- 50 per cent of NO_x emissions.

The target of the transport action plan is:

- stabilization of energy consumption and CO_2 emissions in the transport sector before 2005, and a reduction of 25 per cent until 2030; and

- reduction of NO_x and HC emissions of at least 40 per cent before 2000, and further reductions thereafter.

The government estimates, however, that energy consumption and CO_2 emissions from the transport sector will be reduced by rather more than 5 per cent by 2005 compared with the 1988 level. The government will follow up on the two action plans and monitor achievement of the targets, which are not mandatory. The energy action plan will be assessed in 1995 to decide whether the objectives or the means to achieve them need to be revised. The aim of both action plans is, first of all, to ensure substantial reductions in CO_2 as the most important greenhouse gas caused by energy activities in Denmark.

The energy action plan includes a comprehensive programme of action and is to be implemented by measures in four main areas: energy efficiency improvements and conservation in energy end-use, changes and improvements in efficiency in energy supply, increased utilisation of more environmentally benign energy sources, and R&D. Some important elements of the intended measures have already been approved by Parliament, e.g. a programme concerning the expansion of combined heat and power production, while other legislation is in preparation.

Energy taxes in Denmark are high, and in contrast to many other countries they cover both oil products, electricity, coal and (indirectly) natural gas. In November 1991 a proposal for CO_2 taxes was put forward in Parliament. According to the proposal, a CO_2 tax of DKr 100 per ton of CO_2, corresponding to about US$55 per ton of carbon, should be introduced by 1 January 1992 on private energy consumption. The CO_2 tax would function in combination with the existing energy taxes, which would be somewhat reduced. For the industrial and commercial sector a CO_2 tax of DKr 50 per ton of CO_2 would be introduced by 1 January 1993. These sectors would subsequently be exempted in general from ordinary energy taxes, and there would be certain possibilities for reductions in the CO_2 tax depending on the ratio of CO_2 tax relative to value-added in production. For industries in which the CO_2 tax would correspond to more than 3 per cent of value added, there would be possibilities for a total tax reduction, if reasonable energy efficiency investments have been undertaken. According to the proposal, the level of the CO_2 tax on industrial and commercial energy consumption will be increased gradually following the expected CO_2 tax decision in the EEC. Finally it has been proposed in Parliament that a large part of the tax revenue