

## **The world market for carbon trade**

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In the last 20 years, global climate change due to greenhouse gas emissions produced by human activities has become a significant issue in the international community. In order to reduce global warming, many governments have been active to implement the target of the Kyoto Protocol. This has caused the emergence of carbon markets. With this background, this paper introduces the creation of the international carbon market and its dynamic state in 2005-2006, as well as the future outlook for the relation between supply and demand in the carbon market. The emerging carbon market encompasses both project-based emission reduction transactions, which play a significant role, and the trading of greenhouse gas emission allowances as an important supplement. Many diverse approaches were designed as a response to control the density of greenhouse gases in the atmosphere, and keep the climate system from jeopardy because of human disturbance. Although this newly emerging market is very active, the long-term world carbon market will be a high business risk because of the indetermination of international climate policy, the complicated relationship between the natural environment and the energy market, and various speculative influences in the carbon market.