

2025

STATE AND TRENDS OF

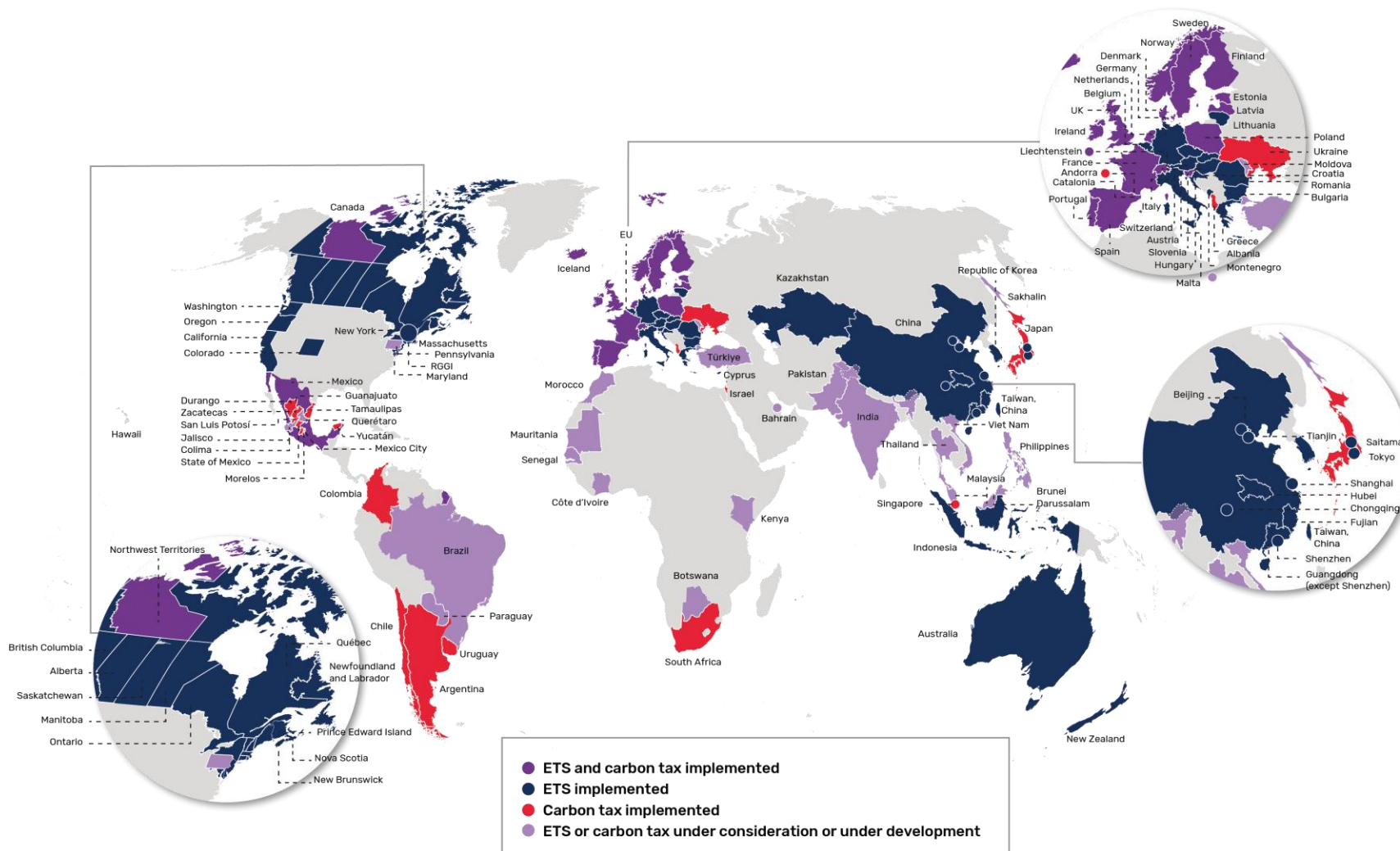
carbon pricing

JUNE 10, 2025



Adoption of carbon pricing continues to grow

Current state of play: Map of ETS and carbon taxes implemented or under development



