

S. Africa to introduce carbon tax from 2015

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Smoke billows from a refinery just outside Durban City on November 29, 2011. South Africa will introduce a tax on carbon emissions in 2015 amid concerns of global warming, Finance Minister Pravin Gordhan announced on Wednesday.

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The tax to come into effect in January 2015 will be levied at 120 rand (\$14) per tonne of carbon dioxide and will be subject to a 10 percent increase every year for the first five years.

"To soften the impact, a tax-free exemption threshold of 60 percent will be set with additional allowances for emissions-intensive and trade-exposed industries," he proposed in his 2013 budget speech.

The new [carbon tax](#) will see the phasing out of the existing electricity levy, a tax on non-renewable and nuclear energy.

He said government will also back incentives to upgrade fuel refineries and the production of bio-fuel in a bid to boost output of cleaner fuel in the country.

"We are also encouraging the private sector and smaller public entities to be creative and develop low-carbon projects," he said.

The government has pledged to reduce domestic [greenhouse gas emissions](#) by 34 percent by 2020 and by 42 percent by 2025.

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