Subsidies are akin to the process of being informed and unloaded at pre-agreed prices in numerous countries around the world.

**WHAT IS DRIVING THIS DOWNWARD TREND?**

A large part of the reduction in global consumption subsidies in 2013 is because of lower international oil prices.

**FAIRNESS**

- **5%** The average share of benefits goes to 60% of people
- **7.2%** The highest share of benefits go to 10% of people

**ENVIRONMENT**

- **4x** Government support for fossil fuel subsidies is 4x higher than the costs of clean energy

**THE SHIFT TOWARDS SUBSIDY REFORM IS PROMISING.**

However, more work needs to be done in the right way: being inclusive, sustainable and supporting green growth, while enhancing the welfare of vulnerable households and businesses.

**THERE ARE COMPELLING REASONS FOR COUNTRIES TO REFORM: **

- **MONEY**
  - The average share of benefits go to 60% of people
- **FAIRNESS**
  - The highest share of benefits go to 10% of people
- **ENVIRONMENT**
  - Government support for fossil fuel subsidies is 4x higher than the costs of clean energy

**DRAWING ON INTERNATIONAL EXPERIENCE AND BEST PRACTICE, THE IISD GLOBAL SUBSIDIES INITIATIVE HAS IDENTIFIED THREE KEY ISSUES OF SUCCESSFUL Fossil Fuel Subsidy Reform:**

1. **PRICING**
   - Low oil prices
   - However, oil prices will likely rise again
   - Oil prices are not the whole story

2. **MANAGING IMPACTS**
   - Building compensation packages

3. **BUILDING SUPPORT**
   - Developing alternative pricing mechanisms