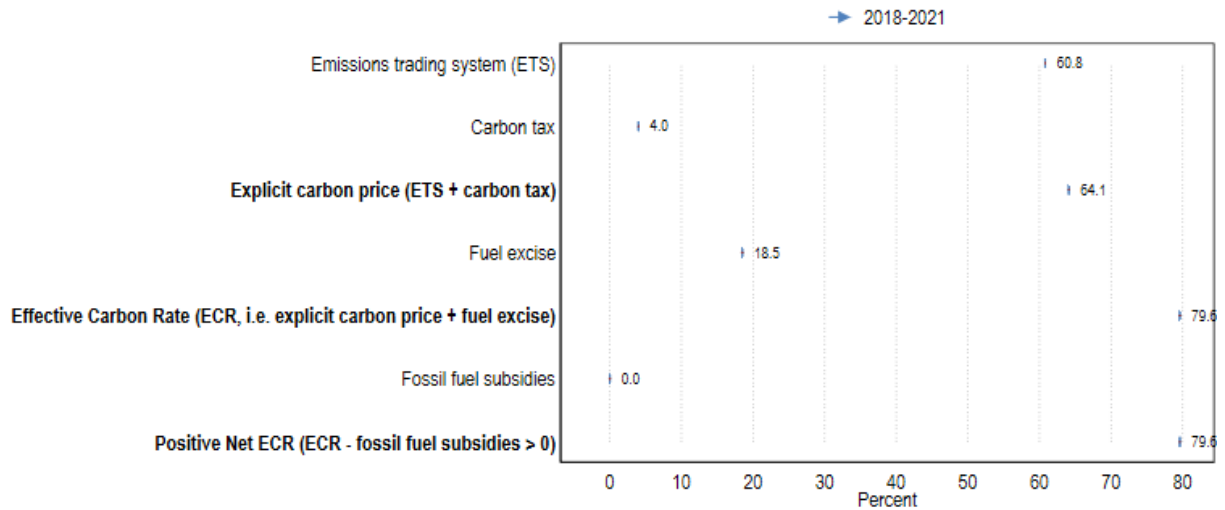


## Carbon pricing in Estonia

### Share of greenhouse gas emissions subject to a positive price by instrument, 2018-2021

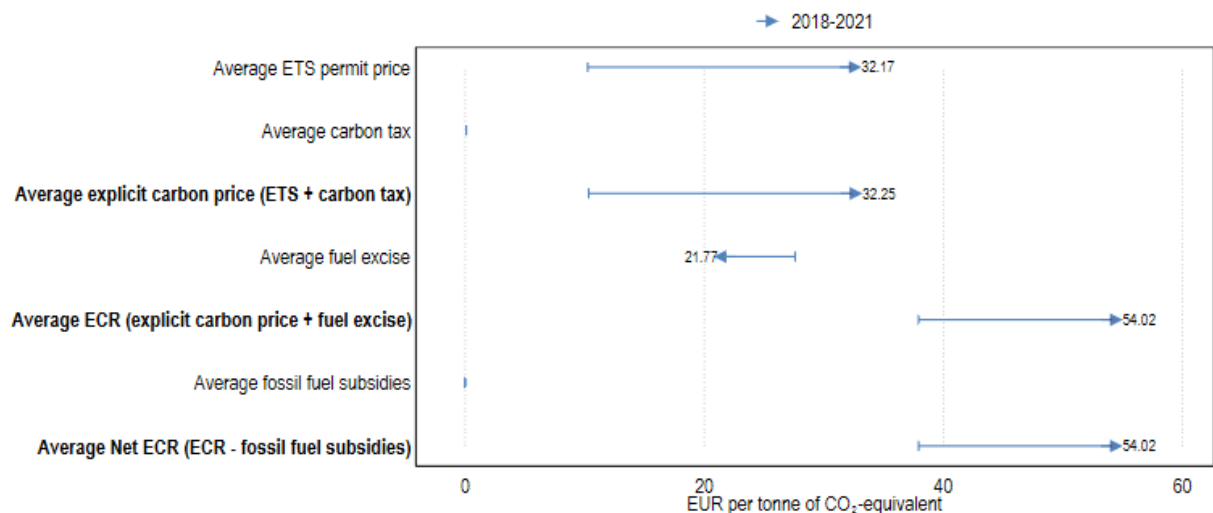
In 2021, explicit carbon prices in Estonia consist of emissions trading system (ETS) permit prices and carbon taxes, which cover 64.1% of greenhouse gas (GHG) emissions in CO<sub>2</sub>e. In total, 79.6% of GHG emissions in Estonia are subject to a positive Net Effective Carbon Rate (ECR) in 2021, unchanged since 2018. Fuel excise taxes, an implicit form of carbon pricing, cover 18.5% of emissions in 2021, unchanged since 2018.