80 direct carbon prices implemented

+ Israel carbon tax

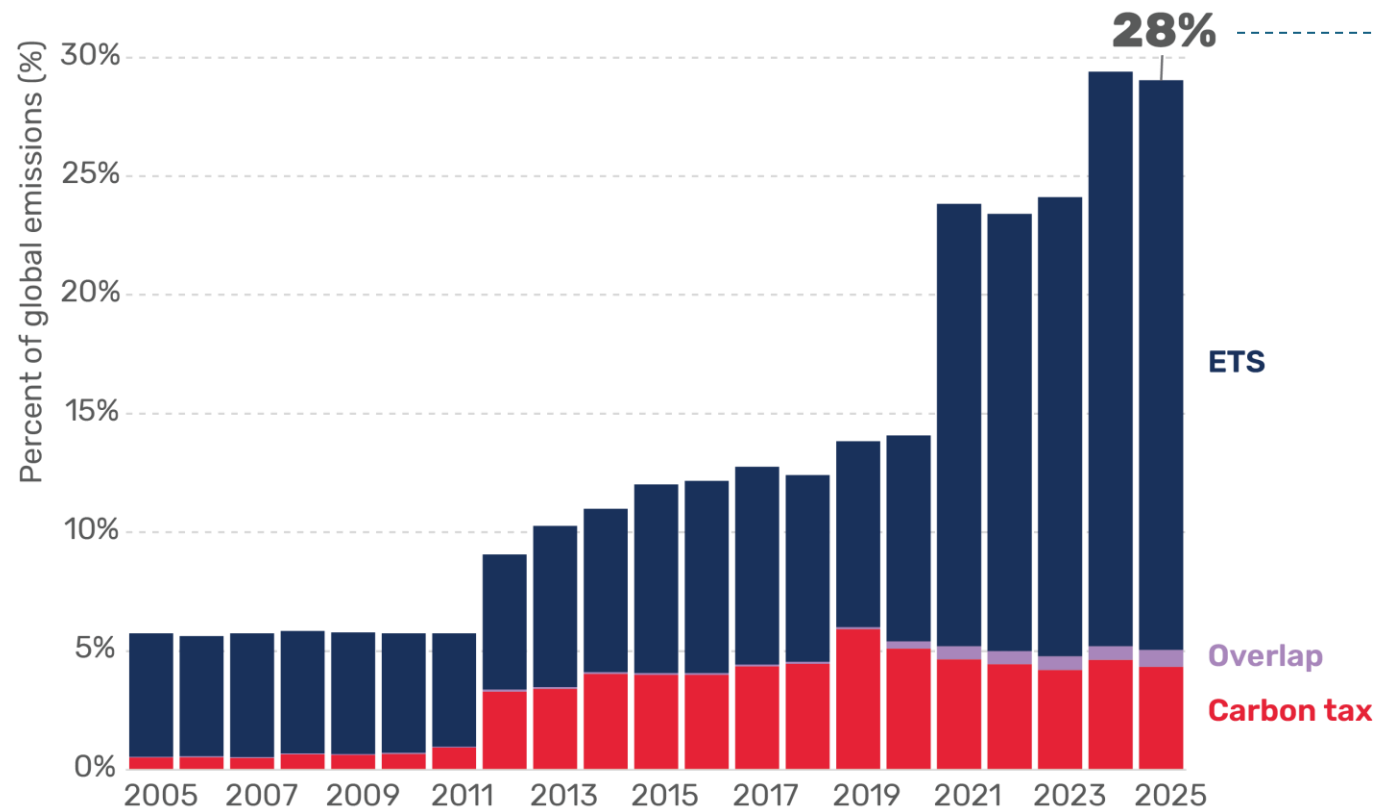
- Canada federal fuel charge

Brazil, India, and Türkiye are all pursuing an ETS

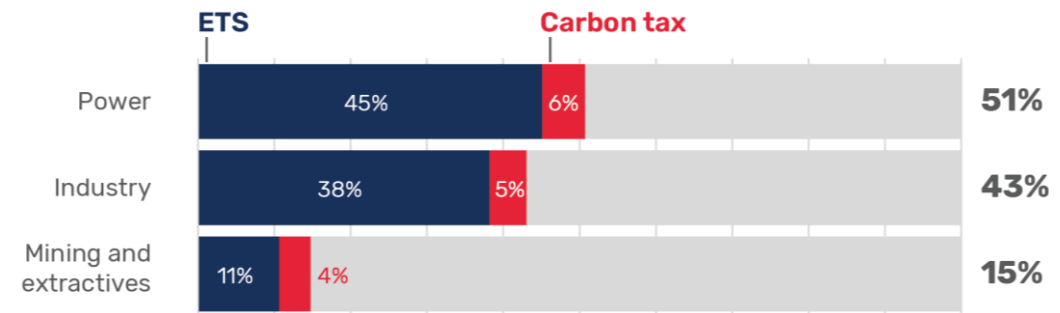
All large middle-income economies have either implemented or are considering carbon pricing

