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PRESS RELEASE

Fossil Fuel Subsidies in the G7

G7 a long way from realising 2025 pledge to phase out subsidies for coal, oil and gas

Embargoed until 01:00 GMT November 10th, 2016: New research by InfluenceMap ranks and compares G7 countries and the EU on the alignment between what they have committed to and what they are actually doing to reduce fossil fuel subsidies.

While the US remains in the G7 and G20, its pledge and policies on fossil fuel subsidies are now in a state of post-election flux. In 2009, Barack Obama committed to "phase out fossil fuel subsidies" and the US had been making progress removing certain subsidies without Congressional consent, however, the actual amount given to fossil fuel producers has since increased by 35%. Additionally, analysis of Trump and his closest energy advisers suggests increased financial support for coal, an end of a moratorium on the leasing of federal land for oil and gas exploitation, and state support for oil and gas infrastructure.

France leads the G7 on introducing policies aligned with fossil fuel subsidy reform as demanded by the UNFCCC pledge. However, there is significant misalignment among other members, all of whom have introduced new fossil fuel subsidies since the Paris Agreement was signed in December 2015.

> "*Some climate change scenarios present existential risks to the insurance sector, and the global economy beyond. Continued fiscal support for fossil fuels via subsidies represents a misallocation of taxpayer funds, as well as a major barrier to the transition to zero carbon economy. Japan's support for coal is of particular concern, but by no means unique.*"
> **Steve Waygood, Chief Responsible Investment Office, Aviva Investors**

The UK, graded a 'D', appears to be one of the least aligned countries when comparing its commitments to reduce fossil fuel subsidies and actual policies, having introduced new tax breaks for fracking and North Sea Oil, as well as a capacity market mechanism that has created a highly polluting industry in diesel generation. Italy ranks the lowest with an 'E' grade and continues to make the economic case for subsidizing its domestic oil and gas industry.

Japan's continued provision of $19bn a year programme to funding fossil fuel production, including coal, in Asia is a major barrier to the G7 achieving a UNFCCC pledge to phase out subsidies by 2025.

> *"This report builds on objective, fact-based analysis done over the last few years by the international community and the results say two things. First is the fact that despite statements otherwise and pledges to reform, huge amounts of money are spent by the richest nations on supporting fossil fuels in the market place. Second is the huge gap in practices within the G7 nations, between Japan, with its support for coal, oil & gas in Asia, and Italy, with its support of its domestic fossil fuel industry."*
> **Dylan Tanner, Executive Director, InfluenceMap**

Fossil Fuel Subsidies in the G7	Committment on Reform	Actual Policy and Practice	Subsidies in $bn
France			4.7
Canada			3.3
Germany			7.9
United States			37.5
United Kingdom			7.0
European Union			28.7
Japan			20
Italy			6.6

Ends

Download the report here Media information is here. About InfluenceMap is here.

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