

South Korea approves emissions trading scheme

May 3 2012



File photo shows the frozen Han river in Seoul, South Korea, in 2010. South Korea's parliament has approved a long-delayed bill to start trading carbon dioxide emissions in 2015, joining the vanguard of countries battling climate change.

South Korea's parliament has approved a long-delayed bill to start trading carbon dioxide emissions in 2015, joining the vanguard of countries battling climate change.

The legislation approved late Wednesday means it will become one of the first Asian countries to implement a nationwide cap-and-trade system.

Such a scheme limits industry emissions of carbon dioxide, but allows companies to buy credits if they want to emit more, or to sell credits if

they can cut emissions.

Annual greenhouse gas emissions by [South Korea](#) have doubled in the past two decades to about 600 million tons from about 300 million tons in 1990, a government official said.

The limits will apply to companies that discharge 125,000 tons or more of [carbon dioxide](#) annually or workplaces that emit at least 25,000 tons a year.

The bill was first submitted to parliament in April last year but faced strong opposition from the Federation of Korean Industries which represents big conglomerates. They said it would hurt export competitiveness.

The Knowledge Economy Ministry said emission limits would be decided six months before the scheme goes into force.

An exchange would be either designated or created to ensure stable trading of emissions credits and the cost of such credits would be decided by the market, the ministry said.

Companies which exceed emissions limits would pay a penalty equal to three times the market value of the credits -- but the penalty would be limited to a maximum 100,000 won (\$88.5) per ton of emission.

The New York-based Environmental Defense Fund (EDF) hailed the legislation, which secured near-unanimous approval in parliament.

"South Korea's bold move is evidence that fast-growing economies can put a limit on dangerous [carbon emissions](#) with broad support from elected leaders, and of the mounting desire and momentum to curb [climate change](#) across both the developed and developing world," said its

Asia director Richie Ahuja.

"Such visionary actions by countries is how the global climate race will be won," Ahuja said in a statement.

The EDF said the legislation would cover about 60 percent of the country's [greenhouse gas emissions](#), putting it on track to fulfill its pledge to reduce emissions 30 percent from projected levels by 2020.

South Korea, Asia's fourth largest economy, is now following a similar timetable to China, which plans to start a nationwide carbon-trading programme in 2015.

Australia and New Zealand have already approved carbon-trading systems.

(c) 2012 AFP

Citation: South Korea approves emissions trading scheme (2012, May 3) retrieved 25 April 2024 from <https://phys.org/news/2012-05-south-korea-emissions-scheme.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.