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Global Voluntary Carbon Market Doubled in 2008 to \$705M



With an estimated 123 million tons of carbon credits traded in 2008, the voluntary carbon market across the world nearly doubled from the 65 million tons of credits traded in 2007.

The 2008 credits traded at a combined value of about \$705 million, up from the \$331 million in 2007, according to a press release from Ecosystem Marketplace and New Carbon Finance.

The average price for voluntary carbon credits traded over the counter increased 20 percent in 2008, to about \$7.34 per ton of carbon emission equivalent. The data was assembled from 190 voluntary carbon credit retailers, brokers, exchanges and accounting registries. The data is published in a report called "[Fortifying the Foundation.](#)"

The report notes that, for the first time, the Chicago Climate Exchange has overtaken the voluntary over-the-counter market for volume of carbon credits traded. The Chicago Climate Exchange oversaw 69.2 million tons of carbon credit trading, compared to 54 million tons in the over the counter market.

But the overall value of credits traded at the Chicago Climate Exchange, at \$307 million, was less than over the counter credits (\$397 million).

At \$7.34, over the counter credits trade at an average 66 percent premium over those on the Chicago Climate Exchange. Over the counter credits are increasing in value, up from \$6.10 in 2007 and \$4.10 in 2006. In 2008, Chicago Climate Exchange credits traded at an average \$4.43 a ton.

The primary motivators for companies to purchase carbon credits were for purposes of corporate social responsibility and public relations. However, purchases of carbon credits as an investment vehicle or for resale has grown, as well.

The United States is the largest single country to be a source of carbon credits, providing 28 percent of volume on the over the counter market. The U.S. also is the biggest consumer, being the source of 39 percent of demand.

About half of carbon offsets were sourced from renewable energy sources, with another 16 percent coming from landfill gas (methane) projects.

About 96 percent of offset credits were third-party verified, with the Voluntary Carbon Standard, Gold Standard, Climate Action Reserve, and the American Carbon Registry accounting for 79 percent of verifications.