

The New York Times

Green Inc.

Energy, the Environment and the Bottom Line

JANUARY 29, 2010, 4:15 PM

Carbon Market Could Grow 33% This Year

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The global carbon market is expected to total \$170 billion this year, a 33 percent jump from 2009, driven mostly by higher prices in Europe and a growth in the nascent carbon market in the United States, according to a new report from [Point Carbon](#), a market analysis firm.

The Associated Press The global trade in emissions permits is expected to grow by 33 percent in 2010, according to a research firm.

The firm said much uncertainty remained this year, both for the prospects for an American carbon trading mechanism, as well as for an international mechanism, especially after the failure of the Copenhagen summit meeting to reach mandatory carbon reduction goals.

The global [carbon market](#) reached \$136 billion in 2009, up from \$133 billion in 2008, and more than double what it was in 2007, when the market totaled \$58 billion.

As a result of the uncertainty over carbon policy, the total volume of carbon traded this year is expected to increase by only 5 percent compared with last year, to a total of 8.4 billion metric tons – or gigatons – of carbon dioxide equivalent, according to the firm's annual forecasts.

Still, the biggest growth in carbon trade this year is expected to come from the [United States Regional Greenhouse Gas Initiative](#), a cap-and-trade system for the power sector covering 10 Northeastern and Mid-Atlantic states. These states, which include New York, Maryland and Massachusetts, aim to reduce their carbon dioxide emissions from the power sector 10 percent by 2018.

Point Carbon expects the regional market to reach 985 million tons of carbon dioxide this year, with an expected value of \$2.2 billion, a jump of 29 percent from 2009. This new market will make up 12 percent of the world's global carbon market in 2010.

Europe's [Emissions Trading Scheme](#), the world's top carbon market, is expected to be flat this year compared with last year. Point Carbon sees the value of that market rising to \$134 billion in 2010, from \$100 billion in 2009, with 5.4 gigatons of carbon trading.

It anticipates higher price for the European Union Allowances, which it expects to reach 18 euros per ton, compared with the current price of 12.96 euros a ton.

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