

Climate investments from environmental accounts data

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The 27 countries in the EU are asked to report climate mitigation investments to Eurostat in 2025

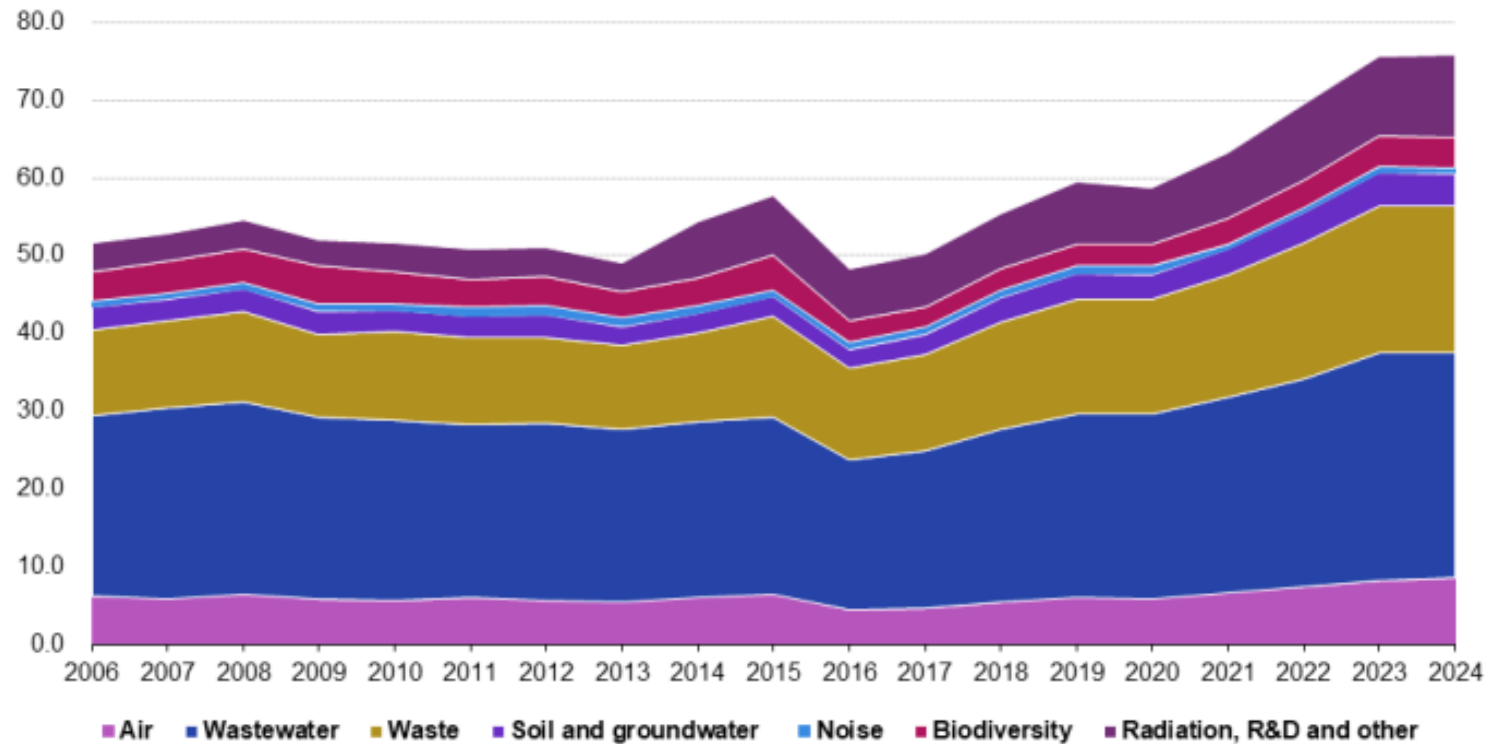
- In Sweden we have looked into three different parts of the environmental accounts to find a first estimate of climate investments. EPEA, EGSS and ESST.
- For EPEA, the environmental protection expenditure accounts, we have a survey covering the industries in B, C, D and E (Mining, Manufacturing, Energy, Water and waste).
- There is a distinction made if the expenditure is for treating or preventing environmental issues that we have looked deeper into.
- From EGSS, the environmental goods and services sector, there is a database of green companies, that is a key to data on employment, production and exports. Investments have not been investigated before.
- From ESST, Environmental subsidies and similar transfers, payments from the government to households on e.g. electric cars or solar panels can be seen.

