

2019 fossil fuel subsidies nearly \$500 bn: OECD/IEA

June 9 2020, by Marlowe Hood



Combined subsidies for both consumption and production last year totalled \$478 billion in 77 economies

Climate crisis notwithstanding, governments subsidised fossil fuels in 2019 to the tune of nearly half-a-trillion dollars, two intergovernmental agencies have jointly reported.

Subsidies for [fossil fuel consumption](#) alone declined \$120 billion, or 27 percent, compared to 2018 due mainly to lower oil and [gas prices](#), according to International Energy Agency (IEA) figures.

Governments that heavily support the use of oil and gas include Iran, Saudi Arabia, China, Russia, Indonesia, Egypt, India and Venezuela.

At the same time, subsidies for fossil fuel production—in the form of cash, tax breaks and other credits—increased across 44 rich and emerging economies in 2019 by 38 percent to \$55 billion, the Organisation for Economic Co-operation and Development (OECD) reported.

Combined subsidies for both consumption and production last year totalled \$478 billion in 77 economies, an 18 percent drop compared to the year before, the IEA and OECD said in a joint statement, released at the end of last week.

"The fiscal burden of subsidies means that fewer resources can be potentially devoted to other [public funding](#), be it for clean-energy research, innovation or to strengthen social safety nets," Nathalie Girouard, head of the OECD's environmental performance and information division, told AFP.

Burning oil, gas and coal—which account for more than 80 percent of global primary energy use—is the main source of the greenhouse gases that drive global warming.

Governments have long recognised the need to stop propping up fossil fuel production and use.

As early as 2009, G20 nations responsible for 80 percent of CO₂ emissions pledged to gradually eliminate fossil fuel subsidies.

So far, however, they have failed to deliver on that promise.

Citation: 2019 fossil fuel subsidies nearly \$500 bn: OECD/IEA (2020, June 9) retrieved 10 April 2024 from <https://phys.org/news/2020-06-fossil-fuel-subsidies-bn-oecdiea.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.