

# **Can You Add To Your Bottom Line By Selling Carbon Credits?**

At a breakfast meeting organised by the Sri Lanka Institute of Directors (SLID) in association with Ernst & Young (E&Y), consultants from E&Y (India) explained the business opportunities available for Sri Lankan companies to add to their bottom line by taking advantage of international carbon credit schemes.

Companies from developed countries are looking into buying carbon credit by entering into agreements with companies from developing countries that invest in emission reduction projects. This provides an opportunity for Sri Lankan companies to improve their Internal Rate of Return (IRR) and bottom line of their projects. Sri Lanka has a high potential for carbon trading and it has been estimated that the country will be able to earn approximately Rs 2.5 bn by trading around 2.5 mn tons of carbon dioxide emission annually.

The two consultants from E&Y (India) focussed on case studies of carbon credits in the Indian market and gave examples of industry sectors in India that have benefited from Carbon Credit Projects which includes cement, fertiliser, chemicals, paper, buildings and plantations.

The methodology for availing carbon credits was also explained.