Over a quarter of global GHG emissions face a carbon price through either an ETS or carbon tax

Percentage of global GHG emissions covered by an ETS or Carbon Tax, 2005-2025



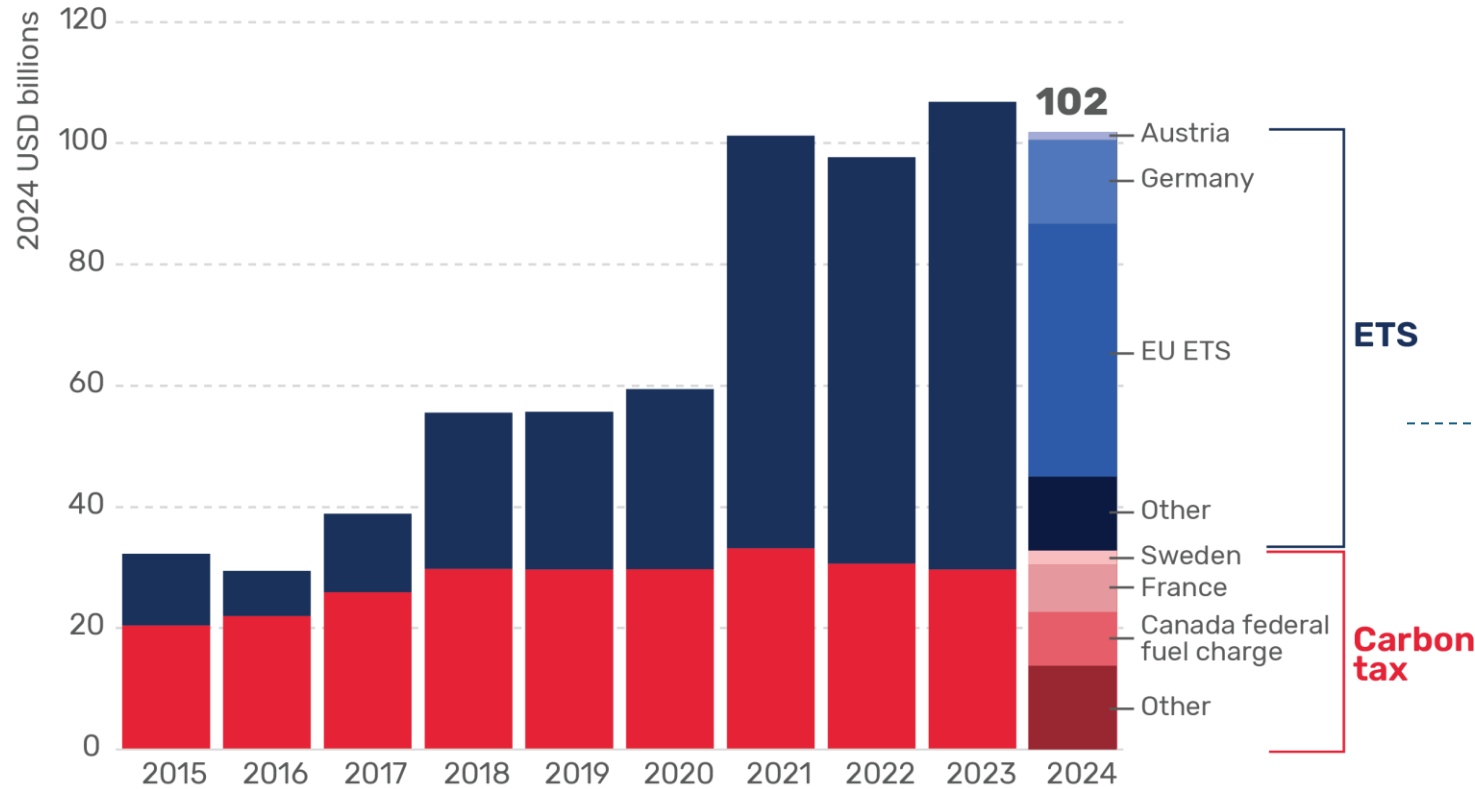
The extension of China's ETS to industrial sectors has significantly increased the global coverage and coverage in global industry sector emissions



