

Pricing instruments on transport emissions

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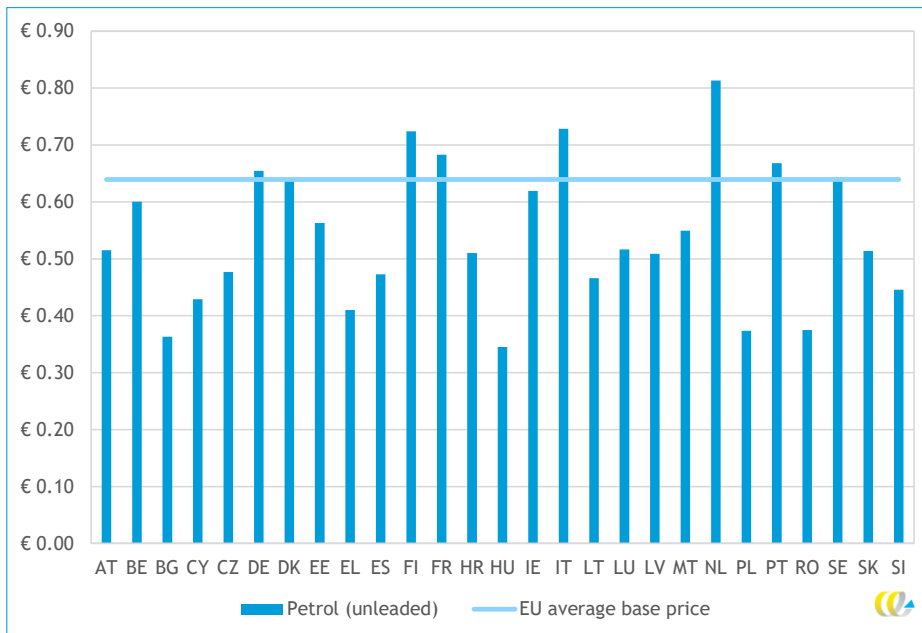
Background and objective

- Further implementation of fair and efficient pricing is key element of the Strategy for Sustainable and Smart Mobility.
- Objective of this briefing was to provide an overview of:
 - State of play of pricing instruments
 - EU legislative framework
 - Impacts of pricing instruments
 - Policy recommendations
- Scope: Pricing instruments (indirectly) targeting CO₂ emissions of road transport

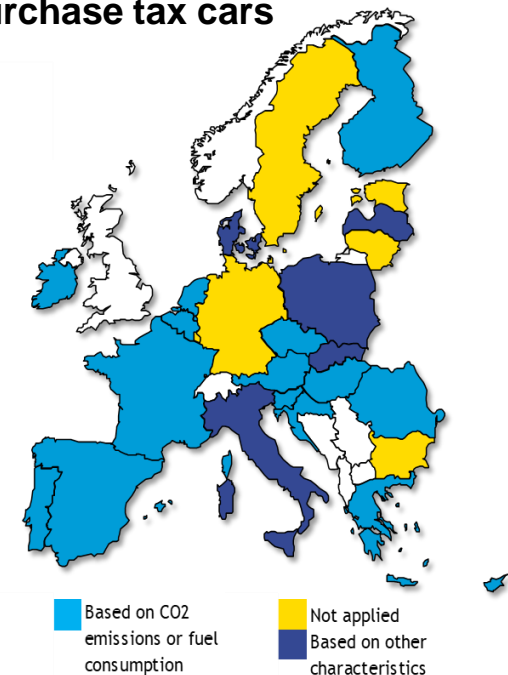
State of play of transport taxes

- Transport taxes are widely applied in the EU, but wide differences between Member States

