
Brazilian Companies Learn to Make Money Selling Carbon Credits Overseas

Contributed by Geovana Pagel
Thursday, 11 September 2008

It was just three years ago that Brazilian businessman Juarez Cotrim, from Brazil's southeastern state of São Paulo, who owns brick factory Cerâmica Luara, discovered an opportunity to run an environmentally sustainable business: the carbon credits market.

The first step was to adapt the factory so it would comply with CO2 emission standards. Manufacturing over 400,000 bricks a month, the factory replaced the previously burnt native firewood with biomass, a type of sawdust made solely from reforested wood, which is less pollutant.

In 2007, these changes earned the company the approval of a project for selling carbon credits. Established by the Kyoto Protocol, this market mechanism allows companies that have reduced their emissions of greenhouse effect gases to sell their credits to companies in developed countries.

So far, Cerâmica Luara has sold over 30,000 tons of CO2 in the carbon credit market. The first sale, of 23,700 tons, was closed with the United States in February. The second one took place last week, to France, and was equivalent to 6,370 tons of CO2.

Each ton sells for six euros. "I have invested the money in the company itself. I have replaced the manufacturing machinery and changed the electric wiring, so as to reduce power consumption even further," says Cotrim.

According to him, this new stance is part of an awareness-raising process with regard to the future of the planet. "We were concerned that our children might not have the same natural resources, or that they might not get to know some of the species that we do," says the businessman.

"We are contributing to preserve the environment in two ways. First off, by not burning native wood, we are contributing to stop deforestation. Secondly, by burning the biomass, we are helping reduce pollution," he claims.

The achievement of company Cerâmica Luara sets an example for businessmen who wish to seize profitable, ecologically correct business opportunities. "I am doing my share and expect other businessmen to do the same. Right now, we are getting paid to protect the environment. In the future, if we do not stop polluting, we might be forbid from working altogether," he believes.

Cerâmica Luara has been in the market for 20 years and produces bricks and cinderblocks. "Presently, our infrastructure allows us to supply the municipality of Panorama and surroundings. We also supply other states and make home

deliveries of both off-the-shelf and made-to-order products in large amounts," explains Cotrim.

The sustainable production process used at Cerâmica Luara started with the implementation of a LPA (Local Production Arrangement), developed by the Brazilian Micro and Small Business Support Service (Sebrae). The LPA counts on 72 red ceramic companies in the cities of Ouro Verde, Panorama, Paulicéia, Presidente Epitácio, and Teodoro Sampaio. The aim is for the factories to work together, and thus increase profitability and sustainable production.

Besides Luara, nine other red ceramic sector companies in the LPA have also adapted their production processes and are already undergoing certification processes in order to be able to sell carbon credits. They are expected to bring more credits market investors into the region.

Service

Telephone: (+55 18) 3871.3177

Website: www.ceramicaluara.com.br

E-mail: ceramicaluara@hotmail.com

Anba