Carbon pricing in Sweden

Share of greenhouse gas emissions subject to a positive price by instrument, 2018-2021
In 2021, explicit carbon prices in Sweden consist of emissions trading system (ETS) permit prices and carbon taxes, which cover 77.3% of greenhouse gas (GHG) emissions in CO$_2$e. In total, 78.6% of GHG emissions in Sweden 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 50.5% of emissions in 2021, unchanged since 2018.

Average effective carbon prices by instrument, real 2021 EUR, 2018-2021
Explicit carbon prices have increased to an average of EUR 58.16 per tonne of CO$_2$e, up by EUR 15.57 (36.6%) since 2018. In 2021, fuel excise taxes amounted to EUR 44.77 on average, up by EUR 1.42 (3.3%) relative to 2018.

Percentage change in the average Net ECR by reference price, 2018-2021
The change in carbon prices in Sweden was affected by exchange rate appreciation and inflation. The average Net ECR on GHG emissions has increased by 19.8% since 2018 when measured in real 2021 euros. In real Swedish kronor (SEK), which has appreciated relative to the euro between 2018 and 2021, the average Net ECR has increased by 18.4%. In nominal SEK, devalued by inflation, the average Net ECR has increased by 23.7% since 2018.
Distribution of effective carbon prices across GHG emissions, 2021
Less than 45.1% of GHG emissions have a Net ECR above EUR 60 per tonne of CO$_2$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 30.8% of the country's total GHG emissions. The Net ECR is positive in all sectors.

Want to know more?
- 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)

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