



# CAMPUT 2016 – Panel 2

## May 16

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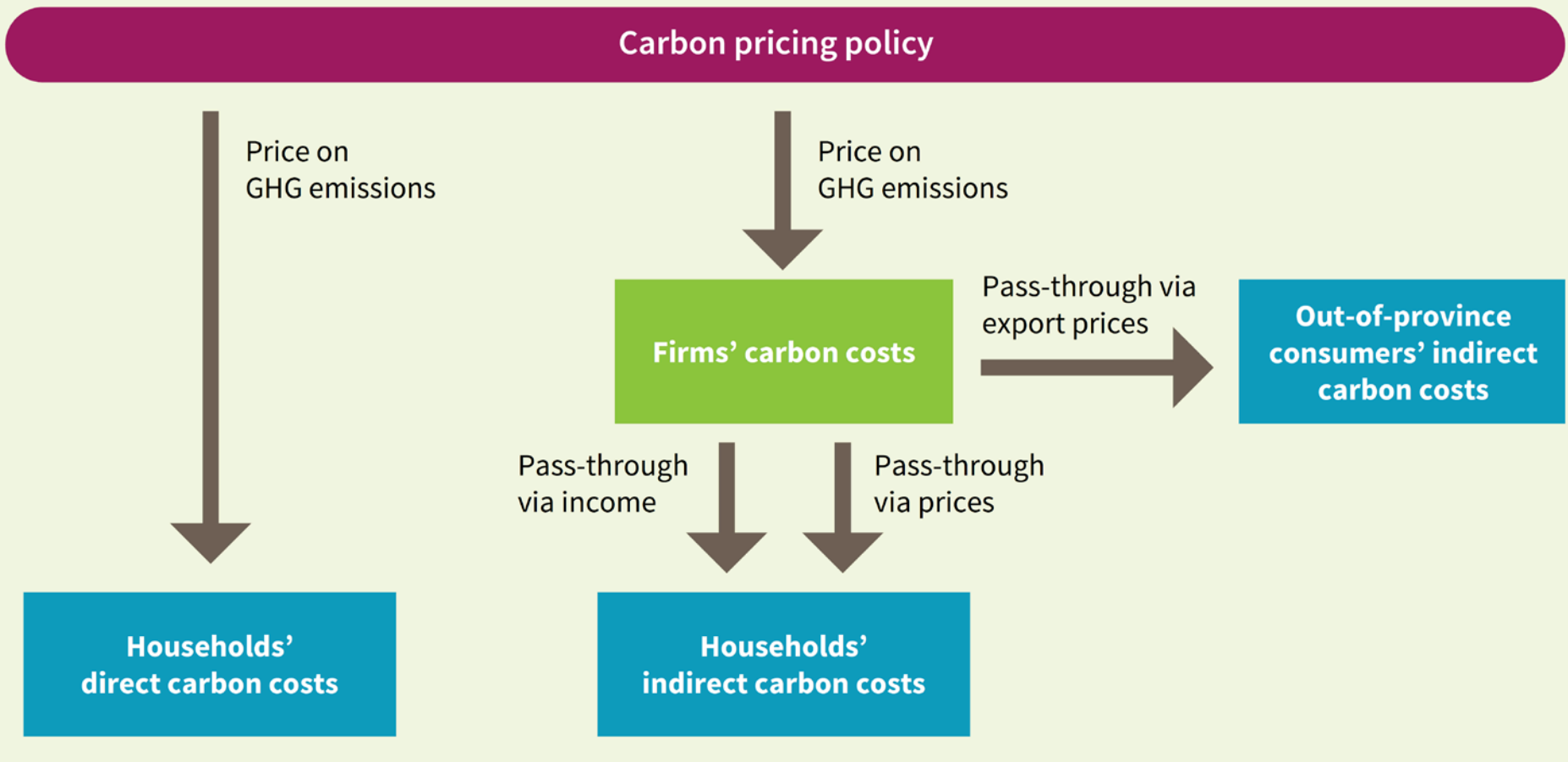


# Overview

1. Key barriers for carbon pricing:
  - Household fairness
  - Industrial competitiveness / leakage
2. Both are related to pass-through of carbon costs
3. Both issues vary by province
4. Both issues can be addressed by revenue recycling



