

Hong Kong China Business Association
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Why the HKCBA Should Support a Carbon Tax

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Carbon pricing in Canada

Quebec: sale of fossil fuels

→ less than 1 cent/litre of gas

British Columbia: sale of fossil fuels

≈ \$9.50/ton CO₂ up to \$30/ton

→ 2.3 ¢/litre up to \$7.3 ¢/litre

Cap-and-trade (part of WCI)



"The National Energy Program was designed to screw the West and really damage the energy sector and this will do those things ... But this is different. It will actually screw everybody across the country."

The Case for a Carbon Tax

(relative to cap-and-trade programs, "command-and-control" regulations, and gov't subsidies)

- 1) economically efficient
- 2) stable price signal to encourage innovation
- 3) broad price signal to encourage innovation

The Case for a Carbon Tax

(relative to cap-and-trade programs, “command-and-control” regulations, and gov’t subsidies)

- 4) government should not pick winners
- 5) administrability and enforcement
- 6) international coordination

The Case for a Carbon Tax

(relative to cap-and-trade programs, “command-and-control” regulations, and gov’t subsidies)

- 7) avoids jurisdictional and policy conflicts
- 8) avoids sunk capital
- 9) revenue raising

Why the HKCBA Should Support a Carbon Tax

- 1) minimizes cost to members
- 2) your members will not benefit from “softness”
- 3) best way to promote international coordination

Why hate carbon taxes?

