong></td>
<td><strong>102.4</strong></td>
<td><strong>77%</strong></td>
<td><strong>2.4</strong></td>
<td><strong>10%</strong></td>
<td><strong>4%</strong></td>
</tr>
</tbody>
</table>

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

Total average prices are weighted by the share of emissions in each sector that is priced in the country.

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.