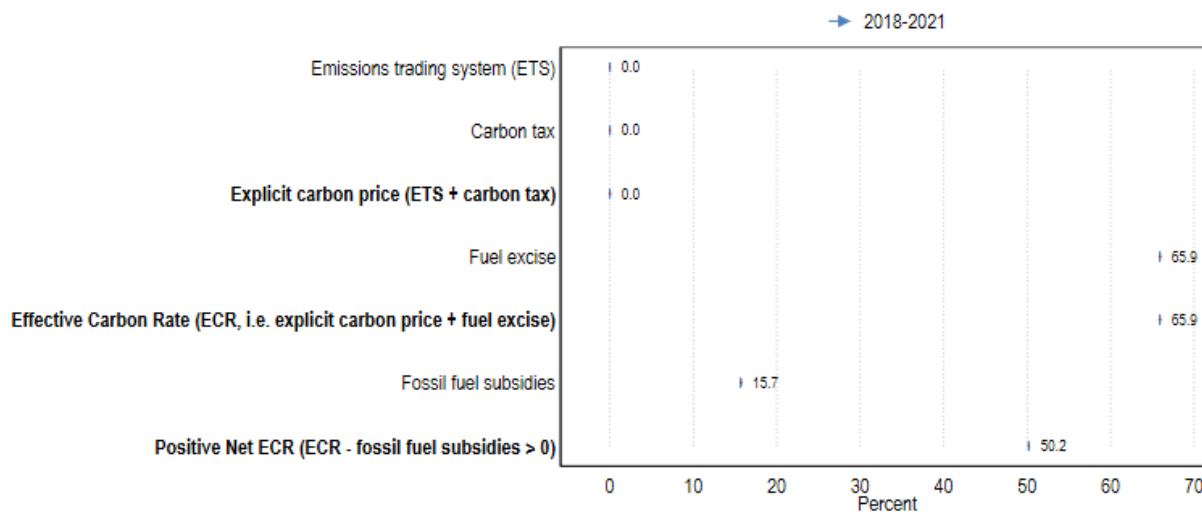


## Carbon pricing in Israel

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

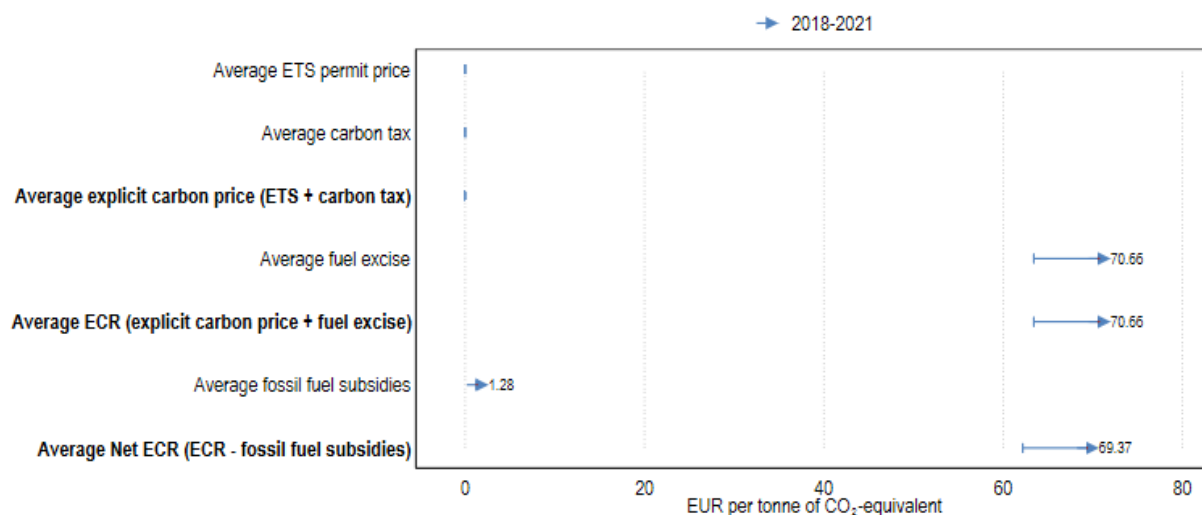
In total, 50.2% of GHG emissions in Israel are subject to a positive Net Effective Carbon Rate (ECR) in 2021, unchanged since 2018. Israel does not levy an explicit carbon price. Fuel excise taxes, an implicit form of carbon pricing, cover 65.9% of emissions in 2021, unchanged since 2018. Fossil fuel subsidies cover 15.7% of emissions in 2021, unchanged since 2018.<sup>1</sup>



Note: Percentages are rounded to the first decimal place.

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

In 2021, fuel excise taxes amounted to EUR 70.66 on average, up by EUR 7.24 (11.4%) relative to 2018. Fossil fuel subsidies have increased to an average of EUR 1.28 per tonne of CO<sub>2</sub>e, up 4.1% since 2018.

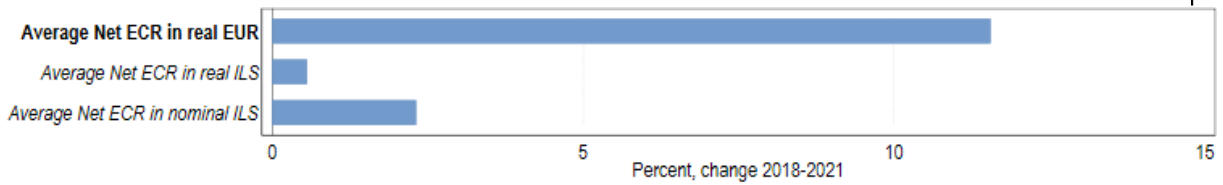


Note: Prices are rounded to the nearest eurocent.

