

China 'launches its first carbon trading scheme'

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Cooling towers at a coal-fired power plant in the suburbs of Beijing. China, the world's largest carbon emitter, was set Tuesday to launch its first carbon trading scheme aimed at reducing emissions, state-media said.

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A platform allowing businesses in the southern city of [Shenzhen](#) to trade

permits to emit carbon was established on Sunday, with trading due to start on Tuesday, China's official [Xinhua news agency](#) reported.

China plans to open similar schemes in seven areas before 2014, in what analysts say is a step towards a nationwide carbon market.

"This is the first step towards a national [carbon trading](#) system," Li Yan, head of environmental group [Greenpeace](#)'s climate and energy campaign in China, told AFP.

But analysts have said that the scheme, which covers just 38 percent of the city's emissions, is unlikely to produce significant reductions in overall emissions.

"It only covers less than half of the city's emissions, so the effectiveness in terms of carbon cuts needs to be seen," Li said.

"To me the pilot is necessary homework to get the county prepared on capability to manage carbon."

Because of its reliance on coal and heavy industry, China has emerged as the top producer of climate-changing [carbon emissions](#), ahead of the United States, though its per capita emissions remain far below the US.

China has no targets to reduce absolute carbon emissions and government officials have said they will continue to rise until around 2030.

Beijing is aiming by 2020 for a 40 percent reduction from 2005 levels of carbon intensity, a measure of the amount of carbon produced per unit of [economic output](#).

Under the trading schemes, companies will be assigned an emissions

quota and will be able to profit from selling excess permits to other firms if they emit below their quota, reports said.

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