A Study on the Direction Establishment for the Green Trade Infrastructure in Carbon Emissions Trading Scheme: Focused on the Case of Japan's Emissions Trading Scheme

Abstract

Japan is faced with the mid and long term CO₂ emission reduction target of 25% by the end of 2020 compared to the emission in 1990, and it has decided to introduce the mandatory of emission trading scheme based on the Cap and Trade method by the end of 2013 in order to supplement the problems of the voluntary system of emission trading that has been operated so far and to ensure more efficient reduction of greenhouse gas. Voluntary participation of enterprises is the principle of the implementation of the system by taking the position of the industries that are concerned about maintenance of fairness among enterprises due to the Cap and Trade method and weakening international competitiveness of enterprises due to production cost increase, etc. into account, but, other efforts are being made to make the system more effective such as implementation of Baseline and Credit method along with the Cap and Trade method and other system tools such as banking, borrowing and offset, etc. in order to secure stability of emission trading prices. In this paper, the matters that need to be considered in designing the domestic emission trading scheme were also reviewed based on the result of the review on the cases of Japan.