**Low carbon technology innovation, carbon emissions trading** **and relevant policy support for China’s LCE development**

Xiangsheng Dou1, 2\*

1 School of Economics and Management, Southwest Jiaotong University, P. R. China

2Center for International Economic Research, Southwest Jiaotong University, P. R. China

*\*The corresponding author* at: Center for International Economic Research, School of Economics and Management, Southwest Jiaotong University, P. R. China.

Tel.: (086) 028-87634337

Mobile: (086) 15198016680

*E-mail address*: [douxiangsheng@tsinghua.org.cn](mailto:douxiangsheng@tsinghua.org.cn)

**Add.**:

PO Box 51702, Lanfengyuan,

No.816 Campus RD,

West District of High & New Tech.,

Chengdu 611731, Sichuan Province, P. R. China.

**Acknowledgements**

This research was funded by a research grant (10XJY004) from the National Social Science Foundation of China. The author appreciates generous support from the funds. The constructive comments of anonymous reviewers are thankfully acknowledged.

**Abstract:**

The key to solving increasingly serious environmental problems is comprehensively to promote low carbon economy (LCE) development, while LCE development needs the conditions of particular system and capacity. This paper builds a cone model to focus on the analysis of these basic factors of low carbon technology innovation, carbon emissions right trading, carbon finance and low carbon policy to provide a theoretical basis for China’s LCE practice. The results indicate that low carbon technology innovation is the basis for the LCE development, while carbon emissions right trading is the key to the LCE development. At the same time, the LCE development needs the corresponding conditions such as carbon finance and low carbon policies. Therefore, China should currently focus on these problems to promote the rapid development of low carbon economy.

***Keywords*:** Low carbon economy; Low carbon technology innovation; Carbon emissions right trading; Carbon finance; Low carbon policies