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## Japanese carbon garbage dumps in Australia

Japan's Tokyo Electric Power Co. (Tepco) has recently signed a letter of intent to participate in a tree plantation project promoted by the state agency State Forests of New South Wales, Australia, allegedly as part of its efforts to tackle global warming. New South Wales established a legal right last November on carbon sequestered from plantations. State forestry bodies in Australia have been looking to market their projects as sinks in the newly created "carbon offsets market" by the Kyoto Protocol. Such initiative is not the only one in the push of Australia to enter this market. Sydney Futures Exchange -also in association with State Forests of New South Wales is interested in creating an exchange-traded market for carbon credits as part of a plan to become a global emissions trading centre. The company will look for investments coming from Australia itself, as well as from New Zealand and the USA.

Tepco and New South Wales State Forests are likely to conclude a formal agreement as soon as specific conditions are set. The Japanese are planning to start the project with the plantation of a 1,000 hectares next year, and to extend the site up to 40,000 hectares in the following ten years.

In June last year, Tepco signed a memorandum of understanding with the World Bank as the first Japanese entity to participate in the "Prototype Carbon Fund" system to trade in carbon offset projects.

This new move of the Japanese in the climate change field must be seen in a wider context. In fact, the Japanese cooperation agency JICA has been -and still is- very much involved in projects for the promotion of large-scale fast-growing tree monocultures to produce cheap fibre in several Southern countries (see WRM Bulletins 9 and 25). At the same time, the Japanese industry emits great quantities of greenhouse gases to the atmosphere while the Japanese economy consumes vast amounts of wood and wood products that result in the depletion of the world's forests, both of which add to the greenhouse effect. And now Tepco -which will surely be followed by other companies- is creating carbon garbage dumps through tree plantations ... not in its own country, of course.

Sources: Yuri Onodera, Friends of the Earth Japan, "Sidney Future Exchange expands into carbon trading", Sydney Morning Herald, 31/8/99.