



## **PRESS CLIPPING SHEET**

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## Cut global emissions by cutting fossil-fuel subsidies

ORLD leaders left Paris over the weekend promising to cut global greenhouse emissions significantly. Fulfilling the promise will not be easy. But one step should be.

Many of the nearly 200 countries that took the pledge in Paris perversely encourage the use of the fossil fuels that are changing the Earth's atmosphere. For the sake of their budgets and the climate, they should phase out their expensive and harmful fossil-fuel subsidies.

In the United States, the debate on fossil-fuel subsidies centers on tax breaks for drillers, which cost the Treasury about \$4 billion annually. These are unconscionably wasteful, and Congress should eliminate them immediately. Other countries should follow suit.

But globally, the bigger problem lies with governments that subsidise consumers of fossil fuels, not producers. Nations in the Middle East and elsewhere in Asia and Africa, as well as Latin America, particularly those with abundant oil and gas, are the worst offenders. According to the International Energy Agency (IEA), a global think tank, some 40 countries subsidise fossilfuel consumption, creating a huge incentive to release carbon dioxide. Governments spend a staggering halftrillion dollars on these counterproductive policies, about four times more than global subsidies for renewables such as solar and wind energy. Many governments recognise that fossil-fuel consumption subsidies are bad, but once offered they can be hard to withdraw. Widespread protests forced the Nigerian government to reinstate gasoline subsidies in 2012. This year Kuwait re-lowered diesel fuel prices in the face of political pressure.

But low world oil prices lately have allowed some countries to do better. Indonesia eliminated gasoline subsidies, and India ended diesel subsidies last year. The IEA argues that scaling down these supports over the next several years is a relatively simple way to help keep the door open to meeting the world's global warming target - no more than 2 degrees Celsius. In some places, subsidies are so large and entrenched the IEA anticipates a long drawdown. Middle Eastern nations subsidize 75 percent of the cost of fossil fuels; the IEA suggests cutting that to 20 percent by 2030.

The Washington Post