



Market Scenario Planning: Carbon Pricing - 2023

Market Scenario Planning: Carbon Pricing – 2023 is one in a series of new reports published as part of NexantECA's Markets & Profitability program.

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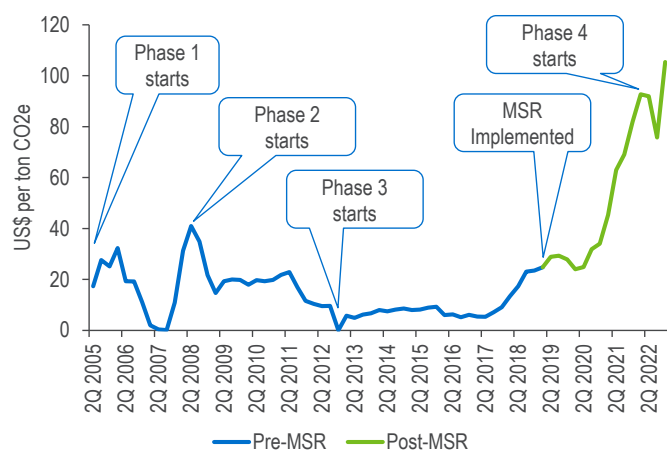
Report Abstract:

To address climate change concerns, governments are using a range of instruments to shift consumer patterns including carbon taxes and emissions trading schemes.

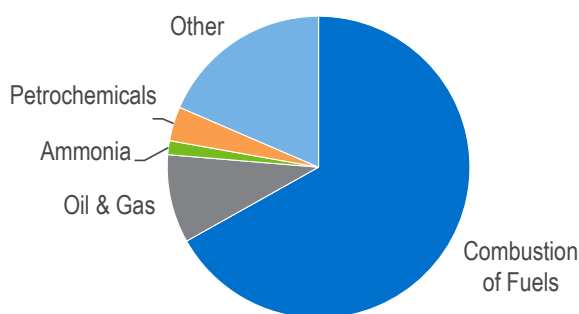
By adjusting prices through policy interventions, environmental and social costs are reflected in the prices of products. This influences the decisions of producers and consumers to be more in line with overall societal objectives. Emission Trading Schemes and Carbon Taxes both influence product pricing by putting a price on the emissions of a given product.

There are 34 emission trading schemes and 36 carbon taxes in operation as of 2022 with initiatives in Europe being the most developed and covering more emissions than any other region.

Historic EU ETS Carbon Pricing
2005 – 2022, USD per ton



EU ETS Emissions by Sector
2021



This report provides an overview of the current and future legislative picture before detailing NexantECA's methodology for carbon price forecasting and three price scenarios for the EU ETS as well as their potential impact on the petrochemical industry. The report addresses:

- What is the driver behind emerging carbon pricing mechanisms?
- Which regions are driving the push for carbon pricing mechanisms?
- What are the global ETS and carbon taxes in place and in the pipeline?
- How is carbon pricing forecast and what are the key drivers?
- What is the carbon price to 2050 under three different forecast scenarios?
- What is the expected impact on the petrochemical industry?

For more information contact us at Markets@NexantECA.com or www.NexantECA.com



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NexantECA defines the three market scenarios as:

- **Base:** NexantECA's expectation for carbon pricing given current knowledge of policy, technical and market drivers.
- **Aggressive Net Zero:** NexantECA assumes that there is higher ambition than current assessments to achieve net zero goals among the political and industrial community.
- **Business As Usual:** NexantECA assumes that there is lower ambition than current assessments to achieve net zero goals among the political and industrial community.

This analysis will identify the key policy, technology and market drivers shaping these scenarios.

For related analysis, please refer to:

[Special Report: Low Carbon Intensity Ethylene](#)
[Special Report: Low Carbon Intensity Aromatics](#)

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Markets and Profitability tracks over 60 feedstocks, petrochemicals, polymers, chemical intermediates and fertilizers on an ongoing basis and provides regularly updated reports covering all commercial aspects of these global industries. The accompanying database provides global analysis and forecasts in two major inter-related areas: **Markets and Profitability**.

NexantECA serves its clients from over 10 offices located throughout the Americas, Europe, the Middle East, Africa and Asia.

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