

APEC Finance Ministers Talk Climate Change, Energy

A presentation by China's Finance Minister stating he wants to establish an emissions trading scheme that could link with other countries has been heralded as a major breakthrough at a meeting of APEC finance ministers on climate change and energy security.

In outlining his proposal to set up a linkable emissions trading scheme Chinese Finance Minister Jin Renqing says China has set ambitious targets to reduce its energy intensity and would need to rely mainly on "a market-based mechanism" to achieve them.

"To hear a Chinese minister talk about using market mechanisms for dealing with carbon emissions, I've never heard that before and to me, it was a real breakthrough," says Federal Treasurer Peter Costello, although he has downplayed the prospects of a major agreement at the next APEC meeting in Sydney in September.

Speaking at the conclusion of the meeting in Queensland, Costello says climate change is one of the major international challenges.

"Finance ministers have a significant role to play in bringing a broad economic perspective to this issue, and developing and linking market-based economic policy responses," he says.

"Various measures adopted by different countries were discussed, including taxes, emissions trading, subsidies and regulation. Cooperation is important to ensure that emissions trading systems are designed in a way that would allow harmonising them on a broader regional basis."

On the issue of energy security, Costello says ministers have noted the need for "ongoing vigilance in setting macroeconomic policy and for greater flexibility in energy markets".

He says it is important that both private and state-owned businesses operate as efficiently as possible in order to underpin a sustainable response to climate change.

[Source esaa news]