

ICAP TOKYO SYMPOSIUM 2017  
Session 3  
Focus on Measures of Cities in Japan

# Carbon Pricing in Japan

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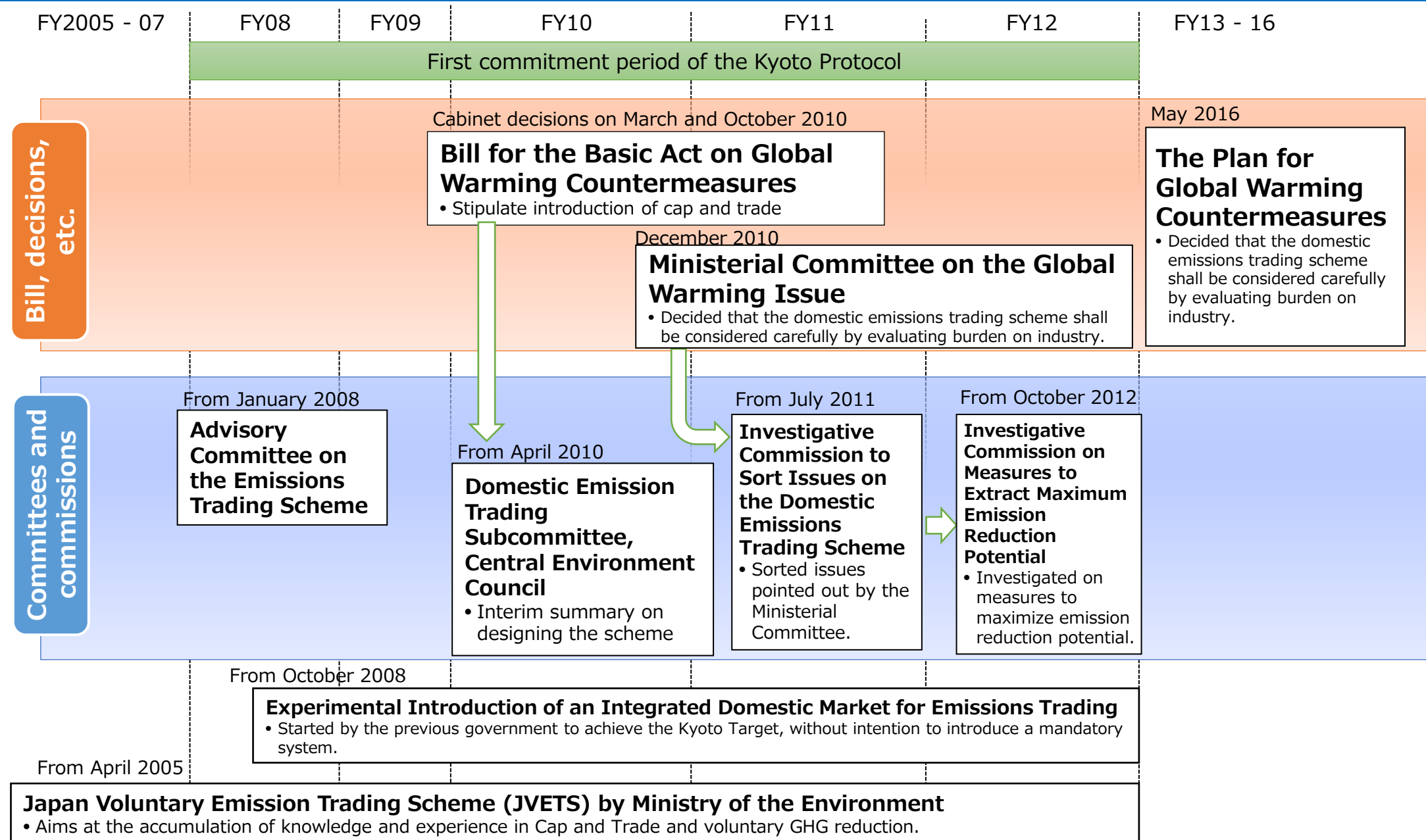
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# History of Consideration for the Domestic Emissions Trading Scheme in Japan