Environmental protection expenditure accounts, EPEA

- The industry reports their costs and investments for adapting to environmental legislation. However, when the survey was set up in the 1990ies, and the classification was made, the relevant area was named 'Air' and focused on emissions to air in general.
- The classifications did not make a difference between the costs for investments for climate emissions and other types of emissions.
- It was not obligatory to answer questions about energy savings or heat recovery. However, in Sweden the industry was invited to report such investments, on a voluntary basis.

EPE investments, EU, category air, about €10 billions in 2024

Investments for environmental protection by environmental domains,
EU, 2006-2024
(€ billion)

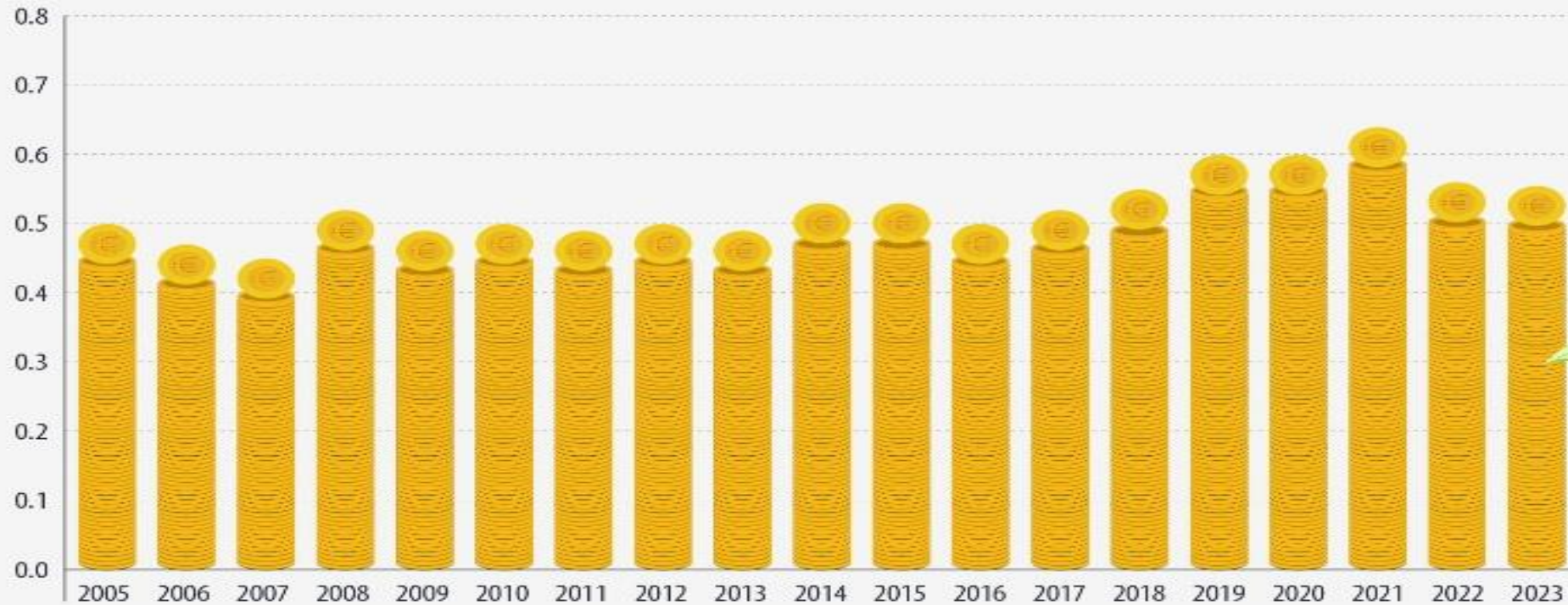


Source: Eurostat (online data codes: env_ac_epigg1, env_ac_epissp1 and env_ac_eiap1)

Eurostat estimates, private investment in climate change mitigation in the EU. In 2023, it reached €95.3 billion (in current prices), which corresponds to 0.55% of the EU's GDP.

