Carbon Credit (Carbon Offset) Market to Achieve Remarkable Heights US$ 2,838.8 Bn by 2033 at 12.3% CAGR from 2026-2033

Europe leads the carbon credit market with ~80% share in 2026, driven by strict climate rules, carbon pricing, emissions caps, and corporate participation.

Carbon Credit (Carbon Offset) Market

LONDON, ENGLAND, UNITED KINGDOM, August 10, 2026 /EINPresswire.com/ -- Market Overview

According to the latest study by Persistence Market Research, the global carbon credit (carbon offset) market is expected to reach US$ 1,260.3 billion in 2026 and is projected to reach US$ 2,838.8 billion by 2033, expanding at a CAGR of 12.3% between 2026 and 2033. The market is gaining significant momentum as businesses, governments, and organizations increasingly adopt carbon offset mechanisms to address greenhouse gas emissions and advance their sustainability objectives. Growing emphasis on climate action, corporate decarbonization, and environmental accountability is creating new opportunities across voluntary and compliance carbon markets.

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Rising Demand for Carbon Offsetting

The growing need to reduce the environmental impact of economic activities is emerging as a major factor supporting the carbon credit market. Companies across energy-intensive industries are increasingly exploring carbon credits to complement internal emissions-reduction strategies. Carbon offsetting enables organizations to finance projects that avoid, reduce, or remove greenhouse gas emissions, thereby supporting broader climate goals while companies work toward longer-term decarbonization.

Expansion of Voluntary Carbon Markets

The voluntary carbon market is becoming an increasingly important avenue for companies seeking flexible approaches to managing emissions. Organizations can purchase carbon credits voluntarily to support sustainability commitments, climate targets, and environmental initiatives. Increasing corporate focus on net-zero strategies and environmental, social, and governance priorities is expected to encourage participation in voluntary carbon markets, while greater attention to credit quality and transparency is shaping market development.

Growth of Compliance Carbon Markets

Compliance markets are also contributing significantly to the expansion of the carbon credit ecosystem. Regulatory frameworks that establish emissions limits and carbon pricing mechanisms are encouraging companies to manage their carbon liabilities more systematically. As governments and regulatory bodies strengthen climate policies, demand for compliant carbon credits is expected to increase across industries with substantial greenhouse gas emissions.

Increasing Adoption of Carbon Removal Projects

Carbon removal and sequestration projects are gaining traction as organizations look beyond conventional emissions avoidance. These projects can include activities designed to remove carbon dioxide from the atmosphere and store it through natural or technological processes. Growing interest in long-term climate strategies is encouraging investment in removal-based solutions, while technological advancements and increased focus on measurable climate impact are creating new opportunities in this segment.

Digitalization and Market Transparency

Digital technologies are increasingly influencing the carbon credit marketplace by supporting project tracking, credit issuance, verification, and transaction management. Greater demand for reliable information about the origin and environmental impact of credits is encouraging market participants to adopt more transparent systems. Digital platforms and improved monitoring approaches are expected to help address concerns related to traceability, verification, and market integrity.

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Corporate Net-Zero Commitments

The increasing number of corporate climate commitments is creating sustained demand for carbon credits. Businesses across sectors are developing emissions-reduction strategies that combine operational improvements, renewable energy adoption, energy efficiency, and carbon offsetting. Aviation, transportation, industrial operations, buildings, and power generation are among the areas where carbon management strategies can play an increasingly important role as companies work toward emissions targets.

Regional Market Expansion

The carbon credit market is expanding across major regions, with North America and Europe representing important markets supported by climate policies, corporate sustainability initiatives, and established carbon market infrastructure. East Asia, South Asia and Oceania, Latin America, and the Middle East and Africa are also expected to present growth opportunities as governments and businesses increasingly incorporate carbon management into environmental strategies. Regional differences in regulations, project availability, and market structures are likely to influence the pace of development.

Market Segmentation

By Business Model

- Voluntary Market
- Compliance Market

By Project Type

- Avoidance/Reduction Projects
- Removal/Sequestration Projects

By End-User

- Power
- Energy
- Aviation
- Transportation
- Buildings
- Industrial
- Others

By Region

- North America
- Europe
- East Asia
- South Asia & Oceania
- Latin America

- Middle East & Africa

Competitive Landscape

The competitive environment is characterized by companies providing carbon offset solutions, project development, environmental markets services, carbon management, and related sustainability offerings. Market participants are focusing on expanding project portfolios, improving credit quality and transparency, strengthening verification capabilities, and developing solutions aligned with the evolving needs of corporate and institutional buyers. Increasing demand for credible carbon credits is expected to encourage continued innovation and strategic expansion across the industry.

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Company Insights

Key players operating in the carbon credit (carbon offset) market include

- EKI Energy Services Ltd.
- 3Degrees
- Finite Carbon
- Climeco LLC
- CarbonBetter
- Tasman Environmental Markets
- ClimatePartner GmbH
- Terrapass
- Carbon Credit Capital LLC
- South Pole Group

These companies are contributing to the development of carbon markets through project development, carbon credit sourcing, sustainability consulting, carbon management solutions, and environmental market services.

Outlook

The global carbon credit (carbon offset) market is positioned for substantial expansion through 2033, supported by the accelerating global focus on emissions reduction, corporate climate commitments, regulatory developments, and growing interest in carbon removal solutions. With the market projected to increase from US$ 1,260.3 billion in 2026 to US$ 2,838.8 billion by 2033, the sector is expected to remain an important component of the broader transition toward a lower-carbon economy. Increasing emphasis on transparency, measurable environmental outcomes, and credible carbon credits will likely shape competitive strategies and investment opportunities throughout the forecast period.

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About Persistence Market Research:

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