A. Fuel taxes

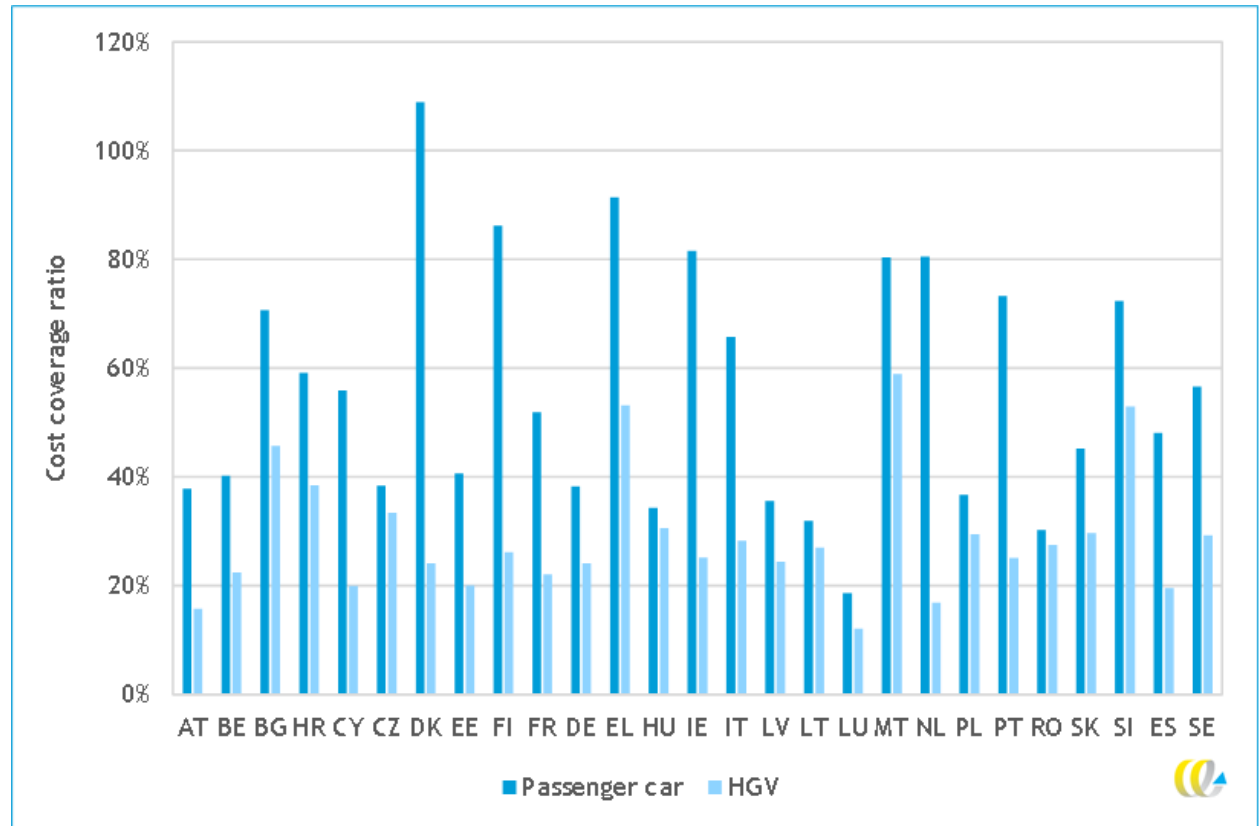


B. Purchase tax cars



Internalisation of external and infrastructure costs

Countries differ widely in the extent by which the “Polluter-pays and users-pays” principles are met.



EU legislative framework



Energy taxation



Infrastructure
charging



Vehicle taxation

Existing policies

Energy Taxation Directive (ETD)

- Minimum fuel tax rates
- Mandatory and optional fuel tax exemptions and reductions

Eurovignette Directive

- Mandatory and optional rules for infrastructure charges (in case these are levied by Member States)
- Mandatory ownership taxes for HGVs

Proposed policies

Revision of ETD

- Removing disadvantages for clean fuels
- Higher tax rates for inefficient and polluting fuels

Extension of EU ETS to road transport

- Separate system
- Auction revenues to be used to stimulate CO₂ reduction options or support low-income households

Impacts of pricing instruments

- Pricing instruments are effective in reducing CO₂ emissions
- Transport taxes contribute 5-10% to overall tax revenue
- Share of current transport taxes in total transport prices is in the range of 15 to 25%
- Pricing instruments on CO₂ emissions may have significant distributive impacts

Policy recommendations

- Develop a balanced mix of pricing instruments
- Integrate pricing instruments in a broader package of CO₂ reduction policies
- Consider political and social acceptance of pricing instruments
- Consider other transport externalities as well

Thank you for your attention

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