

Recent developments in energy subsidies

Country	Recent Developments
Angola	Increased gasoline and diesel prices by 50% and 38% respectively in September 2010. Plans to reduce fuel subsidies by 20% per year until eliminated.
Argentina	Announced measures to reduce gas and electricity subsidies to commercial and certain residential users in November 2011. In February 2012, cut \$461 million in annual tax breaks to major oil firms.
Bolivia	In January 2012, President Evo Morales raised the possibility of phasing-out subsidies for gas and diesel (previous efforts in 2011 failed in the face of strong opposition).
China	In response to rising crude oil prices, NDRC increased retail gasoline and diesel prices by 6-7% in March 2012, the largest percentage increase in 3 years, though still at a slower pace than the rise in international crude prices. After the price increase, price of 90-octane gasoline and diesel rose to \$1.17 and \$1.22 per litre respectively.
Chile	Raised natural gas prices by 3% in February 2011 for the Magallanes region in response to protests, rather than 16.8% as initially planned. In response to protests in the Aysén Region, the Government agreed with the Aysén Social Movement (MSPRA) in late March 2012, to provide targeted subsidies on various items, including fossil fuels.
Egypt	Announced at the end of 2011 and the beginning of 2012 that subsidies to natural gas and electricity consumed by heavy industry would be reduced, although it remains unclear if plans have been implemented. Government officials have been advocating subsidy reductions in order to reduce their burden on the national budget.
El Salvador	Reformed LPG subsidies in April 2011 alongside the introduction of targeted cash payments for households consuming less than 300 kWh of electricity per month.
India	Released in March 2012 the budget for 2012-2013 fiscal year, with the target of reducing overall subsidies from over 2% of GDP in 2011-2012 fiscal year to 1.76% and reducing fuel subsidies by more than Rs25,000 crore. The new budget calls for a shift from subsidies to targeted cash transfer as a way to help the low-income population.
Indonesia	Rejected a plan to increase gasoline and diesel prices by 33% in April 2012 amidst protests. Approved a condition where fuel prices can be raised if the average Indonesia Crude Price rises 15% above \$105 per barrel over a six-month period.
Iran	Significantly reduced energy subsidies in December 2010 as the start of a 5-year program to bring the prices of oil products, natural gas and electricity in line with international market- levels. Cash payments are being made to ease the impact of higher fuel prices. Details of the second phase of subsidy reform remain unclear.
Jordan	Announced an expansion of their subsidy programme in January 2011 by further reducing kerosene prices and gasoline prices. In January 2012, affirmed continued subsidies for gas and electricity.
Malaysia	Cut subsidies for gasoline, diesel and LPG in July 2010 as part of a gradual reform programme. However, total subsidy bill was expected to double in 2011 due to higher international oil prices. In March 2012, affirmed continuation of subsidies.
Mexico	Steadily increased gasoline, diesel, and LPG prices in 2011, with the goal of eliminating subsidies.
Morocco	In January 2011, government reports indicated that that fuel subsidies would rise to a record \$5 billion in 2011 from \$3 billion in 2010 if oil prices remain above the \$100 per barrel. Announced in April 2012 that reforms would be introduced to cap spending on energy (and food) subsidies at 3% of GDP and to better target the assistance to the poor.
Nigeria	Following implementation of a complete removal of gasoline subsidies in early January 2012 which doubled prices, a nation-wide strike ensued. Gasoline prices were then cut by a third, partially reinstating the subsidy.
Pakistan	In April 2012, raised the prices of petrol by 8.2%, high speed diesel by 4.5% and kerosene by 5.5%. Amidst the threat of protest, lowered increases to 6.2%, 3.6% and 3.9% respectively.
Qatar	Increased petrol, diesel and kerosene prices by 25% in January 2011.
Russia	Plans to raise natural gas prices to international levels for industrial users through 2014.
Sierra Leone	Eliminated half the gasoline subsidy in May 2011, equal to 5% of the annual government budget.
South Africa	Plans to raise electricity prices by 20% per year through 2015 according to the Integrated Resource Plan, approved in March 2011.
Syria	Announced two expansions of subsidies in 2011: increasing heating oil allowances for public-sector workers in January and lowering diesel prices in May.
Thailand	Decided in March 2012 to maintain subsidies for diesel and natural gas for transport out of concern for a potential inflationary pressure.
UAE	Increased gasoline prices in 2010 to the highest level in the GCC, but still below international prices. Despite higher international prices in 2011, price increases were delayed.
Ukraine	Raised gas price for households and electricity generation plants by 50% in August 2010 and announced plans to raise them by 30% in 2011.

Sources: IEA