

# Carbon Credit Market In 2029

*The Business Research Company's  
Carbon Credit Market In 2029*

LONDON, GREATER LONDON, UNITED KINGDOM, January 12, 2026 /EINPresswire.com/ -- "Carbon Credit Market to Surpass \$1,441 billion in 2029. Within the broader Services industry, which is expected to be \$23,934 billion by 2029, the Carbon Credit market is estimated to account for nearly 6% of the total market value.

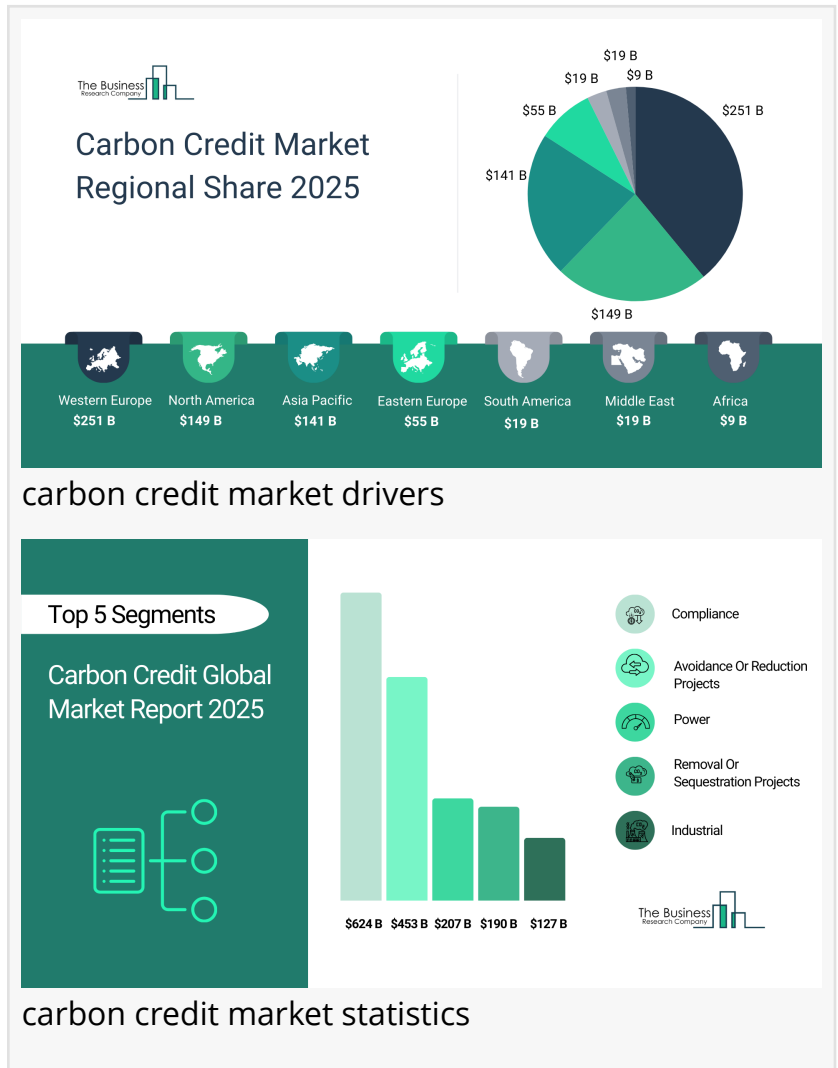
Which Will Be the Biggest Region in the Carbon Credit Market in 2029  
Western Europe will be the largest region in the carbon credit market in 2029, valued at \$552,111 million. The market is expected to grow from \$205,623 million in 2024 at a compound annual growth rate (CAGR) of 22%. The exponential growth can be attributed to the growing need to reduce carbon emissions and favorable government initiatives.

Which Will Be The Largest Country In The Global Carbon Credit Market In 2029?

The USA will be the largest country in the carbon credit market in 2029, valued at \$228,524 million. The market is expected to grow from \$106,215 million in 2024 at a compound annual growth rate (CAGR) of 17%. The rapid growth can be attributed to the expanding emissions trading schemes (ETS) and rising investments.

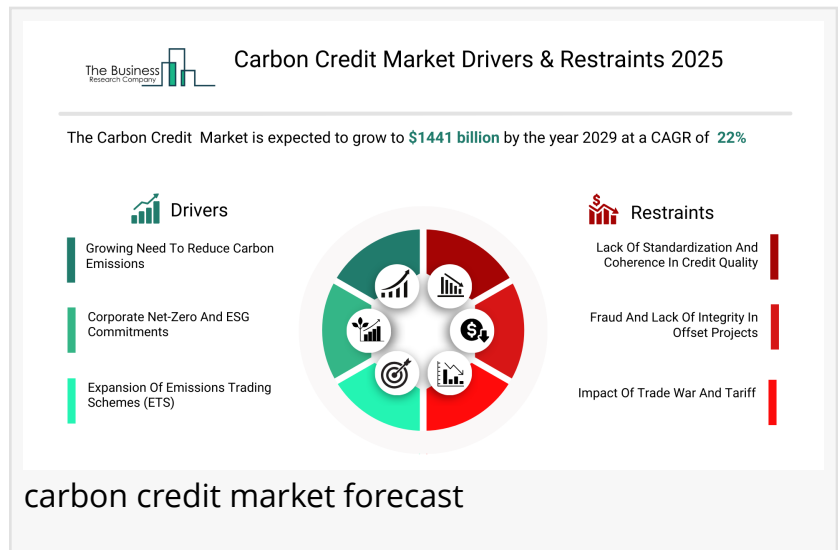
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## What will be Largest Segment in the Carbon Credit Market in 2029?