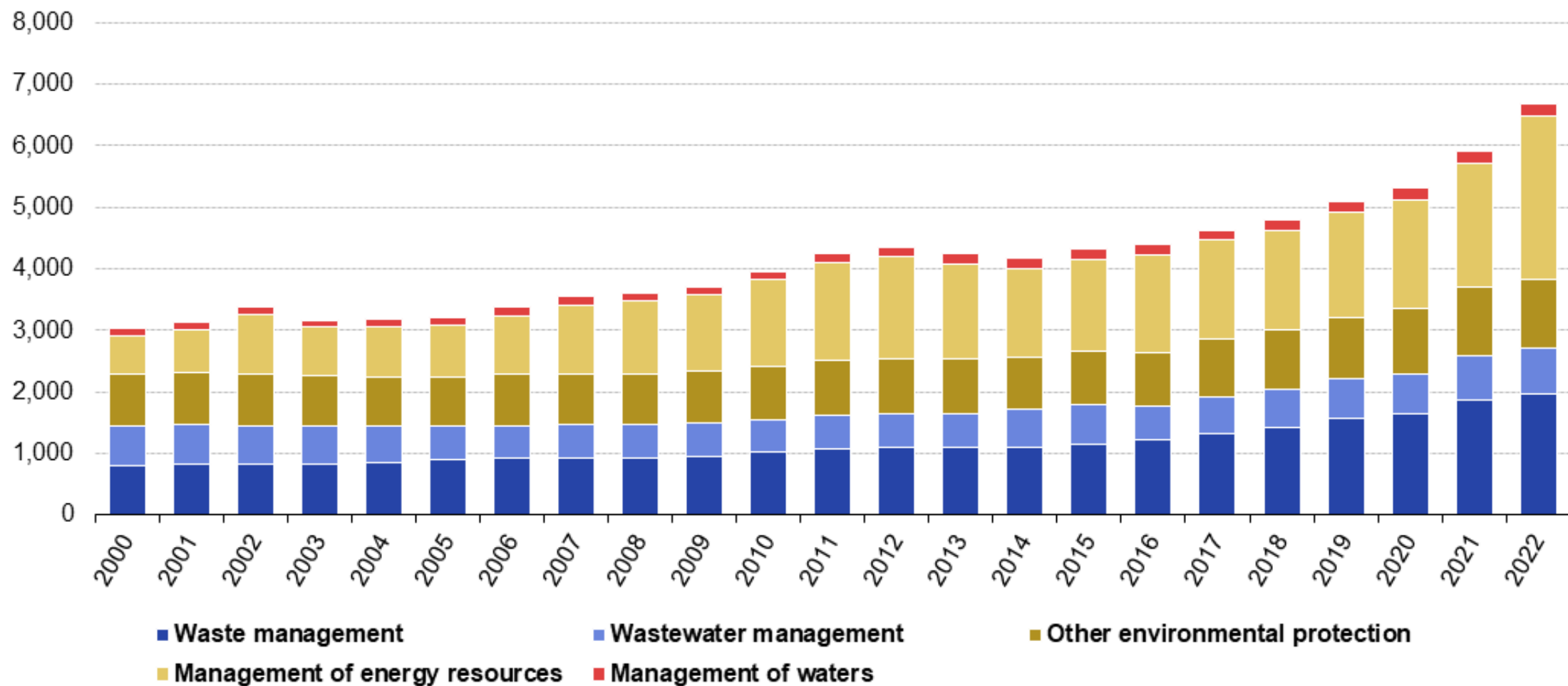
Private investment in climate change mitigation, EU, 2005-2023

(% of GDP)



Employment in the environmental economy, by domain, EU, 2000-2022

(in thousand full-time equivalents)



Note: Data for EU are estimated by Eurostat.

