



FOSSIL FUEL SUBSIDIES IN THE EU

COMPENDIUM OF THE EUROPEAN COMMISSION REPORT 'ENERGY PRICES AND COSTS IN EUROPE' 2019

Climate Action Network (CAN) Europe is Europe's leading NGO coalition fighting dangerous climate change. With over 150 member organisations from 35 European countries, representing over 1.700 NGOs and more than 40 million citizens, CAN

Europe promotes sustainable climate, energy and development policies throughout Europe.

This briefing note selects and compiles fossil fuel subsidies' relevant information from the 2019 European Commission 'Energy prices and costs report'

"Subsidies to fossil fuels remained overall stable between 2008 and 2016 (€54-55 bn, however, in 2012 they reached €60 bn). Subsidies did not decrease in spite of the EU international commitments to phase fossil fuels out in the medium term." COMMISSION STAFF WORKING DOCUMENT Accompanying the document REPORT FROM THE COMMISSION, Energy prices and costs in Europe, Brussels, 9.1.2019 SWD(2019) 1 final.

'Overall European energy subsidies have increased in recent years, from EUR 148 bn in 2008 to EUR 169 bn in 2016, with the energy sector being the main beneficiary (EUR 102 bn in 2016), followed by the residential sector (EUR 24 bn), the energy intensive manufacturing industry (EUR 18 bn) and transport (EUR 13 bn). The increase was driven by the growth in renewable energy subsidies which reached EUR 76 bn in 2016. Over the period 2008-2016, free emission allowances fell from EUR 41 bn to EUR 4 bn, due to decreasing carbon prices and fewer eligible sectors for receiving free ETS allowances.'

'However, despite this and the international commitments made in the context of G20 and G7, **fossil fuel subsidies in the EU have not decreased and are estimated to be EUR 55 bn**, remaining roughly stable across sectors and implying that EU and national policies might need to be reinforced to phase out such subsidies. Subsidies to petroleum products (mainly tax reductions) account for the largest share within fossil fuels.'

<u>169</u>	<u>Total energy subsidies</u>	<u>of which for fossil fuels</u>
102	Energy sector	16
24	Residential sector	8.5

18	Energy intensive manufacturing industry	8.5
13	Transport sector	12
76	Renewable Energy Sources	
4	Free Emission Allowances	4
55	Fossil fuel subsidies	55

