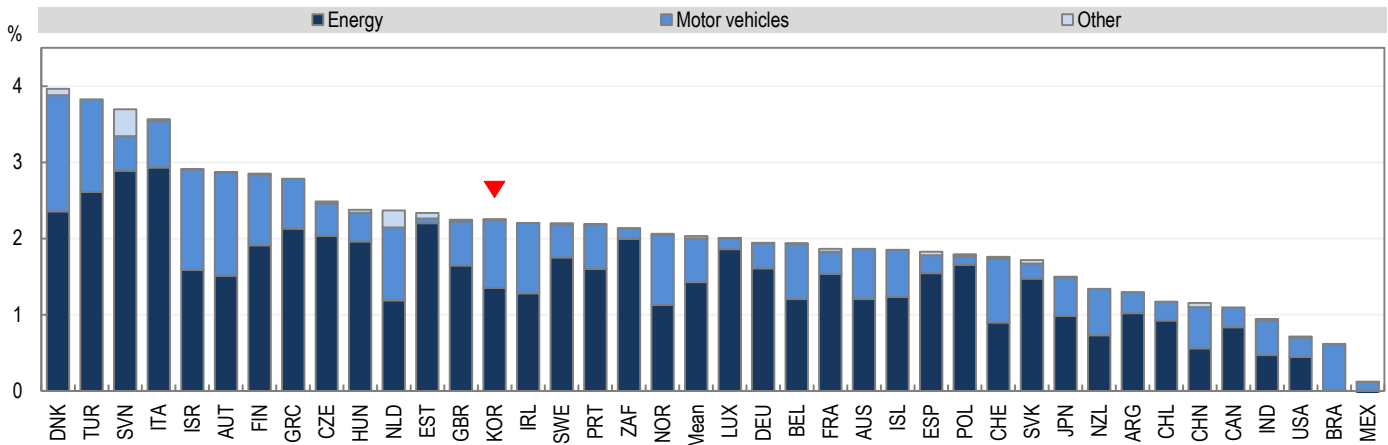


Revenue from environmentally related taxes in Korea¹

As a share of GDP, Korea has the 14th highest environmentally related tax revenue among 34 OECD and 5 partner economies. In 2014, environmentally related tax revenues were at 2.25% of GDP, compared to 2.0% on average among the 39 countries.

In Korea, taxes on energy represented 60% 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



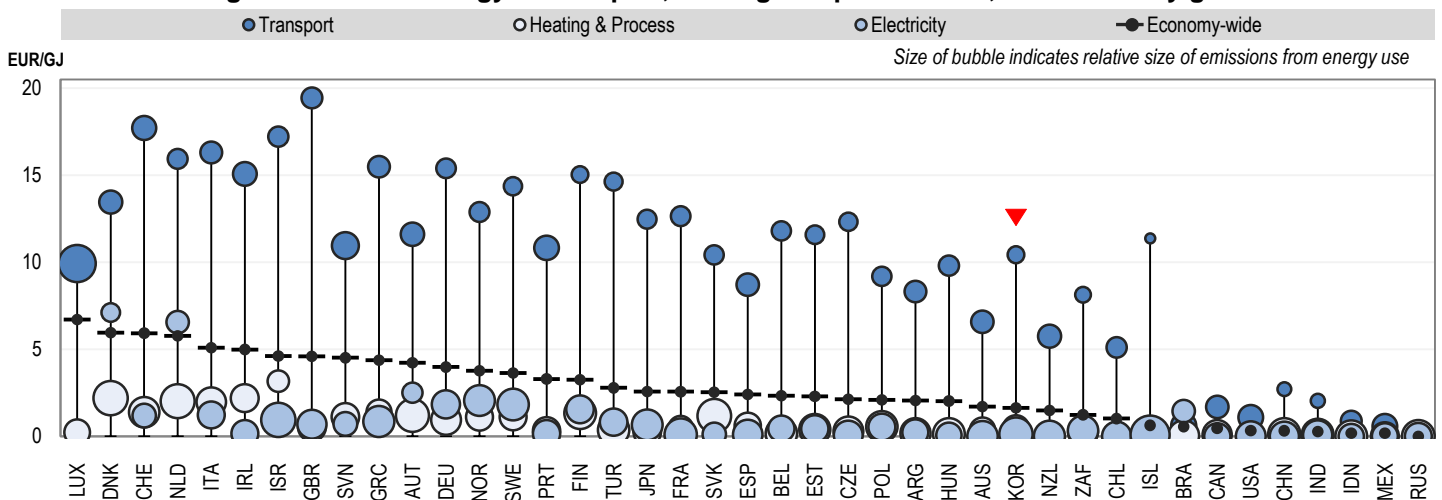
¹Data from OECD.Stat include all OECD countries (except Latvia) and Argentina, Brazil, China, India and South Africa. Please see OECD.Stat for country specific notes.