Source: Eurostat (online data code: env_ac_egss1)

Climate investments in Swedish EPEA, concerning air and climate

- Integrated investments that prevent emissions
- End-of-pipe investments that treat emissions

The survey allows for companies to submit text information that provides more details regarding their investments.

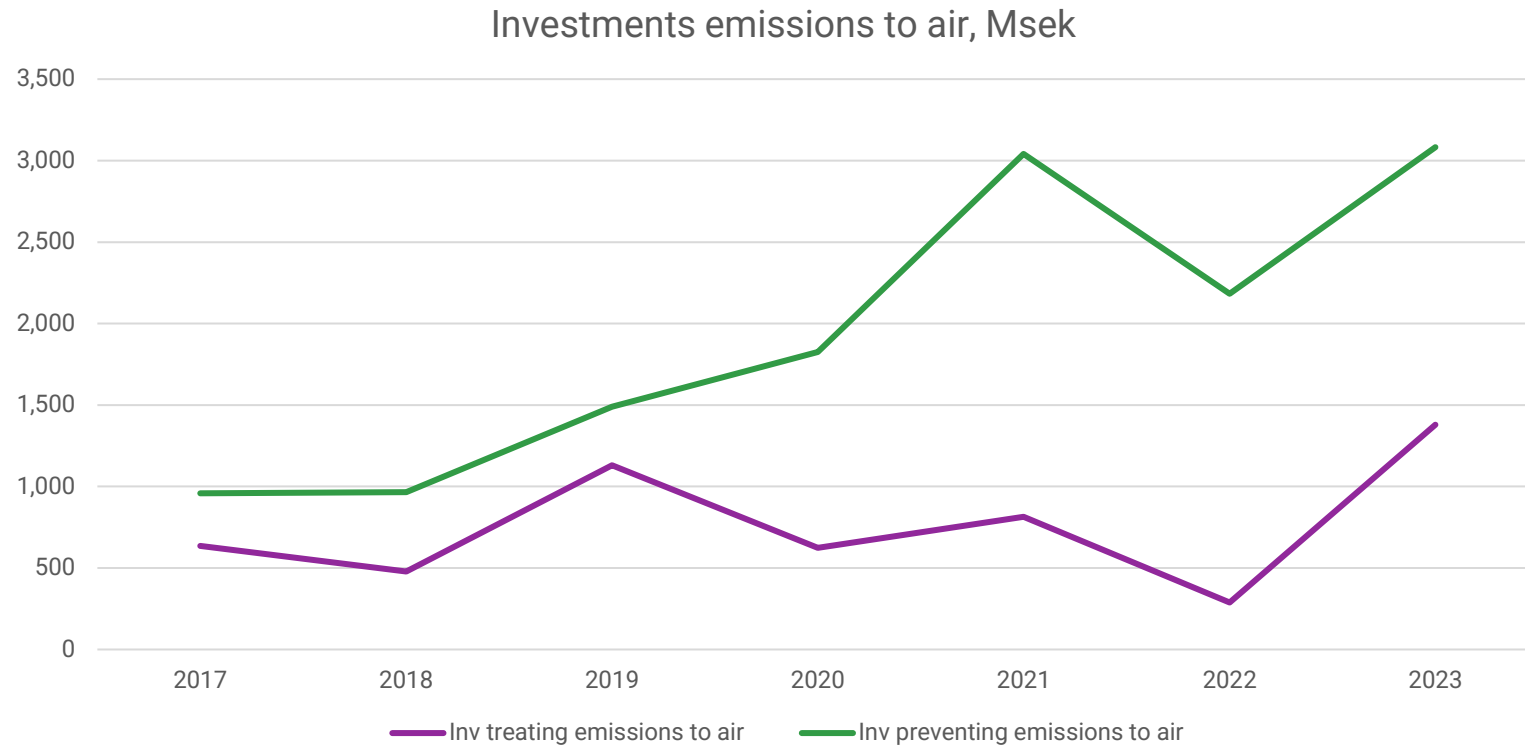
In the **prevention of emissions** to air category, the types listed concern such investments that **could be seen as climate investments**: Systems to change to biofuels, charging equipment for electric vehicles, etc.

