

# Future Market and Trends

- Arguments on the game rules of Climate Change international cooperation
  - Non Annex I countries: All countries shall obey and follow already agreed rules under UNFCCC and Kyoto Protocol
  - Annex I countries: time passed and things changed, emerging big developing countries have rapid increasing of GHG emissions. Climate Change could not be done only by developed countries. Developing countries and developed countries who not ratify Kyoto Protocol shall be on board.

- Problems facing by China:
  - ✓ The second biggest economic entity in the world
  - ✓ GHG emission becomes the No.1
  - ✓ GHG per capital even higher than some European countries
  - ✓ Energy consumption level is high, highly rely on international oil supply, which is not sustainable
  - ✓ To be responsible big country
  - ✓ Still developing country, big gap between big city and rural area, some population is still in the poverty level
  - ✓ Rapid increase of economic and demand on the energy

- Actions by China
- ✓ Promise to reduce GHG emission per GDP to 40~45% in 2020
- ✓ Favorite policy and political guides on industries to be less carbon intensive and more clean energy
- ✓ Domestic carbon trade market under research and plan test operation in 6 provinces since 2013
- ✓ Update rules on post Kyoto CER transaction and domestic VER transaction
- ✓ Constructive proposal to Durban

- Carbon transaction possibilities after 2012:
  - ✓ EU-ETS open to CDM projects till 2015 or even 2020
  - ✓ Bilateral cooperation among countries outside of Kyoto Protocol on Climate Change
  - ✓ Reformed CDM: high efficiency, more favorite policies to small project