The carbon credit market is segmented by type into compliance and voluntary. The compliance market will be the largest segment of the carbon credit market segmented by type, accounting for 93% or \$1,346,124 million of the total in 2029. The compliance market will be supported by grows steadily, driven by government mandates strategic partnership, rising stringency of carbon taxation policies, global climate agreements such as the Paris Agreement, increasing pressure on high-emission sectors to meet reduction targets, expanding national and regional carbon pricing frameworks and growing investor demand for regulated corporate decarbonization strategies.



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Expected to grow to \$1874.96 billion in 2029 at a compound annual growth rate (CAGR) of 28.4%”

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The carbon credit market is segmented by project type into avoidance or reduction projects and removal or sequestration projects. The avoidance or reduction projects market will be the largest segment of the carbon credit market segmented by project type, accounting for 63% or \$911,673 million of the total in 2029. The avoidance or reduction projects market will be supported by initiatives that prevent deforestation and land degradation, adoption of renewable energy projects that displace fossil

fuel use, implementation of energy efficiency measures in industrial and commercial sectors, methane capture from landfills and agriculture, regulatory incentives for emission reduction technologies and corporate interest in projects with immediate carbon reduction impact.

The carbon credit market is segmented by end-use into power, energy, aviation, transportation, buildings, industrial and other end-uses. The power market will be the largest segment of the carbon credit market segmented by end-use, accounting for 31% or \$452,711 million of the total in 2029. The power market will be supported by reliance on fossil fuel-based generation, regulatory mandates under emission trading schemes, rising renewable integration requiring transitional offset mechanisms, pressure from investors to accelerate decarbonization, the need to manage peak demand-related emissions and international commitments to phase out coal-fired plants.

What is the expected CAGR for the Carbon Credit Market leading up to 2029?

The expected CAGR for the carbon credit market leading up to 2029 is 22%.

What Will Be The Growth Driving Factors In The Global Carbon Credit Market In The Forecast Period?

The rapid growth of the global carbon credit market leading up to 2029 will be driven by the following key factors that are expected to reshape corporate decarbonization strategies, supply-chain design, capital allocation, reporting & assurance practices, and nature-based project finance worldwide.

**Growing Need To Reduce Carbon Emissions** - The growing need to reduce carbon emissions will become a key driver of growth in the carbon credit market by 2029. Governments and industries worldwide are increasingly recognizing the urgency of mitigating climate change by curbing greenhouse gas emissions. This collective drive is reflected in the adoption of more ambitious climate targets. Such targets necessitate comprehensive strategies, including the utilization of carbon credits, to offset emissions that are challenging to eliminate entirely. As the demand for carbon credits rises, there is a corresponding emphasis on ensuring the credibility and effectiveness of offset projects. This trend is fostering innovation in carbon credit methodologies, promoting transparency, and encouraging investments in high-quality projects that deliver verifiable environmental benefits. Therefore, the evolving landscape of climate policy and the heightened focus on emission reductions are expected to significantly drive the growth of the carbon credit market. As a result, the growing need to reduce carbon emissions is anticipated to contribute to a 1.0% annual growth in the market.

**Corporate Net-Zero And ESG Commitments** - The corporate net-zero and ESG commitments will emerge as a major factor driving the expansion of the carbon credit market by 2029. As companies increasingly set ambitious climate goals, they are seeking credible mechanisms to offset their emissions. Carbon credits offer a transparent and verifiable means to achieve these objectives. The rising emphasis on environmental, social, and governance (ESG) factors is driving businesses to integrate sustainability into their core strategies. This shift is not only enhancing corporate reputations but also aligning financial performance with long-term environmental stewardship. Consequently, the demand for high-quality carbon credits is expected to increase, thereby driving the growth of the carbon credit market. Consequently, the corporate net-zero and ESG commitments capabilities is projected to contribute to a 1.0% annual growth in the market.

**Expansion Of Emissions Trading Schemes (ETS)**- The expansion of emissions trading schemes (ETS) will serve as a key growth catalyst for the carbon credit market by 2029. As more countries adopt market-based approaches to regulate and price carbon emissions, ETS provide a structured mechanism for companies to comply with emission reduction targets while trading carbon credits. This approach encourages businesses to invest in sustainable practices and offset unavoidable emissions through credible carbon credit projects. With the increasing coverage of ETS across both developed and emerging economies, the demand for high-quality carbon credits is expected to rise, thereby driving the growth of the carbon credit market. Therefore, this expansion of emissions trading schemes (ETS) is projected to support a 0.5% annual growth in the market.

Access the detailed Carbon Credit Market report here:

<https://www.thebusinessresearchcompany.com/report/carbon-credit-global-market-report>

What Are The Key Growth Opportunities In The Carbon Credit Market in 2029?

The most significant growth opportunities are anticipated in the carbon compliance market, carbon avoidance reduction credit market, and power carbon credit integration market. Collectively, these segments are projected to contribute over \$1,647 billion in market value by 2029, driven by tightening global emissions regulations, rapid expansion of corporate decarbonization commitments, and increasing integration of carbon accounting mechanisms within power and energy systems. This surge reflects the accelerating adoption of high-integrity carbon markets that enable measurable, verifiable emissions reduction pathways, support large-scale clean energy transitions, and reinforce global net-zero strategies. As governments and enterprises intensify their climate action efforts, these markets are expected to fuel transformative growth across the broader carbon credit ecosystem.

The carbon compliance market is projected to grow by \$832,202 million, the carbon avoidance reduction credit market by \$532,109 million, and the power carbon credit integration market by \$282,385 million over the next five years from 2024 to 2029.

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