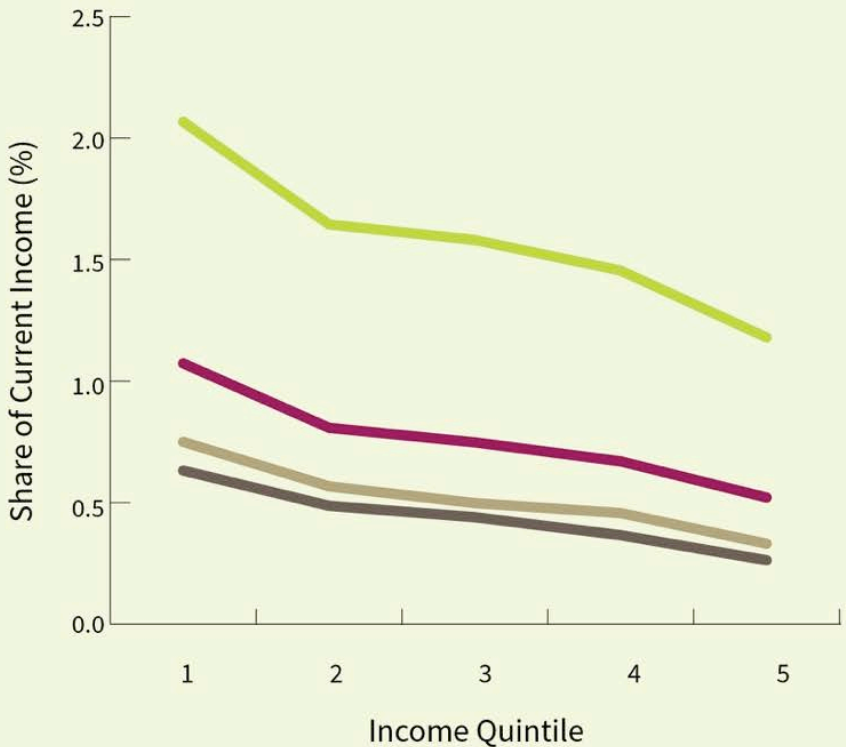
# Incidence of carbon pricing



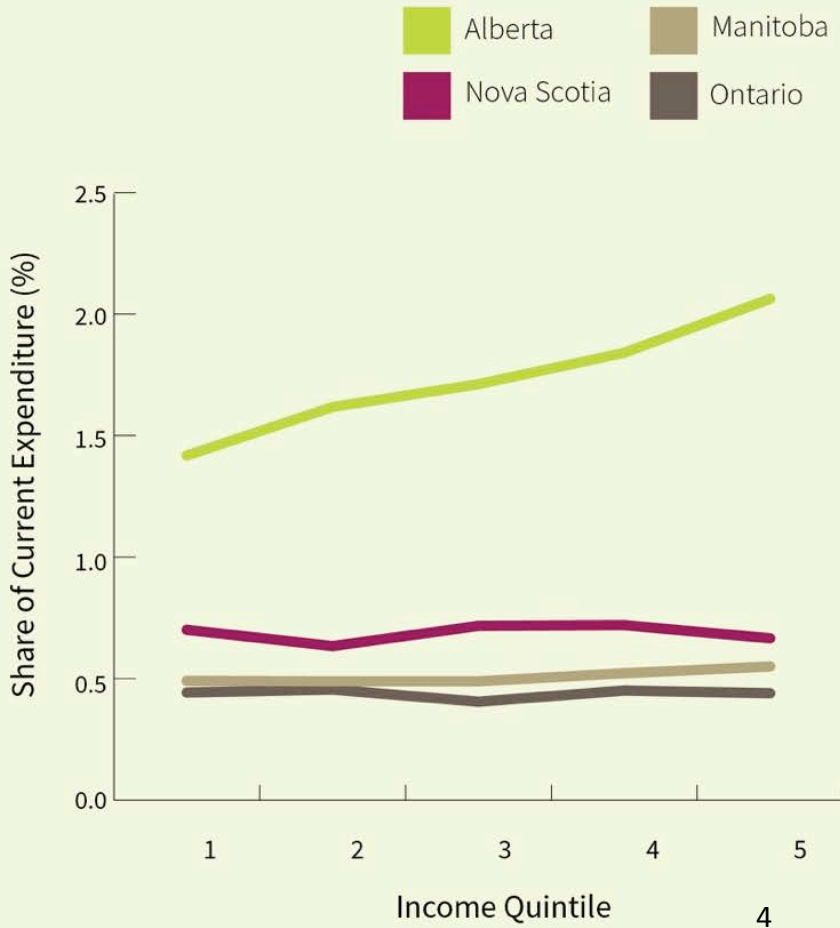


# Implications for households (w/o revenue recycling)

Panel A: Total Cost as a Share of Income



Panel B: Total Cost as a Share of Expenditure



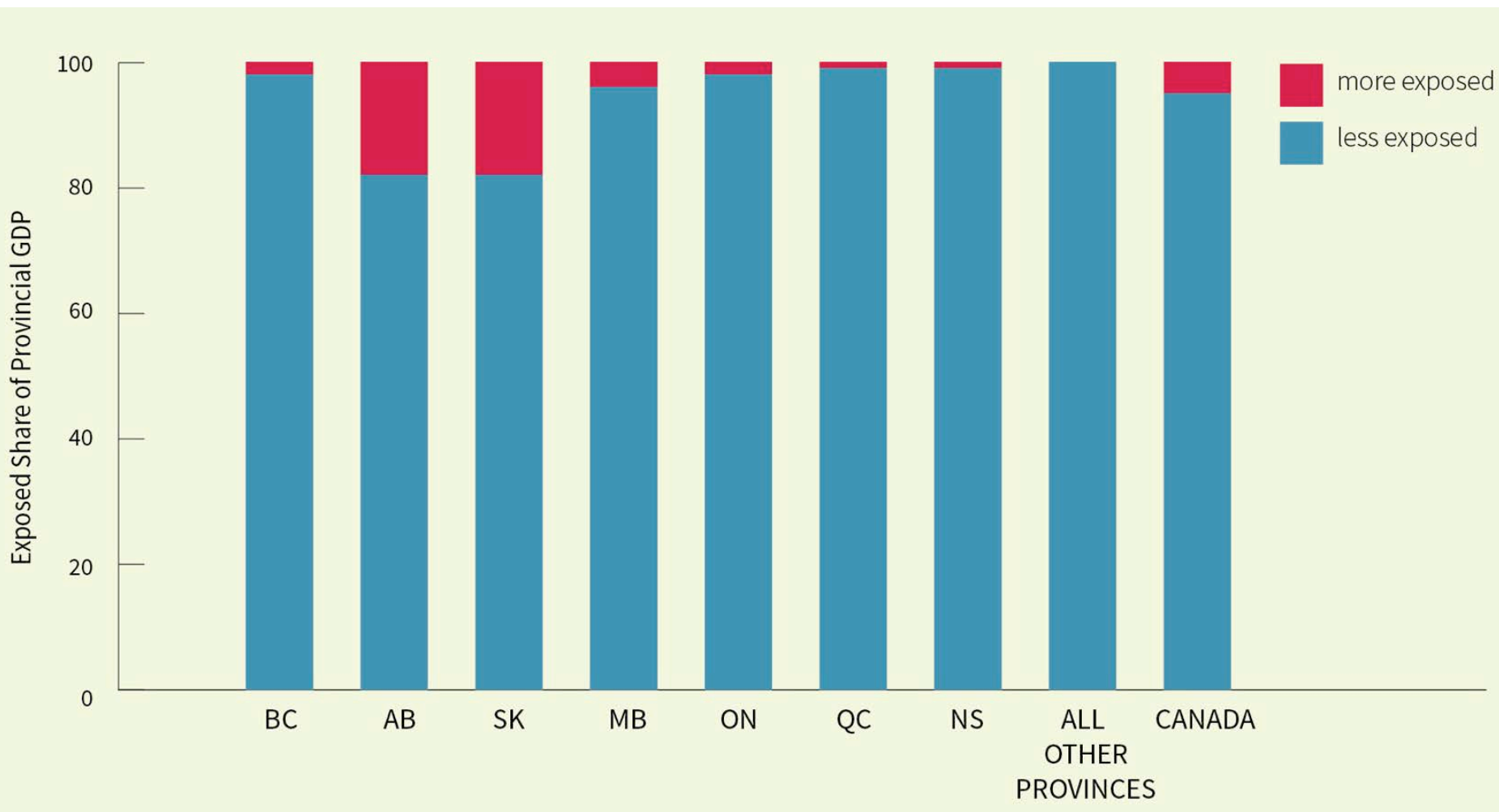


# Revenue recycling can ensure fairness

| Province    | Percentage of carbon-pricing revenues required to fully offset carbon costs for households in the: |                         |
|-------------|--|-------------------------|
|             | First quintile   | First & second quintile |
| Alberta     | 3.2 %  | 9.5 %                   |
| Manitoba    | 4.4 %  | 12.6 %                  |
| Ontario     | 3.9 %  | 11.6 %                  |
| Nova Scotia | 4.0 %  | 11.8 %                  |