Other sectors have lower levels of coverage; agricultural emissions remain unpriced

Direct carbon pricing continues to mobilize over \$100 billion for public budgets

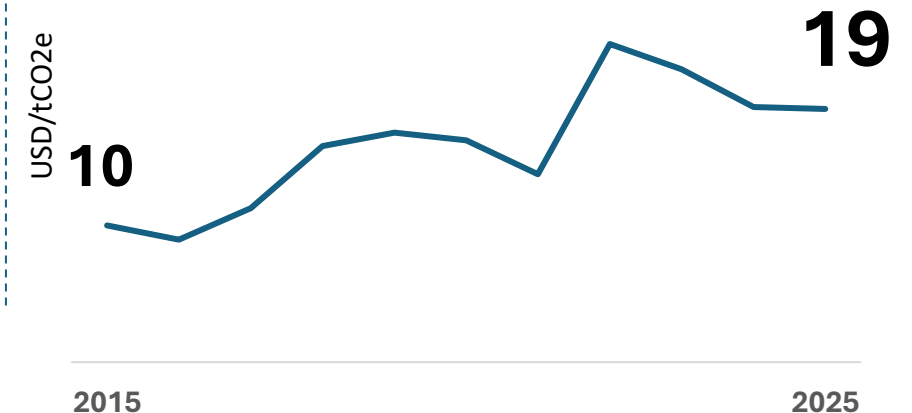
Total carbon pricing revenues in real (2024 USD) terms, 2015-2024



Revenue declined slightly in 2024 due to lower ETS allowance prices in EU and UK from 2023 levels