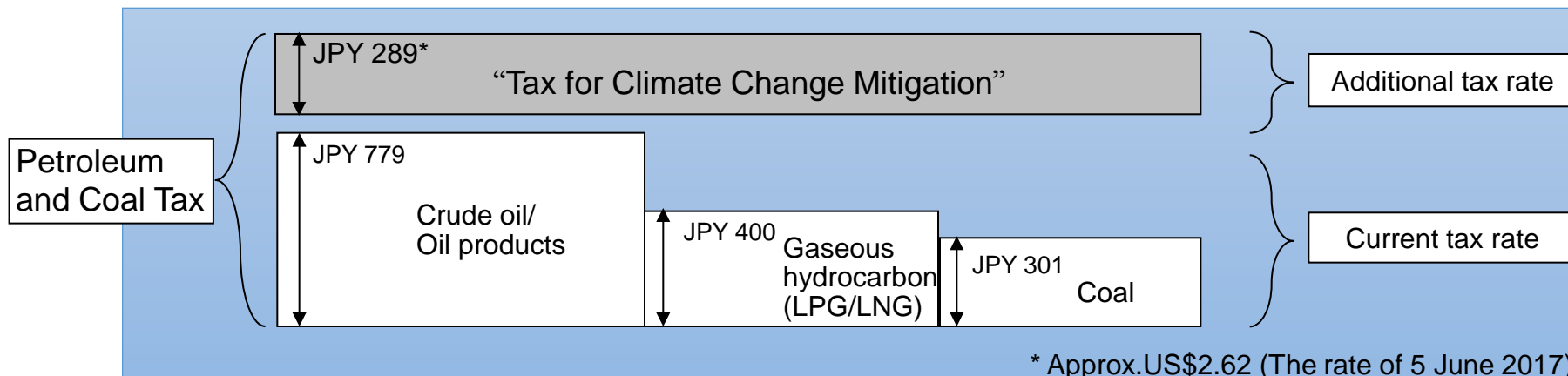


# Tax for Climate Change Mitigation

- Tax rate corresponding to the amount of CO<sub>2</sub> emissions for all fossil fuels (JPY 289/t-CO<sub>2</sub>)
- Enforced from Oct. 2012 and increases in the tax rate gradually over 3 and a half years
- All the tax revenue will be allocated for curbing energy-originated CO<sub>2</sub> emissions

## Tax Rate

## Tax Rate per t-CO<sub>2</sub> of “Tax for Climate Change Mitigation”



## Enforcement Stage

Taxable Objects	Current Tax Rate	From Oct. 1, 2012	From Apr. 1, 2014	From Apr. 1, 2016
Crude oil/Oil products [per 1 kl]	(JPY 2,040)	+ JPY 250 (JPY 2,290)	+ JPY 250 (JPY 2,540)	+ JPY 260 (JPY 2,800)
Gaseous hydrocarbon [per 1 t]	(JPY 1,080)	+ JPY 260 (JPY 1,340)	+ JPY 260 (JPY 1,600)	+ JPY 260 (JPY 1,860)
Coal [per 1 t]	(JPY 700)	+ JPY 220 (JPY 920)	+ JPY 220 (JPY 1,140)	+ JPY 230 (JPY 1,370)

## Tax Revenue

[1<sup>st</sup> year] **JPY 39 billion** ; [Normal year] **JPY 260 billion**



To be used for introduction of renewable energy and enhancement of energy conservation measures, etc.