Note: Percentages are rounded to the first decimal place.

### Average effective carbon prices by instrument, real 2021 EUR, 2018-2021

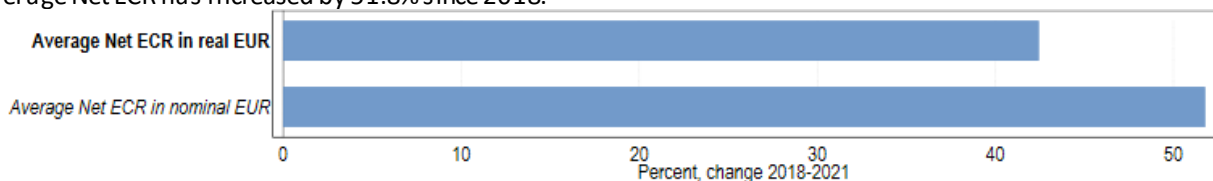
Explicit carbon prices have increased to an average of EUR 32.25 per tonne of CO<sub>2</sub>e, up by EUR 21.92 (212.2%) since 2018. In 2021, fuel excise taxes amounted to EUR 21.77 on average, down by EUR 5.83 (21.1%) relative to 2018.



Note: Prices are rounded to the nearest eurocent.

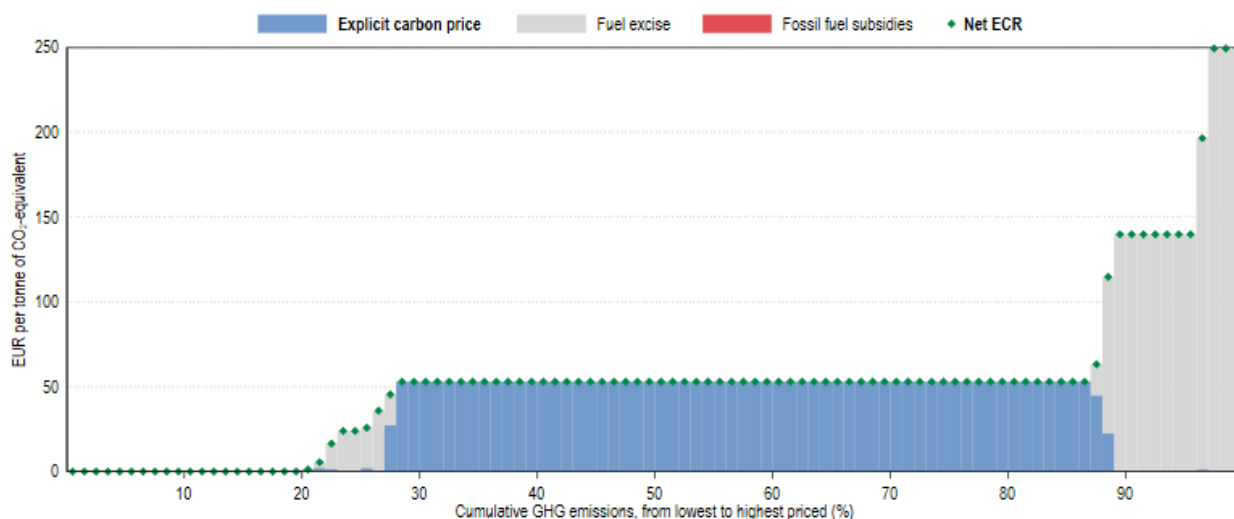
### Percentage change in the average Net ECR by reference price, 2018-2021

