

Title:

Carbon Trading - What's All That About?

Word Count:

463

Summary:

There is an emissions trading scheme in operation internationally but many people aren't aware that this is perceived to be the cornerstone of the climate change policy in the EU and USA.

Firms are set quotas on how much carbon dioxide they can produce per year, if they produce more than this allowance, then they buy an allowance from another firm that has not reached it's quota on how much it can produce in one year! Get it?

Emissions Trading is particularly suited to ...

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Article Body:

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Firms are set quotas on how much carbon dioxide they can produce per year, if they produce more than this allowance, then they buy an allowance from another firm that has not reached it's quota on how much it can produce in one year! Get it?

Emissions Trading is particularly suited to the emissions of greenhouse gases, the gases responsible for global warming, which have the same effect wherever they are emitted.

Emissions of carbon dioxide - a greenhouse gas - are widely thought to be a key factor in global warming, and increasing atmospheric temperatures around the world.

The idea of the carbon-trading scheme was to raise the cost to firms of

continuing to pollute while creating a market to give an incentive to become more environmentally efficient. They are traded in a similar way to buying and selling shares, there are a number of companies that offer the buying and selling of carbon units and many offer different commissions and even free trading if you shop around. I even saw one firm that offered a one stop shopping for Renewable Energy, Biodiversity, and Greenhouse Gas. Its like an online retailer but for things you can't touch. Ill have 2 pounds of apples, a bag of potatoes and a Biodiversity credit please!!!

On an international level countries are able to deal in carbon trading The potential benefits of such a system for developing countries would be that poorer, developing countries can sell there surplus carbon dioxide to richer countries. This income could stimulate much needed economic growth. They could also achieve their Kyoto commitments at the lowest possible cost as the money needed to invest in cleaner technology can be funded by the trading on carbon units. Countries like the USA and UK could pay the countries in Africa to REFOREST there lands, this reduction in carbon dioxide in the planet would then allow USA/UK firms to emit extra carbon dioxide into the atmosphere. It would probably be cheaper to REFOREST parts of Africa then to buy state of the art cleaner technology for firms in the West. How many trees could you plant for a million dollars/pounds in Africa?

The cost of cleaner technology in the West obviously varies from industry to industry, size of the company, technological advances available etc but surely a company would not trade CO2 unless we were talking big money. Carbon trading sounds a bit strange to me, as you are trading air, but if this leads to more trees being planted and a reduction in climate change - Im all for it!