

**GOVERNMENT OF INDIA
ENVIRONMENT AND FORESTS
LOK SABHA**

UNSTARRED QUESTION NO:3234
ANSWERED ON:18.03.2013
CARBON TAX
Pangi Shri Jayaram

Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

- (a) whether the Economic Survey, 2013 has warned that the carbon taxes will lead to heavy GDP losses;
- (b) if so, the details thereof;
- (c) the steps taken /being taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR ENVIRONMENT AND FORESTS (SHRIMATI JAYANTHI NATARAJAN)

(a)& (b) As per the Economic Survey 2012-13, use of policy tools including environment-related taxes should be based, inter alia, on consideration of its repercussions on other sectors of the economy. The survey quotes preliminary modeling studies which indicate that a modest revenue-neutral economy-wide carbon tax of US\$10 per ton of Green House Gas (GHG) emissions in India could result in a Gross Domestic Product (GDP) loss of around US\$ 632 billion at 2005 prices.

(c) The Twelfth Five Year Plan document outlines a strategy for promoting low carbon sustainable growth through appropriate policies and actions.