The change in carbon prices in Estonia was affected by inflation. The average Net ECR on GHG emissions has increased by 42.4% since 2018 when measured in real 2021 euros. In nominal euros, devalued by inflation, the average Net ECR has increased by 51.8% since 2018.



## Distribution of effective carbon prices across GHG emissions, 2021

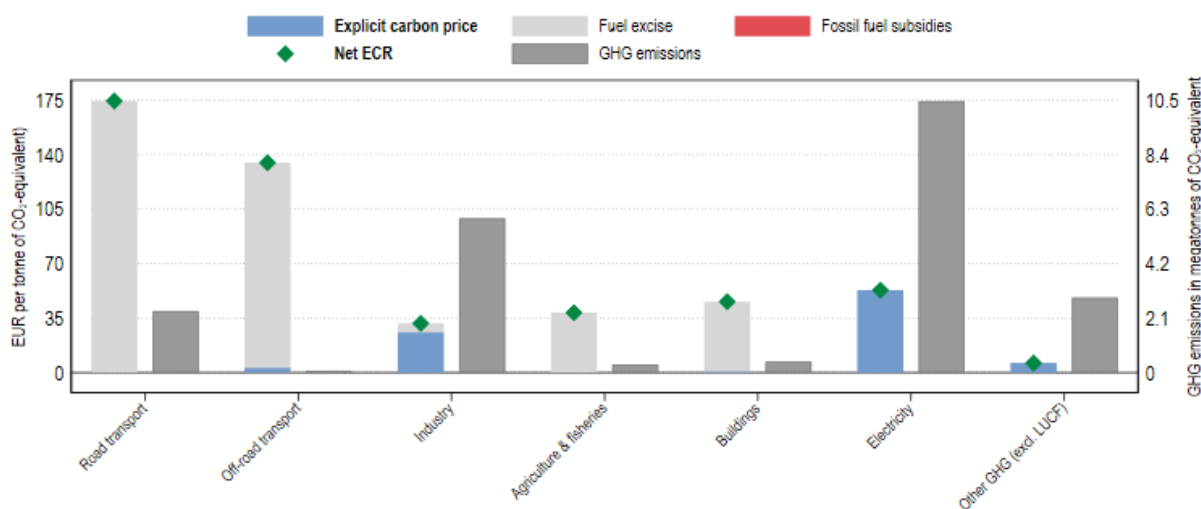
Less than 12.7% of GHG emissions have a Net ECR above EUR 60 per tonne of CO<sub>2</sub>e, a mid-range estimate of current carbon costs.



Note: Simplified for illustration (the average price for each percentile bracket is shown).

## Average effective carbon prices (left axis) and GHG emissions (right axis) by sector, 2021

Net effective carbon rates are highest in the road transport sector, which accounts for 10.6% of the country's total GHG emissions. The Net ECR is positive in all sectors.



### Want to know more?

- Access the report *Pricing Greenhouse Gas Emissions* (OECD 2022): <https://oe.cd/pricing-greenhouse-gas-emissions>.
- Which domestic policy instruments are included as carbon pricing instruments? View the background information: [www.oecd.org/tax/tax-policy/carbon-pricing-background-notes.pdf](http://www.oecd.org/tax/tax-policy/carbon-pricing-background-notes.pdf)
- Access the data shown in the country notes: <https://stats.oecd.org/Index.aspx?DataSetCode=ECRS>

 <https://oe.cd/tax-and-environment>

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