



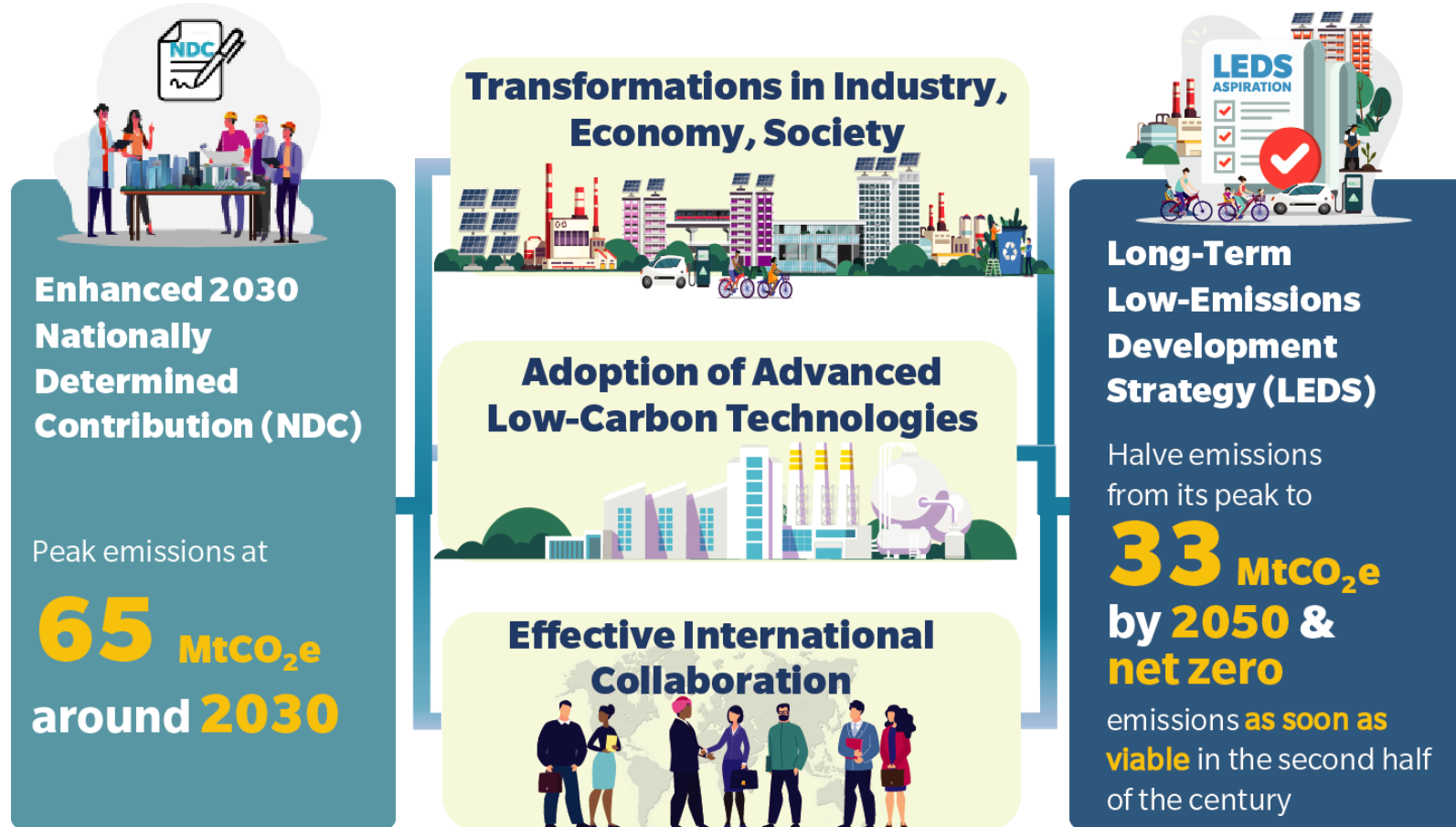
PRICING CARBON IN SINGAPORE

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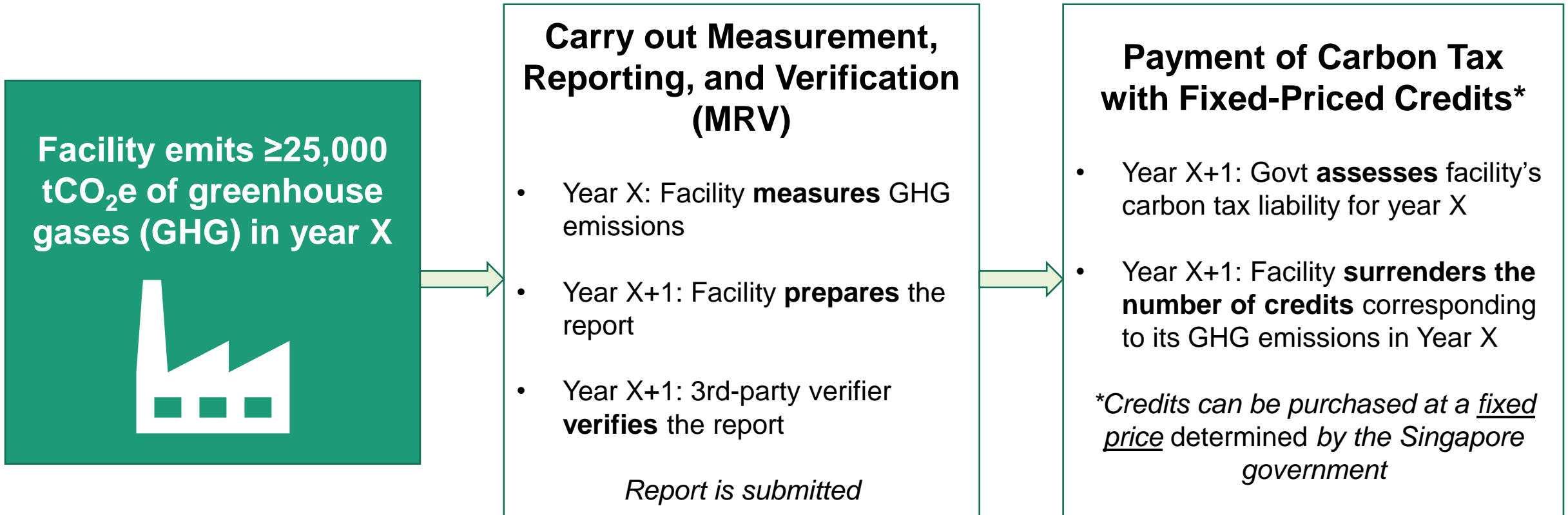
Singapore's climate ambition

Singapore's **Enhanced 2030 Nationally Determined Contribution (NDC)** and **Long-Term Low-Emissions Development Strategy (LEDS)** submitted in March 2020:



Carbon tax, introduced in 2019, complements key mitigation measures and provides an economy-wide price signal to encourage emissions reductions

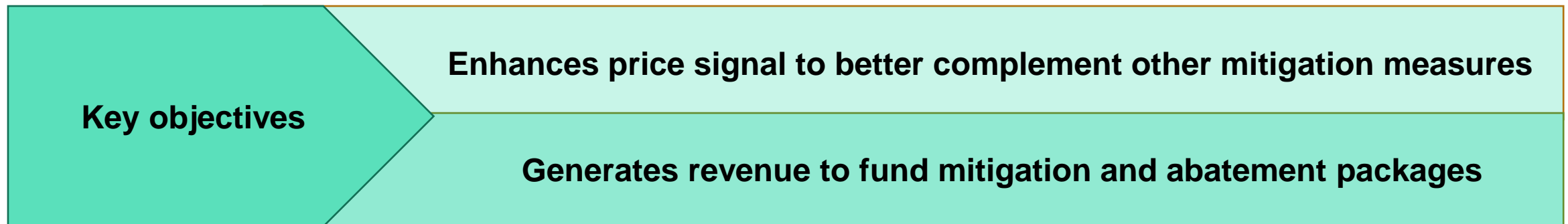
Future-ready Fixed-Price Credit-Based mechanism



- Start with a fixed-price credit-based mechanism that is simple to implement and minimises burden on companies
- Provide building blocks (e.g. credit registry infrastructure) to facilitate future use of international carbon credits
- Open to linking our carbon tax framework to external carbon markets where feasible

Reviewing post-2023 carbon tax level and trajectory

- Singapore Parliament has acknowledged climate change as a global emergency
- Ongoing review to ensure carbon tax continues to spur emissions reduction, promote industry innovation and green growth while maintaining long-term economic competitiveness
 - Study the possibility of allowing the use of high-quality international carbon offsets to partially offset carbon tax liabilities
 - Outcome of review to be announced in 1Q 2022 to give businesses time to adjust

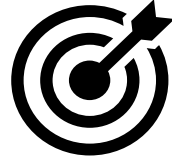


Key considerations for carbon tax review



International developments

- Increasing global urgency to tackle climate change given greater frequency of extreme climate events



Meeting emissions goals

- Provide a transparent and consistent price signal to spur emissions reduction
- Raise revenue to fiscally support mitigation and abatement measures



Economic competitiveness and orderly transition

- Promote industry innovation and green growth
- Ease the low-carbon transitional impacts on households and industry

Maintain a business-friendly environment and manageable cost of living for households

Thank you