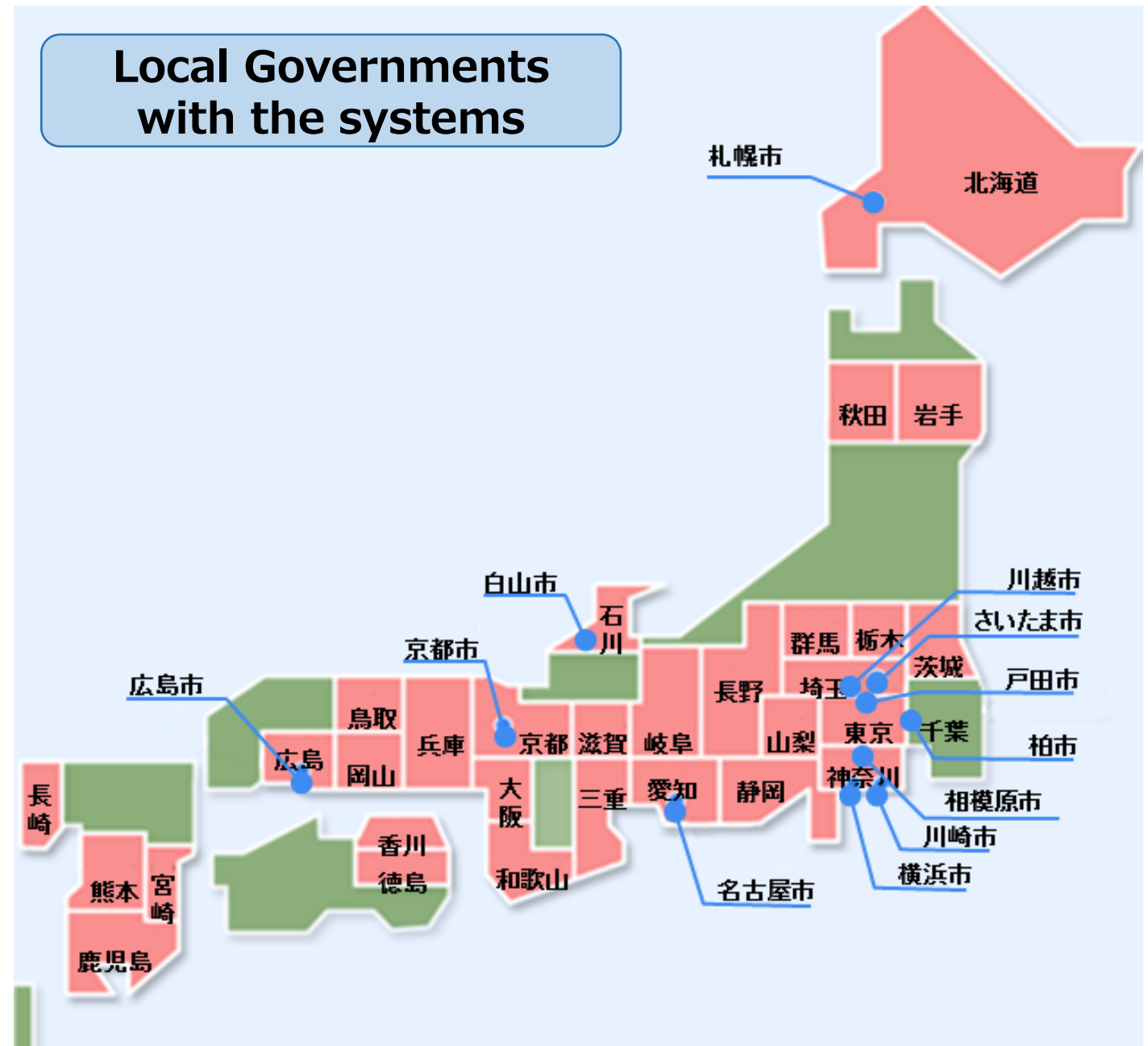
# Reporting system in local governments

Under the reporting system on climate change, the local governments require firms in their jurisdictions to report their amount of CO2 emissions and countermeasures in accordance with their ordinances.

30 prefectures and 11 cities have introduced the systems.

Ministry of the Environment supports local governments which aim to upgrade their system (e.g. expanded advices to firms, evaluation and awarding) so that they can encourage the firms to reduce emissions further (10 local governments)

## Local Governments with the systems



# Committee on Carbon Pricing

- In November 2016, the Environment Minister Koichi Yamamoto gave a direction to accelerate the consideration of introducing carbon pricing in Japan.



Environment Minister Koichi Yamamoto gave his speech at the first meeting of the Committee on Carbon Pricing, 2 Jun 2017

- In March 2017, the Global Environment Committee of the Central Environment Council published **the Long-term Low-carbon Vision**. It reads that it is time to give full consideration on what types of carbon pricing will be beneficial for Japan.
- In June 2017, **the Committee on Carbon Pricing**, led by Prof Naohiko Jinno, was launched.
- They will give further consideration on carbon pricing under the Committee.