



# Xi Jinping Set For Big Gamble With China's Carbon Trading Market

As a maturing Technocracy, China is following the prescribed course of action to control carbon and hence, energy. The carbon trading market has thus far failed in every instance, but that does not deter scientists who are certain that the 'science is settled'. □ TN Editor

As other countries look to [China](#) to take the lead in fighting [global warming](#) after President Trump's [rejection of the Paris climate agreement](#), President Xi Jinping is pushing ahead with an ambitious plan to build the world's largest market for carbon emissions permits.

The start of a national carbon trading market in China by late this year has been years in the making, but is now shaping up as Mr. Xi's big policy retort to Mr. Trump's decision to quit the Paris accord. The Chinese government said in a greenhouse gas policy guide [released on Wednesday](#) that the 2017 start was on track.

"Carbon trading on a national scale will send a signal to the world that

China is serious about this,” said [Wang Yi](#), a professor at the Chinese Academy of Sciences in Beijing who also belongs to the national legislature and advises the government on climate policy.

But this is a high-visibility, high-stakes gamble for Mr. Xi. He seems eager to take the initiative from the United States on trade, multilateral cooperation and climate change. His record on the environment and market reforms, though, is mixed, and China’s carbon trading plan is not a sure bet to succeed.

Europe and California already use this [cap-and-trade approach](#), which sets a ceiling for greenhouse-gas emissions and allows businesses to buy and sell emissions permits in the hope of unleashing market competition to save energy and embrace clean technology. But no one has tried this on the scale the government envisions for China, the world’s leading source of carbon emissions.

Making the trade run smoothly could take years and test Mr. Xi’s vows to let markets expand and to curtail polluting industries. Major setbacks in the nascent market could embarrass China and undermine global support for using [cap-and-trade](#) measures to reduce the greenhouse gases that are causing warming.

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