

China plans to launch national cap-and-trade system

September 25 2015, by Christopher Bodeen



President Barack Obama and Chinese President Xi Jinping, right, walk from the West Wing of the White House in Washington, Thursday, Sept. 24, 2015, for a private dinner at the Blair House, across the street from the White House. Xi arrived in Washington late Thursday for a State Visit. Obama has invested more time building personal ties with the Chinese president than with most other world leaders. (AP Photo/Manuel Balce Ceneta)

China is preparing to announce plans to launch a national system to limit

greenhouse gases and force industries to purchase pollution credits, Obama administration officials said Thursday.

Beijing plans to put the system known as cap-and-trade into place in 2017 as part of measures aimed to address [climate change](#) in cooperation with the U.S. and others.

A joint statement to be released following Friday's summit between President Barack Obama and his Chinese counterpart Xi Jinping aims to flesh out how their two countries plan to achieve targets for cutting emissions set at a bilateral summit in Beijing last year.

The officials, who spoke on condition of anonymity so they wouldn't preempt China's official announcement, said it's hoped the announcement will give impetus to a broader global treaty on climate change at a Paris conference in December.

The announcement will also cover components of the cap-and-trade strategy, including the individual sectors covered under the plan, which range from power production to papermaking, the officials said. Those sectors produce "a substantial percentage of China's climate pollution," one official said.

Cap-and-trade sets an annual limit on the amount of pollution that can be produced, then requires firms to obtain permission to pollute by purchasing credits from less polluting industries.

Other parts of China's announcement will include prioritizing low-carbon and efficient electricity production.

Under last year's groundbreaking agreement, Obama set a goal to cut U.S. emissions between 26 percent and 28 percent by 2025, compared with 2005 levels.

China, the world's biggest polluter, relies heavily on coal for power generation. It will set a target for its emissions to peak by about 2030 or earlier, after which they would then start falling. That marks an unprecedented step for Beijing, which has been reluctant to be boxed in on climate by the global community.

The European Union has also said it would cut its emissions 40 percent by 2030, compared with 1990 levels. Taken together, the U.S, China and the EU account for more than half of global emissions.

Friday's announcement will also commit Beijing and Washington to aligning their views on key negotiating positions at Paris, along with providing greater funding for research and development on low-carbon technologies and financial assistance to help poor countries build low-pollution infrastructure.

China, one of the world's biggest builders of infrastructure, will also offer a "very substantial financial commitment" to help poor nations transition to low-pollution technologies, the U.S. officials said, without releasing the exact figure.

Three decades of breakneck economic growth have left China's cities clogged in dense smog and sent cancer rates soaring. That's prompted it to drop its insistence that developed nations bear most of the responsibility for reducing carbon [emissions](#), producing a rare area of cooperation with Washington.

Lu Kong, the spokesman for Xi's delegation, declined to discuss the joint statement, but said climate change was "an area where China and the U.S. could work together and we did make some good progress in our joint efforts.

"Maybe this time we could make further progress in demonstrating to

the outside world at large that China and the U.S. are committed to further efforts in dealing with climate change in a comprehensive way," Lu said.

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