

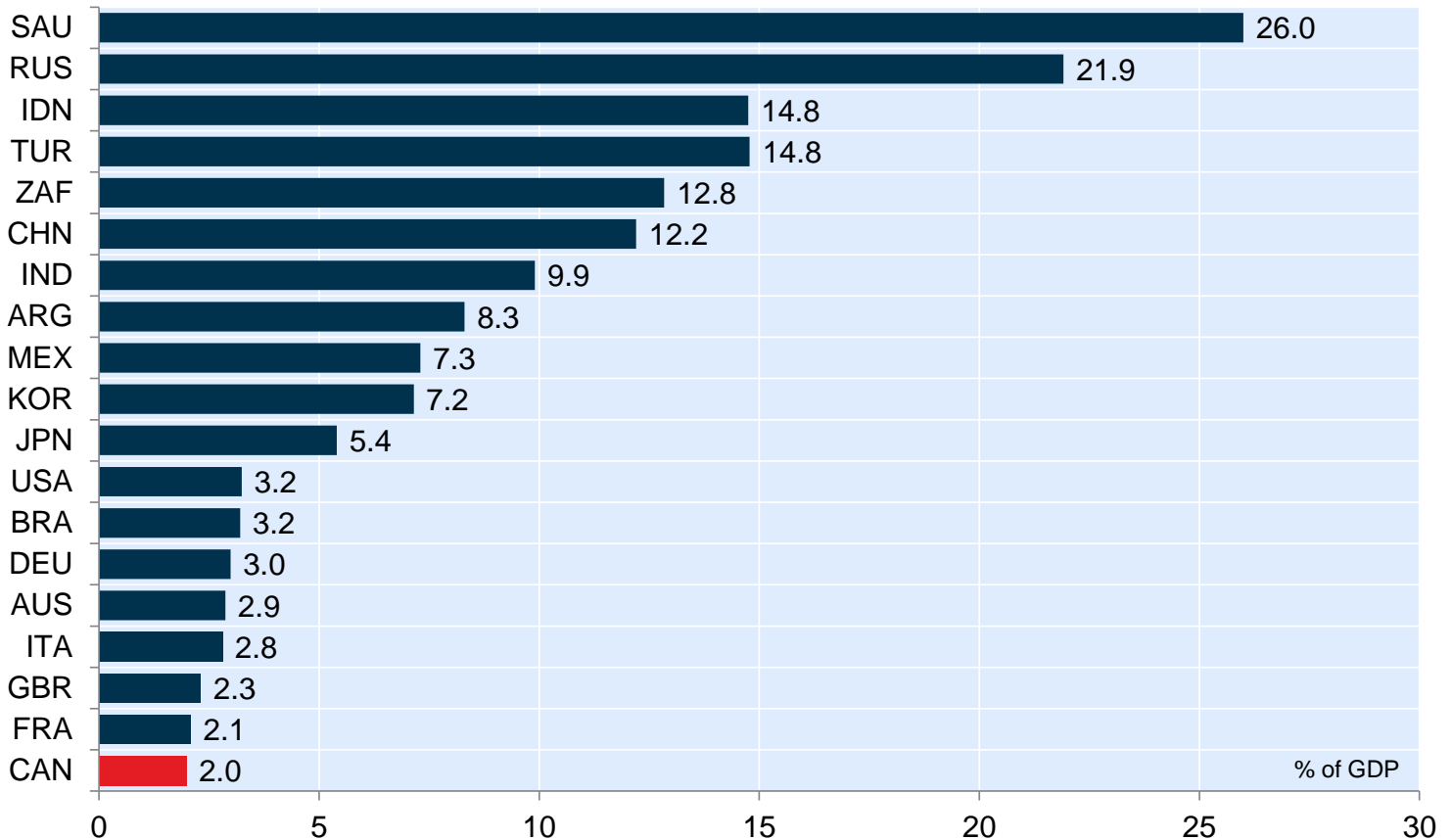
## World Watch

By Stéfane Marion

A debate is raging in Canada about the need to reduce energy subsidies in our country to do our part to help the environment and promote a more efficient allocation of capital. Fine, but how bad are we and how do we compare to the rest of the world? Fortunately, a just-released [analysis](#) by the International Monetary Fund (IMF) shows that Canada is by no means a pariah when it comes to subsidizing fossil fuels. As today's Hot Chart shows, our country has the lowest level of energy subsidies in the G20, at 2% of GDP. Interestingly, the IMF data also shows a significant decline in Canada's subsidy levels since 2015, when they stood at 2.8% of GDP. Unfortunately, our trading partners are moving in the opposite direction, with both Mexico and the United States increasing their respective subsidy levels over the same period. The IMF report is also timely for Canada's environment minister, who is currently visiting China to discuss the environment. According to current data, the Middle Kingdom spends a whopping 12.2% of its GDP on fossil fuel subsidies, up from 9.6% in 2015. Hopefully, this is an issue that the Minister will raise in his discussions with his Chinese counterparts.

### World: IMF says Canada has lowest energy subsidies in G20

Oil, coal, and natural gas subsidies\* as a share of GDP for the G20 countries , 2022



\* Defined as the sum of implicit and explicit subsidies as per IMF calculations

NBF Economics and Strategy (data via [IMF](#))

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