

In order to control greenhouse gas emissions and achieve strategic goals of “carbon peaking” and “carbon neutrality”, China release a number of rules and plans on energy-saving, emissions reduction, CO₂ emission trading and other relevant contents, such as the *Administrative Rules for the Trading of Carbon Emission Rights (for Trial Implementation)*, the *Administrative Rules for the Settlement of Carbon Emission Rights (for Trial Implementation)* and the *Administrative Rules for the Registration of Carbon Emission Rights (for Trial Implementation)*, etc. On the other hand, the pilot regions for the trading of carbon emission rights in China have also formulated relevant rules and measures. By introducing series of incentives and subsidies concerning carbon emission reduction and carbon neutrality, these pilot regions encourage enterprises to save energy and conduct technology reform to reduce carbon emission and facilitate the realization of “carbon peaking” and “carbon neutrality”.

In practice, China aims to achieve carbon emission reduction by promoting energy saving, developing clean energy (such as hydropower, nuclear power and wind power), and strengthening scientific and technological innovations (with the carbon capture, utilization and storage (CCUS) as an example of innovative technologies). In respect of regions, China’s emissions trading system (ETS) for carbon dioxide was first piloted in eight provinces and cities including Beijing, Shanghai and Tianjin. Later, based on the experience gained in the pilot process, China’s nationwide carbon trading was officially launched at the Shanghai Environment & Energy Exchange on July 16, 2021. In respect of industries and sectors, China established plans for the determination and allocation of total carbon emission quota by taking the power generation industry as a breakthrough, and has gradually expanded the coverage of industries and markets to promote the transitioning of carbon emission trading from pilot regions to a nationwide market.

As we share one Earth and atmosphere, carbon emission reduction is not the responsibility of a single country, and all countries in the world should make concerted efforts to achieve a win-win situation. While continuously promoting domestic efforts on carbon emission reduction, we should actively explore further cooperation with other countries, especially with our neighboring countries, such as Japan and South Korea. Specifically, a win-win cooperation could be achieved from the following aspects: Firstly, in respect of policies and systems, China, Japan and South Korea may enter into international treaty to establish cooperation on carbon emission reduction and carbon trading, agree on principles and scope of cooperation, and establish judicial collaboration between countries and regions; Secondly, in terms of technologies, China, Japan and South Korea may strengthen their scientific and technological exchanges on carbon emission reduction, learn from and share the relevant technologies, jointly carry out technological research and development, optimize their respective energy structure, and contribute their technological strengths for the purpose of carbon emission reduction; Thirdly, in respect of specific operations, the three countries may strengthen the development and interconnectivity of the carbon emission trading markets, improve market regulation and legal protection, effectively achieve the cross-border flow of carbon emission rights, promote the reduction of total carbon emissions in transnational regions, and finally reach the goal of carbon neutrality.