

Bratislava bourse to offer trade in aviation CO2 permits

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Commodity Exchange Bratislava (CEB) will launch trade in EU aviation emissions permits before the end of February, the Slovakia-based bourse said on Monday, making it the first to offer trade in so-called EUAAs.

The exchange is developing a spot contract, for which it will also offer clearing, but said it currently has no plans to offer trade in EUAA futures or forwards.

Airlines using EU airports were included in the bloc's Emissions Trading Scheme from January 1, but EUAA trading has been slow to start as companies have yet to receive their permits.

CEB offers trade in an eclectic mix of commodities, from oilseeds to diamonds, but it has seen little activity in its emissions trade offering, handling volume of less than 100,000 units since the end of 2010.

The European Commission expects to hand out the first EUAAs by the end of February to around 900 airlines that applied for a free allocation.

EUAAs can only be used by airlines to account for their emissions, whereas EU Allowances (EUAs) are eligible for compliance by all sectors covered by the cap-and-trade scheme.

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