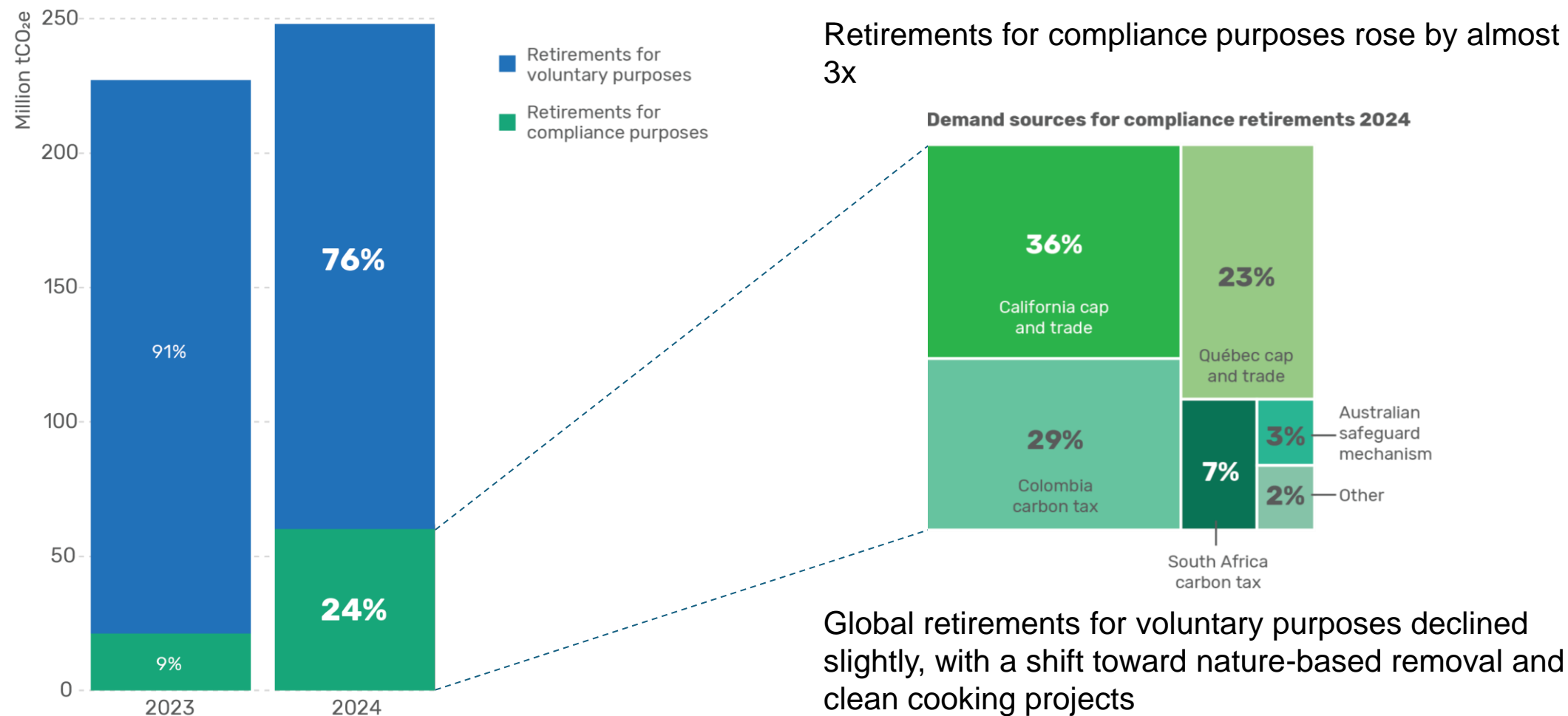
Average carbon prices have nearly doubled over the last decade

