

By Mathew Carr

Jan. 9 (Bloomberg) -- European Union and United Nations greenhouse gas permits fell on concern the worsening recession will sap demand.

EU carbon allowances for prompt delivery fell 10 cents, or 0.7 percent, to close at 13.91 euros (\$19.08) a metric ton on the BlueNext exchange in Paris, their lowest since Dec. 5. Certified emission reduction credits for December fell 35 cents, or 2.7 percent, to close at 12.65 euros a ton on the Nord Pool exchange in Lysaker, Norway, the lowest since the contract traded there starting in June 2007.

Industrial output in Germany, the euro area's largest economy, fell a seasonally adjusted 3.1 percent from October, extending the worst decline since data for a reunified Germany was first compiled in 1991, the Economy Ministry said today.

Germany is the biggest producer of carbon dioxide in the EU.

Freezing temperatures have boosted demand for carbon permits from power utilities, while conflict in Gaza and the Russia-Ukraine natural-gas dispute has supported energy and emission prices, Jan Pravda, a partner at investment bank Pravda Capital SRO in Prague, said today by e-mail.

"After these conditions are gone, the EU allowances are bound to go down steeper, easily by a couple of euros," Pravda said.