The investments for preventing emissions to air have increased three times since 2017, in 2023 being at **3 billion SEK**, around 0,3 billion Euro.

(For the treatment category it could be measuring systems, filters, higher chimneys etc.)



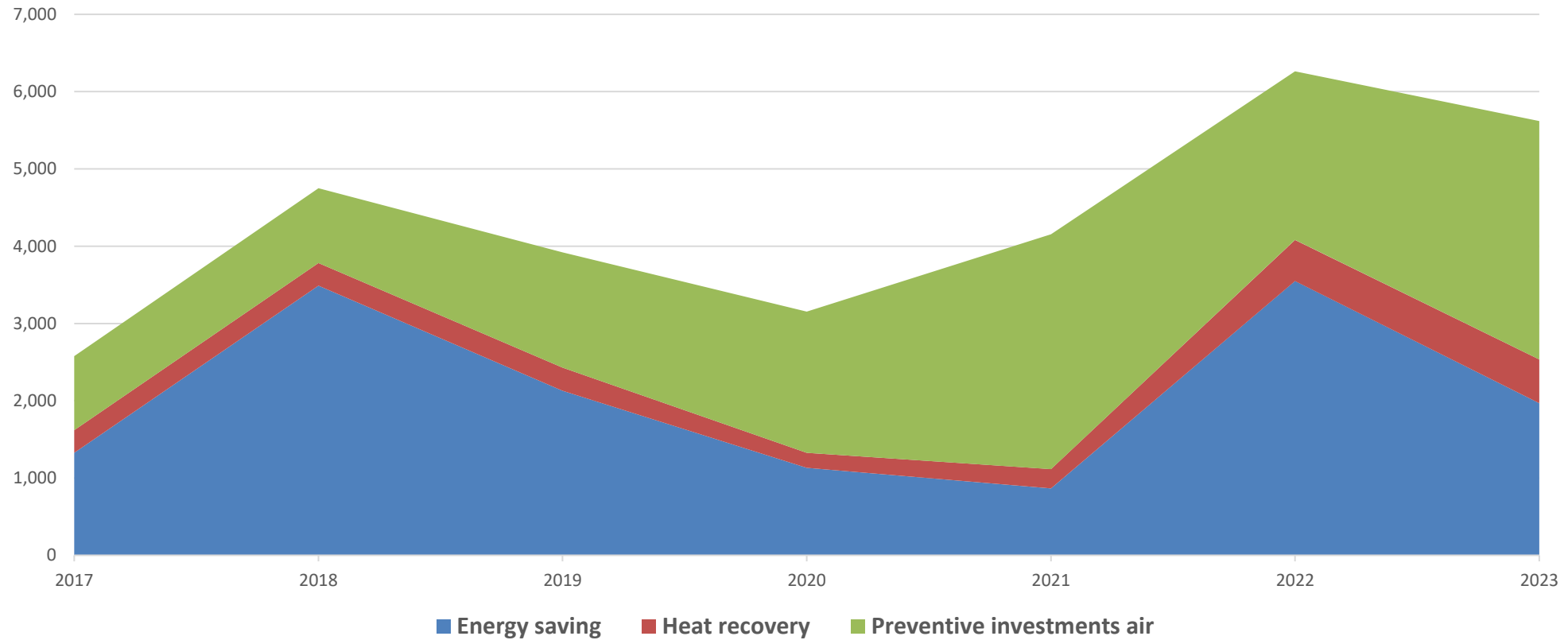
Industry investment EPEA Air prevention and treatment, 2017-2023, MSEK



Voluntary categories EPE of energy savings and heat recovery

investments from the industry. Around 38% of the companies answered.