Average carbon price for covered emissions 2015-2025, in USD 2024/tCO₂e



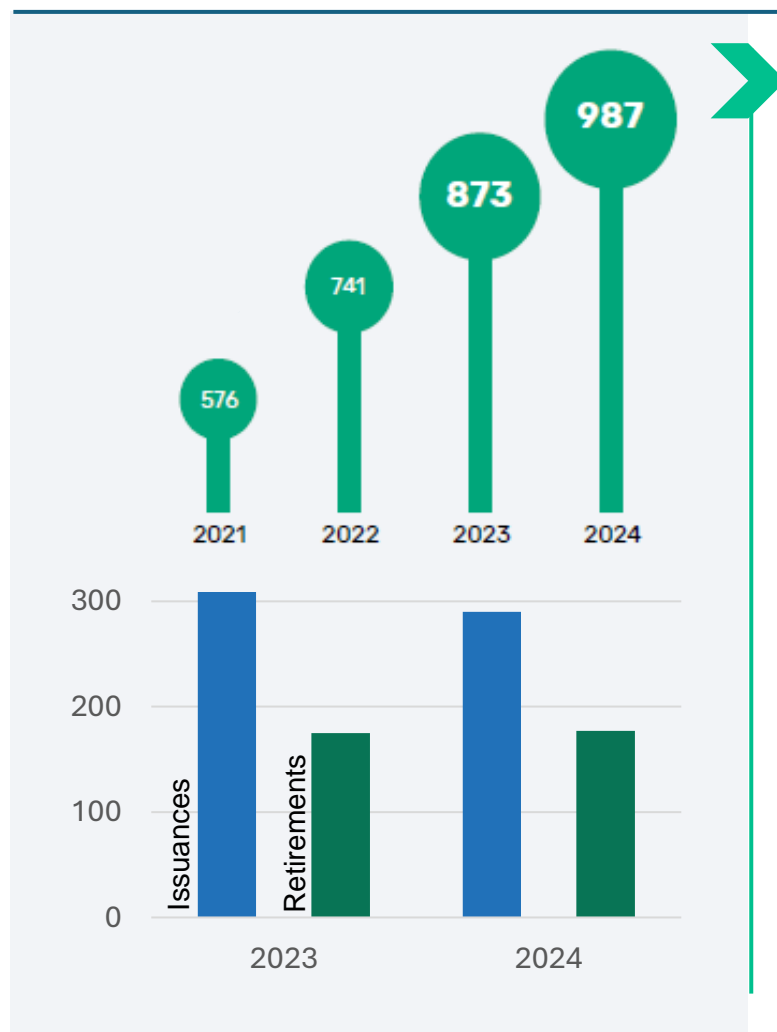
Global carbon credit retirements increased due to short-term spike in demand for compliance purposes

Volume of carbon credits retired for voluntary and compliance purposes, 2023 and 2024



There is a growing surplus of unretired credits in the market

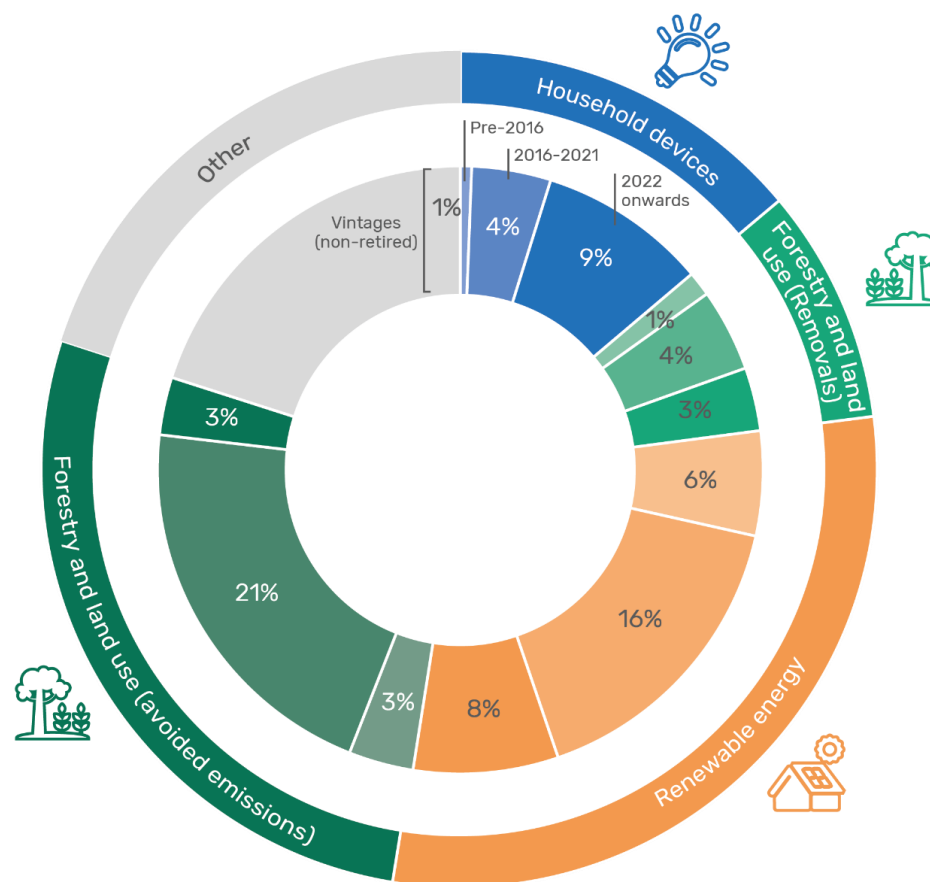
Unretired credits from independent crediting mechanisms in 2024, by project type and vintage



