



# Measuring Luxembourg's support for fossil fuels – preliminary results

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**STATEC**



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# Background

## A growing international demand

- Request from UNEP for calculating SDG indicator 12.c.1
- Eurostat TF on Potential Environmentally Damaging Subsidies
- OECD Inventory of support measures for fossil fuels

# Inventory of fossil fuels supports

Type	Category	Name
Explicit transfers	Direct transfers of fund	Support to the new gas infrastructure
Implicit transfers	Revenue foregone	Lower excise
Implicit transfers	Revenue foregone	Tax abatement
??	??	Freely allocated allowances in EU Emissions Trading System

# Calculation methods

- Direct transfers of fund => *Government budget*
- Lower excise and Tax abatement => *estimation based on Energy statistics and legal acts*

*Request definition of a reference value : « the highest value for the same energy product »*

*Calculated as : quantities sold \* (highest value – applied value)*

- Freely allocated allowances => *estimation based on CO2 permits accounts*

*Request definition of a reference price: « average Luxembourg C price at EEX »*

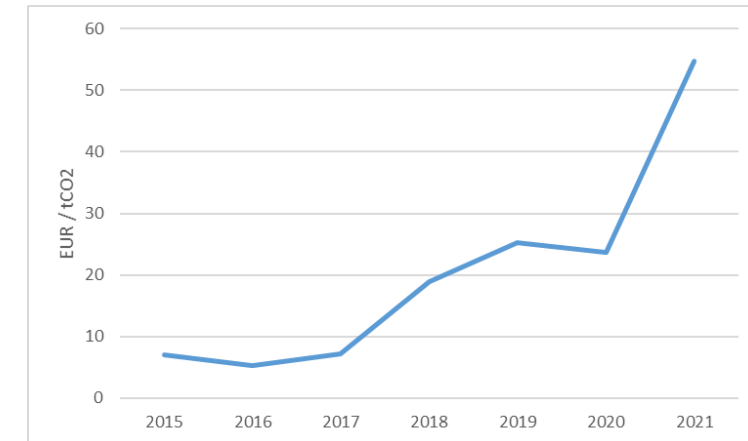
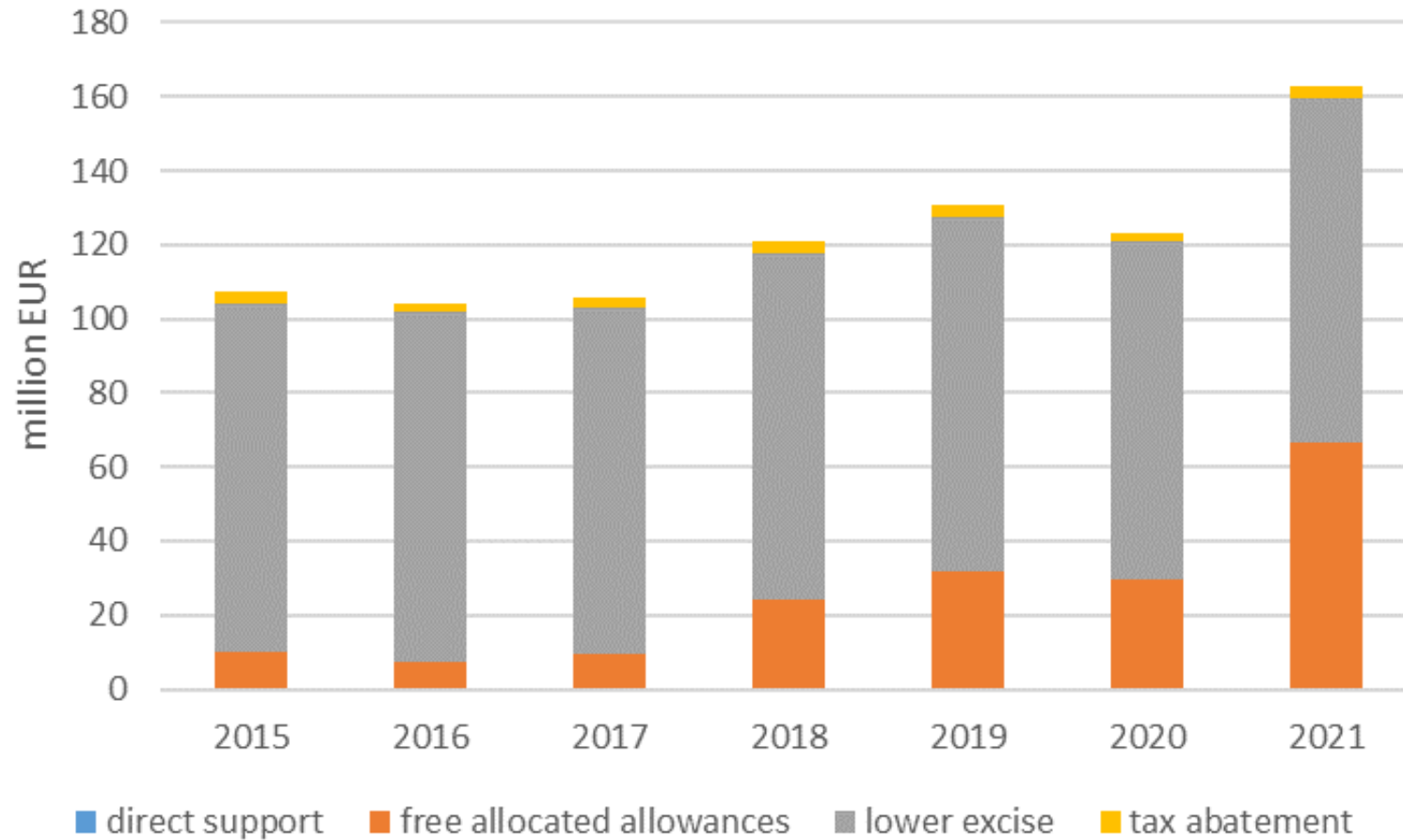
*Calculated as: number of free allocated allowances \* average C price*

# Inventory of fossil fuels supports

## *Borderline cases*

- Carbon tax exemption for companies participating to ETS market
- Excise exemption for kerosene aviation
- Carbon tax exemption for kerosen aviation

# Preliminary results



# Comparability


- Direct transfer could be compared at international level
- Results on « lower excise » and « tax abatment » are not comparable with other countries due to the use of national references
- Results on « freely allocated allowances » are not directly comparable




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## Thank you! / Merci !

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