

Incentives Offered for Greenhouse Gas Cut

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Manufacturing companies will receive cash incentives for reducing the volume of their greenhouse gases emissions next year.

According to the Ministry of Commerce, Industry and Energy (MOCIE) yesterday, financial incentives will be given to firms voluntarily cutting down on global warming gases such as carbon dioxide and methane.

The ministry said companies will be required to submit a gas-reduction plan to the Korea Energy Management Corporation (KEMC) for verification.

“We will set aside some five billion won (\$5.2 million) as cash incentives for greenhouse gas reduction next year. When Korea is subject to the mandatory reduction requirement under the Kyoto Protocol, steel makers and other energy-intensive industries will be hit hard,” a MOCIE official said.

He said the cash incentive is designed to encourage more companies to adopt environment-friendly technologies and invest in other measures to reduce greenhouse gases.

The Kyoto Protocol, which went into effect in February 2005, requires 36 industrialized countries to reduce their emissions of greenhouse gases to 5.2 percent below 1990 levels during the 2008-2012 period.

Korea is currently exempted from the emission reduction obligation but will likely be required to reduce its global warming gas emissions from 2013 with the size of reductions to be decided through future meetings. Korea ratified the climate pact in November 2002.

The government has also come up with several other measures to try to reduce gas emissions.

It plans to gauge the amount of greenhouse gas emissions by local companies through a computerized simulation program late this year to prepare firms for the emission trading system that will begin operation across the globe in 2008.

It will model the European Union’s multi-national emissions trading scheme in which

companies can buy or sell quantities of carbon dioxide emissions among themselves depending on whether they have surpassed or kept under their quotas.

Also, the government will construct the social and industrial infrastructure necessary to cope with the protocol and adjust to climate change.

It has strengthened cooperation with other countries to develop technologies known as clean development mechanisms for emission reduction or to jointly implement low-emissions businesses.

Other state programs include the creation of databases on greenhouse gases emissions and a nationwide energy saving plan aimed at reducing annual energy consumption to 3 percent below the 2003 level.

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