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

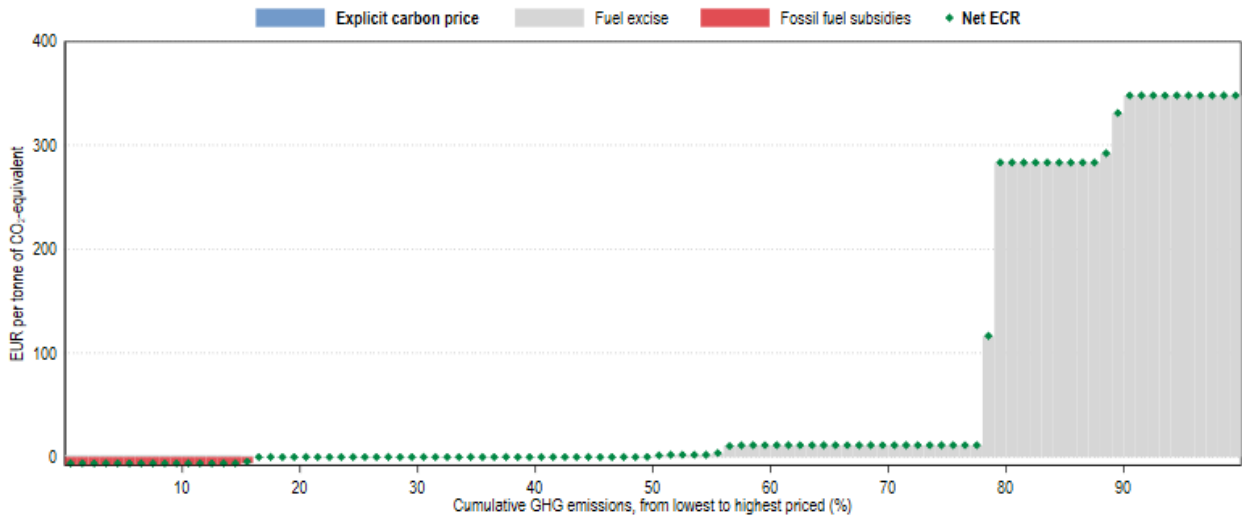
The change in carbon prices in Israel was affected by exchange rate appreciation and inflation. The average Net ECR on GHG emissions has increased by 11.6% since 2018 when measured in real 2021 euros. In real new Israeli sheqels (ILS), which has appreciated relative to the euro between 2018 and 2021, the average Net ECR has increased by 0.6%. In nominal ILS, devalued by inflation, the average Net ECR has increased by 2.3% since 2018.

<sup>1</sup> Disclaimer: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.



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

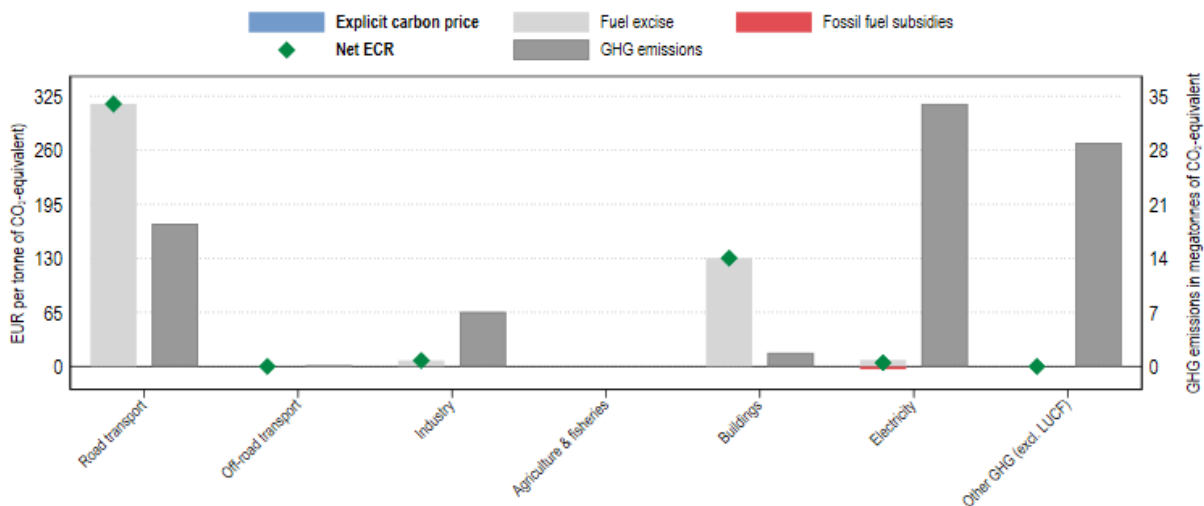
Less than 21.7% of GHG emissions have a Net ECR above EUR 60 per tonne of CO<sub>2</sub>e, a mid-range estimate of current carbon costs.



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 20.5% of the country's total GHG emissions. The Net ECR is zero in the other GHG emissions and off-road transport sectors. Together, these sectors account for 32.2% of GHG emissions.



### 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>

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