

**CHINA ENHANCES LOW CARBON
COOPERATION WITH
THE UNITED STATES**

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Executive Summary

1. China and the United States signed a new agreement on climate change cooperation amid Xi's US visit in late September 2015, sharing common visions for reaching a new global climate deal to succeed the Kyoto Protocol after 2020 in the upcoming Paris conference.
2. Between years 2000 and 2012, China's total carbon emissions grew 167%. China is now the world's largest carbon emitter, accounting for a quarter of the world's total emissions, which is about nine percentage points higher than the share of the United States.
3. Deteriorating pollution reinforces the Chinese government's resolve to de-emphasise gross domestic product growth in quantitative terms as the leadership is catering to the demand for clean environment from the middle class.
4. Though China's carbon emissions are expected to peak in 2030, the country remains cautious about committing to a legally binding and quantifiable emission cutting target for fear of potential economic repercussions.
5. The agreement may put China closer to the Trans-Pacific Partnership deal, which includes the most robust enforceable environment commitments of any trade agreement in history.
6. China promises to bring down its carbon intensity by 60% to 65% from the 2005 level by 2030, and from 40% to 45% by 2020.
7. A national emission trading system is set to be launched in China in 2017, which will become the world's biggest carbon trading market, if successfully operated.
8. As provinces contribute differently to carbon emissions, China would do well to assign different emission rebate quotas and introduce a nationwide cap-and-trade scheme to make richer Chinese provinces pay more for their higher emissions.

9. China also confirmed various measures to enhance energy efficiency and promote green energy, including a “green dispatch” system, green buildings and green urban transportation systems.
10. Bilateral cooperation, particularly those with developed countries such as the United States, is an indispensable way for China to obtain low carbon technologies and foreign investment.