Total Climate investments industry MSEK



Environmentally motivated subsidies and similar transfers

Looking at the climate issue from the state budget angle, covering subsidies to industry, households and public sector

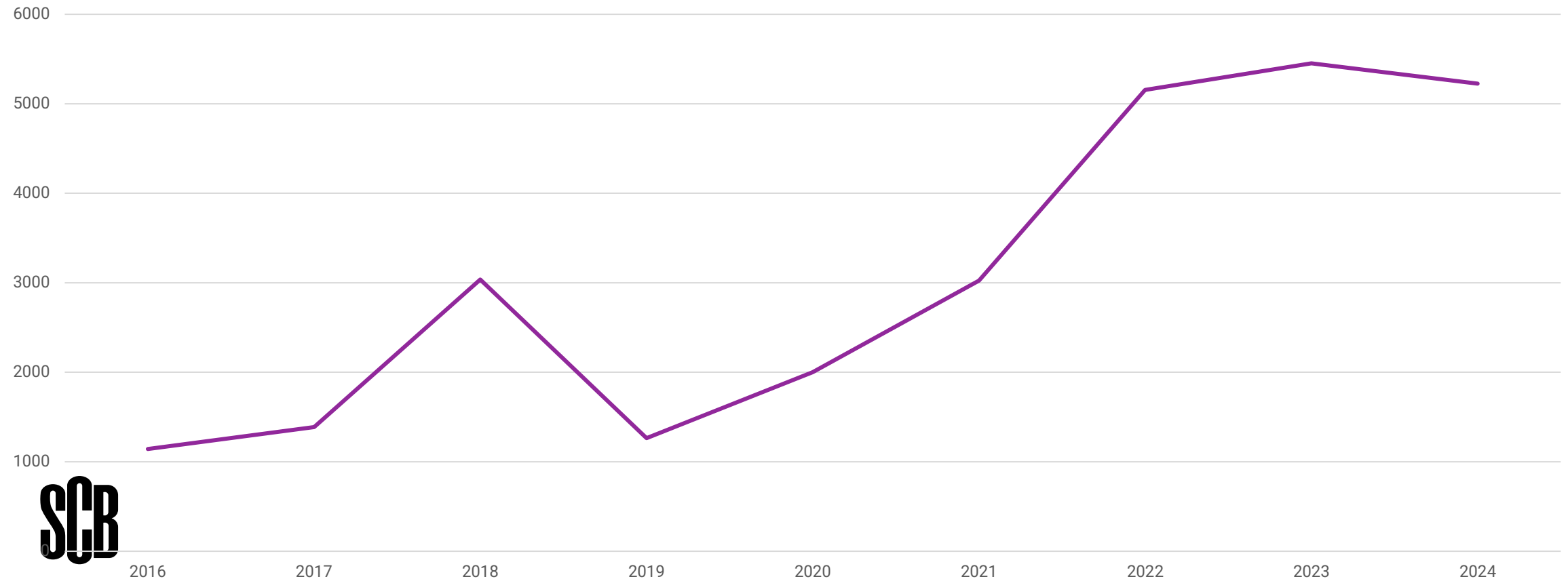
Environmentally motivated subsidies in total was 21 billion SEK in 2024. This is a decrease by 5 billion SEK compared to 2023.

Subsidies that are relevant for climate mitigation found in yellow categories:

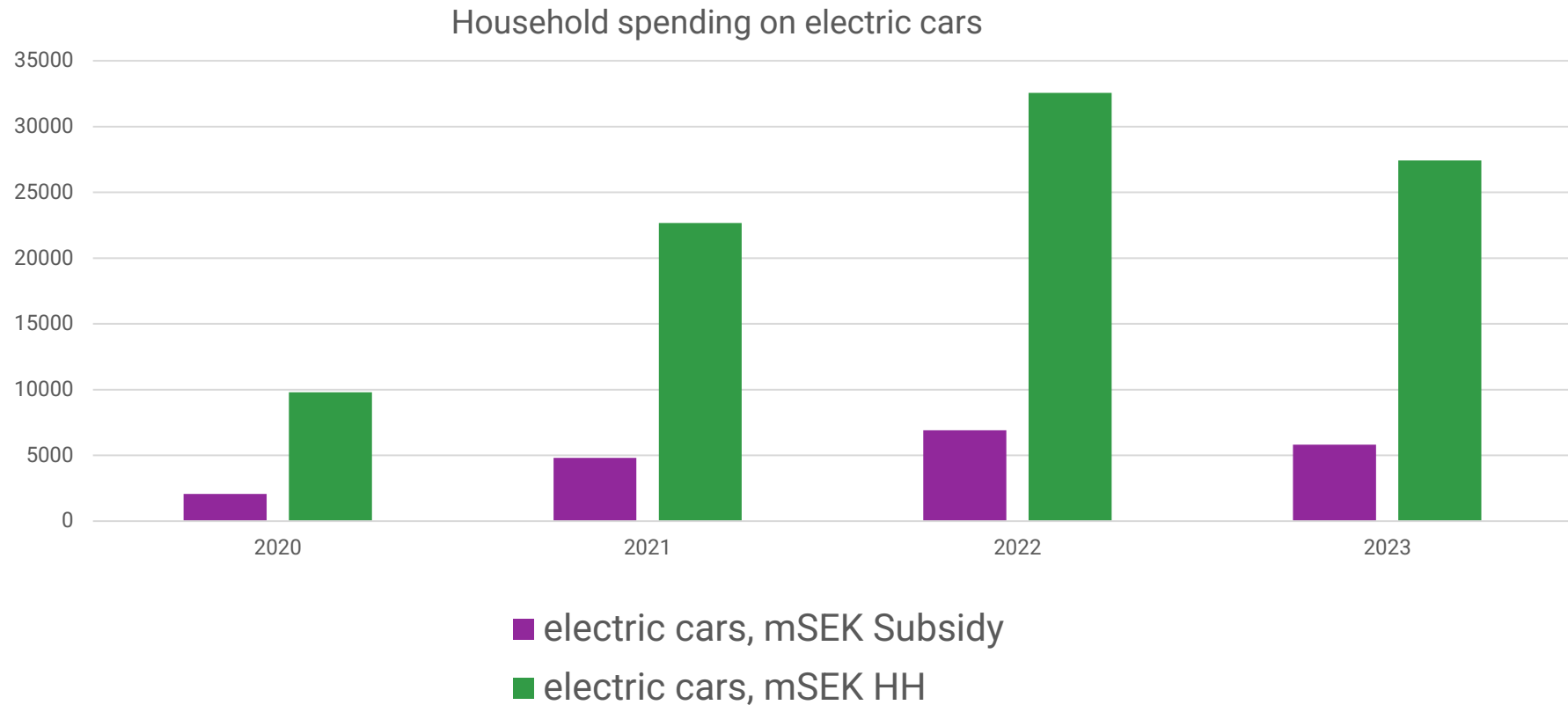
- Emission-reducing
- Energy-related
- Environmentally related aid and international cooperation
- Resource-related

22 subsidies had a climate related goal: biofuels, energy efficiency in industry, in multi-residential housing, energy planning, solar cells and energy batteries and storage. To industry this covered 5,2 billion SEK in 2024

Climate subsidies, MSEK, 2016-2024



Estimate for the investments in electric vehicles for households, the supporting subsidies data are used. The subsidy part is then allocated as public spending whilst the extra costs for the households are allocated as household spending.



Summary

- The environmental accounts provide preliminary evidence for climate investments from the EPE survey that are of the size of 6 billion SEK (0,6 billion Euros), for the industry.
- The Swedish Environmental Subsidies for industry, households and public sector amounted to 20 billion SEK, of which 5,2 billions to climate for industry.
- For households' own investments, the investments in electric cars and in households are estimated on the basis of the subsidies paid, as 33 billion SEK.
- There are risks of double counting between various sources.
- There is also a (greater) risk of not covering all the types of climate relevant investments, as there are initiatives such as wind farms and other measures that are not in need of subsidies.

The way forward

- Report the mandatory new **climate investment** to Eurostat in the autumn.
- Some more data checking needs to be performed to avoid double counting. Also to see if there is more investments to be found through the environmental sector data base.

