

Second phase of carbon trading study to commence

Promethium Carbon, a carbon and climate change advisory firm, has announced the development of the second phase of a carbon trading study for South Africa.



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This has been made possible through funding from the British High Commission's Prosperity programme. Promethium Carbon published a report in March 2014 on the potential structuring of a carbon offset trading programme for South Africa, also funded by the British High Commission.

"We are pleased to be working with Promethium Carbon to develop the pilot carbon trading programme to support South Africa's sustainable development priorities," Judith Macgregor, British High Commissioner, said.

Former Minister of Finance, Pravin Gordhan, announced in his last budget speech that the proposed carbon tax will be postponed by a year to 2016. Treasury indicated that the postponement of the carbon tax will allow further time for planning and consultation.

Preparation for tax

Robbie Louw, a director at Promethium Carbon, said the funding from the British Government's Prosperity Fund will assist in fast tracking the development of a local carbon trading system in preparation for the carbon tax.

"This next phase follows an initial study that highlighted the existing infrastructure for the trading platform and proved that a credible system could be implemented in time for the carbon tax," he said. "National Treasury published the Carbon Offset Paper in April 2014 that described the way in which companies could use carbon credits to lower its carbon tax obligation."

He explained that the second phase of the study aims to include a pilot trade of carbon credits on the Johannesburg Stock Exchange. "The testing of the trading platform will demonstrate how business can optimise the use of relief measures for carbon tax."

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