The pool of **unretired** credits from independent crediting mechanisms approached 1 billion

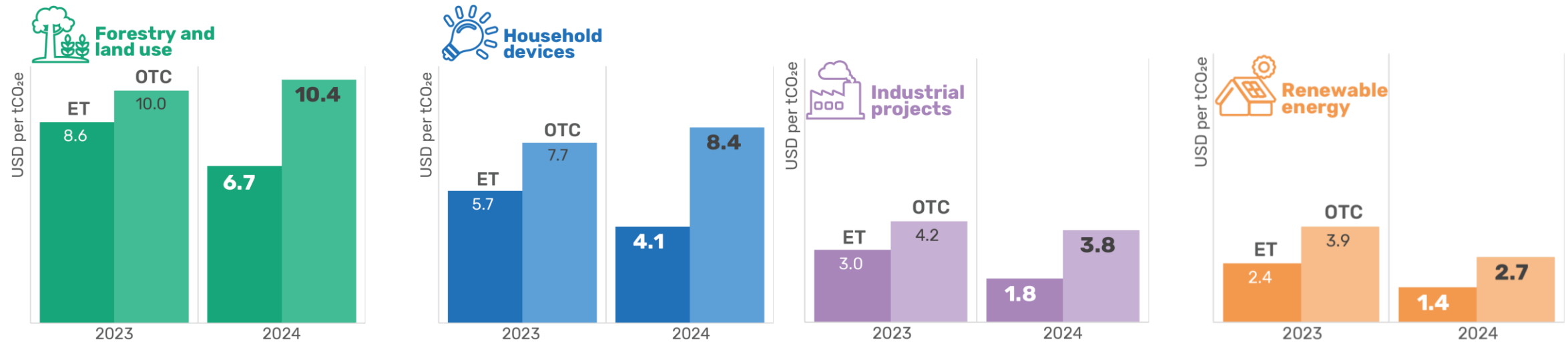
$\frac{2}{3}$ Are credits issued before 2022

$\frac{2}{3}$ Are credits from either forestry and land use or renewables



Overall carbon credit prices declined slightly, but with a price premium for over-the-counter transactions

Comparisons between annual average of exchange traded and over-the-counter prices



Buyers are willing to pay more for nature-based removals.

Credits traded over-the-counter attracted a premium compared to credits traded through standardized, exchange-traded contracts → greater flexibility to pursue specific purchasing strategies.

Recap of key highlights

Carbon Pricing



All large middle-income economies have either implemented or are considering direct carbon pricing



Expansion of carbon taxes and ETSs has increased the proportion of global emissions facing a direct carbon price



Direct carbon pricing continues to mobilize over \$100 billion for public budgets

Carbon Credit Markets



Global carbon credit retirements increased due to a short-term spike in demand for compliance purposes



There is a growing surplus of unretired credits in the market, with perhaps a reluctance to use “legacy” credits.



Credit prices softened slightly, but with observed premiums credits from nature-based removal projects



Thank you