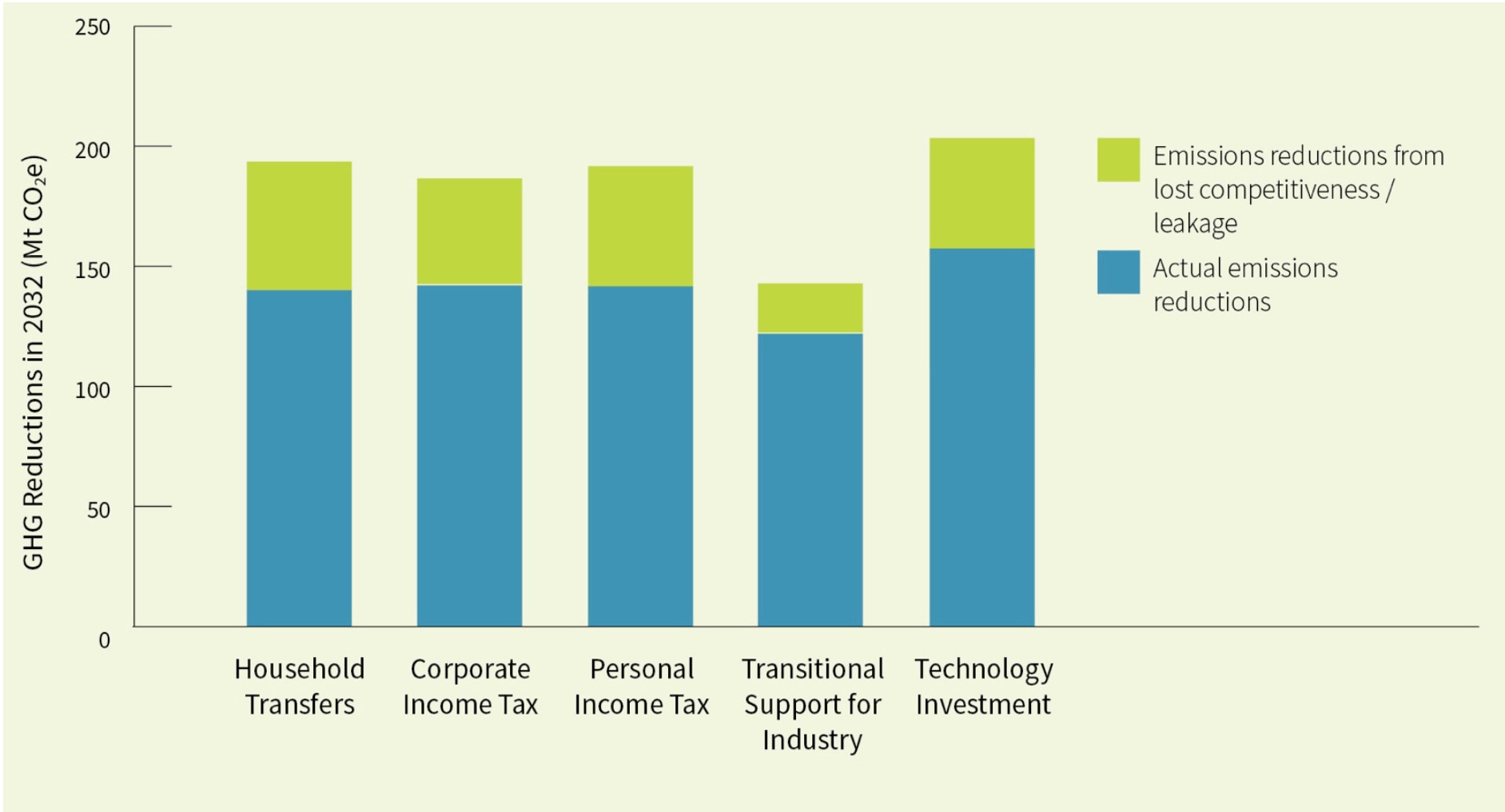


# Implications for competitiveness (w/o revenue recycling)





# Revenue recycling can reduce leakage





For more on carbon pricing and  
revenue recycling...

[www.ecofiscal.ca](http://www.ecofiscal.ca)

Thank you!  
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