Taxes on energy use in Korea²

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.

- » Korea has higher average tax rates on transport fuels (10.43 EUR/GJ) than on fuels used for heating and process purposes (0.46 EUR/GJ) or electricity generation (0.12 EUR/GJ);
- » Korea has the 29th highest tax rate on energy on an economy-wide basis, at EUR 1.63 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



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.

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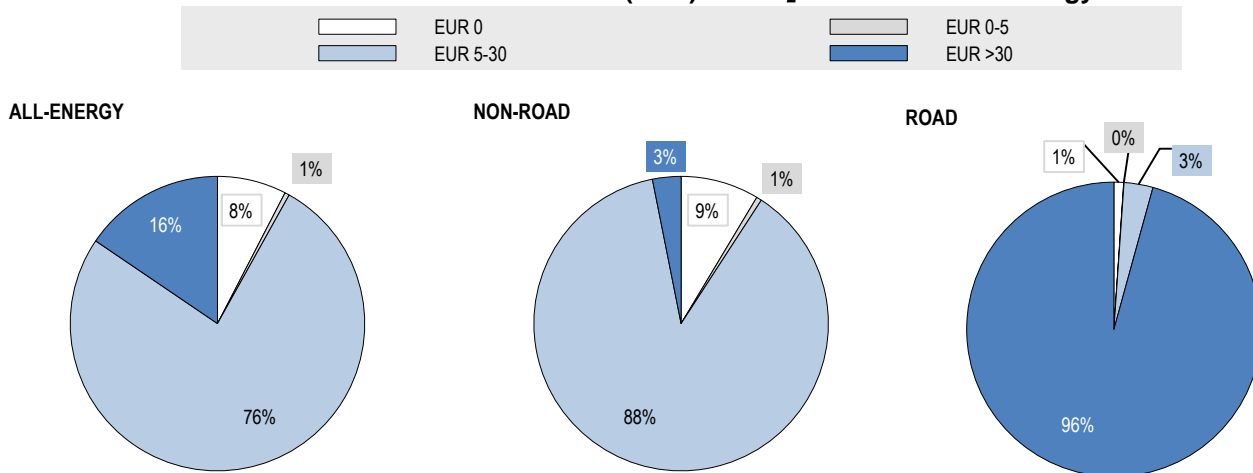
Effective carbon rates in Korea

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).³ 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 Korea, 8% of carbon emissions from energy use face no price signal at all; 92% face a price at or above EUR 5 per tonne of CO₂; and 16% 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, 9% of carbon emissions from energy use in Korea face no price signal at all; 91% face a price at or above EUR 5 per tonne of CO₂; and 3% 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 Korea



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

³Notes 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>

CO₂ emissions priced and average rates in Korea

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

» Korea is subject to the Korean ETS, which had an average permit price of EUR 11 per tonne of CO₂ in 2015.

In total, taxes in Korea price 37% of CO₂ emissions from energy use; and the Korean ETS covers 77%. The sectors with the highest tax coverage are road transport (99%) and residential and commercial (85%). The sectors with the highest price coverage by the ETS are industry (91%) and electricity (90%).

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

CO ₂ emissions by sector (in t CO ₂)	Tax		ETS		Overlap of tax and ETS ⁵	Emissions not priced by tax or ETS
	Average price (in EUR/tCO ₂)	Share of emissions priced	Average price (in EUR/tCO ₂)	Share of emissions priced		
Agriculture & Fishing	22.4	16%	0.0	0%	0%	84%
Electricity	9.9	23%	6.7	90%	21%	8%
Industry	14.2	20%	6.7	91%	19%	8%
Offroad transport	100.6	34%	6.7	32%	11%	45%
Residential & Commercial	15.7	85%	6.7	87%	77%	5%
Road transport	154.9	99%	0.0	0%	0%	1%
Total⁴	23.8	37%	5.1	77%	22%	8%

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

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

⁵Tax 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.