

estimated to raise the price of gasoline by 6 per cent, the price of gas by 2 per cent and the price of coal by 8 per cent. In the budget for 1991 this tax is estimated to add (over 1990 levels) about 7 per cent to the price of gasoline and about 5 per cent to the price of other fossil fuels. On the other hand, taxes on environmental investments, such as sulphur and nitrogen oxide reduction investments of power stations, and clean vehicles have been reduced or eliminated.

After finalisation of reports of the Commission on a greenhouse gas strategy and the Finnish Energy Policy Council, the government and the Parliament are expected to make conclusions and decisions concerning a greenhouse strategy before the end of 1991.

In the view of the Finnish government, climate change is an international problem that must be handled by international negotiations and agreements. Finland has endorsed the Noordwijk and Bergen declarations and the Ministerial Declaration of the Second World Climate Conference, thereby agreeing that a stabilization of greenhouse gas emissions is necessary as an initial step. The government supports the signing of an international agreement in 1992 at the World Conference on Environment and Development.

Finland has signed the CFCs reduction Protocol to the Vienna Convention. The interim national goal for CFC reduction is 50 per cent by the year 1992 compared to 1986 levels. The use of CFCs will be banned by the end of 1994. Halons will be allowed only for essential uses after 1991.

Finland has also signed agreements to limit emissions of  $\text{SO}_2$  and  $\text{NO}_x$ . Under the  $\text{SO}_2$  agreement the national emissions of  $\text{SO}_2$  are to be reduced by 30 per cent by 1993 compared with 1980 levels. In Finland in 1990 emissions of  $\text{SO}_2$  have already been reduced by about 60 per cent. The national goal for  $\text{SO}_2$  reduction (decided by the government January 1991) is 80 per cent from 1980 levels by the year 2000. Finland has also signed the  $\text{NO}_x$  Protocol (Sofia 1988) and agreed to the goal for a  $\text{NO}_x$  reduction of 30 per cent from 1980 levels by the year 1998.

## **2. Factors Influencing Decisions**

Finland's domestic fossil energy resources are limited. Approximately 30 per cent of its energy needs are met by domestic supplies of hydropower, wood processing wastes, wood and peat. Almost 50 per cent of the total energy consumed is derived from coal and oil. Nuclear energy at present provides some 15 per cent of total final energy consumption.

Both per capita and per GDP energy consumption in Finland are considered to be relatively high. The climate and size of the country and the structure of business and