Euro billion in 2016, CAN Europe compilation based on EC report

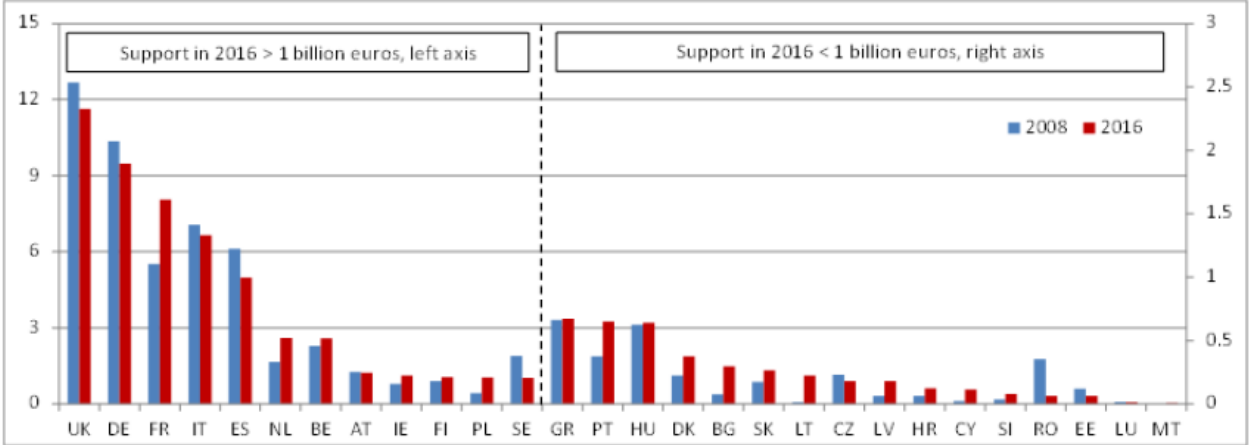
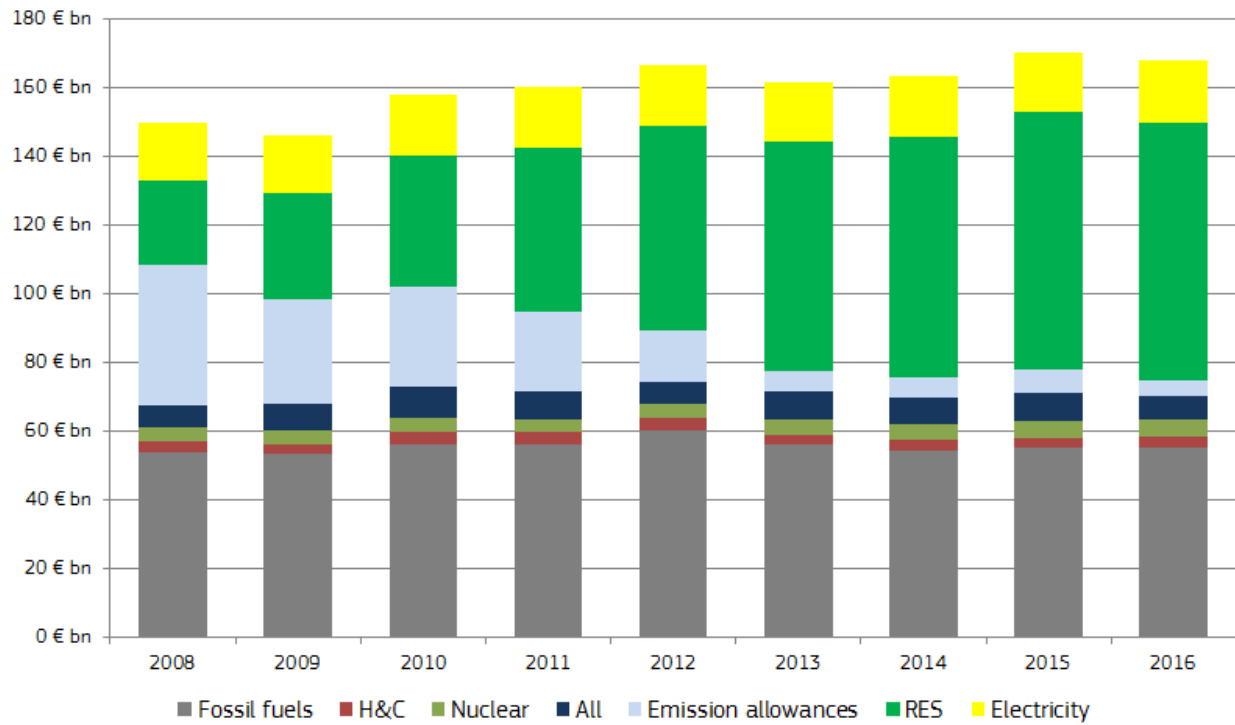


Figure 10 — Financial support to fossil fuels in the EU- Source: EC, Trinomics⁹

‘As to the sectors, in the transport sector a slight increase could be observed over this period (from €10 bn to 12 bn), while in the other sectors, subsidies decreased or remained stable. In 2016 the energy sector represented €16 bn of the total fossil fuel subsidies, followed by transport (€12 bn) and the manufacturing and household sectors (both €8.5 bn). Within the total fossil fuel support, €28 bn could be attributed to petroleum products, €13 bn to natural gas and €7 bn to coal and lignite in 2016 in the EU, while more than €7 bn could not be allocated to given fossil technologies (multiple sources).’



'Figure 162 – Financial support by energy group (expressed in €2017bn)'

-ENDS-

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