This week has seen some big climate moves on opposite sides of the world. The EU has proposed a major new climate plan. Meanwhile, China is ready to go live with its emissions trading system. The U.S. is at risk of being left behind.

The EU's proposal is impressive. The goal is to cut net greenhouse gas emissions by 55% from 1990 levels by 2030. It would essentially ban the sale of new gas-powered cars by 2035. It would also phase out coal and impose a tax on aviation and shipping fuel. Perhaps most boldly, it provides for tariffs on imported goods based on emissions during production, which would apply to imports such as steel, cement, iron, and fertilizers. That would put pressure on other countries, maybe including the US, to cut their own emissions.

Meanwhile, the launch ceremony for China's emissions trading program will be held on Friday. The system will involve over 2000 firms, accounting for one-seventh of global carbon emissions. China has been talking about launching this trading system for years, but now it finally seems to be ready to pull the trigger. The delays were apparently due to gaps in emissions data along with political maneuvering. The system is designed to reduce carbon intensity, the amount of emissions per unit of energy. Basically, inefficient carbon emitters will be put out of business, while total emissions may still grow along with the economy. The goal, however, is to hit peak emissions before 2030 and then start cutting. It's estimated that the price on carbon will be about $8 per ton. That's about the same as the price in the regional trading program in the eastern U.S. but well below the current price in the EU. If China is to meet its long-term emissions goals, the price will need to go up a lot.

It's hard for the US to complain that China's program is too lax when our own government has waffled so much on the climate issue. Democrats seem serious about trying to include a clean energy standard in a reconciliation bill. Whether they will succeed in doing so remains to be seen.