

BUSI530 – Sustainability

Individual Assignment:

Carbon Trading



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1. Executive Summary

This essay gives a brief overview about the complex topic of carbon trading by as a first step explaining simplified the need for reducing greenhouse gas emissions to work against global warming. The next step is to look at the approach of carbon trading to reduce these emissions by giving a economic incentive to the polluting facilities. The European Emission Trading Scheme (EU ETS) is by far the biggest installation of a carbon trading scheme and the basics are explained in the next step, also referring to the Kyoto protocol. There are several points of critique at the EU ETS which are highlighted but nevertheless the intention and implementation is very successful in many aspects and as the traders call it “We have a market”. The last step in this essay is to look at the current situation in New Zealand, showing that New Zealand has to act now to maintain its good reputation of an innovation leader and environmental conscious country. There are several unusual circumstances in the New Zealand emission environment like the comparable very high proportion of agriculture greenhouse gases (50%) which next to other factors make it harder to achieve the Kyoto levels as New Zealand is a ratified partner. The nzier report reflects on these circumstances and gives a complex framework for implementing a emission trading scheme in New Zealand.

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