

A weekly update of China's environmental news and analysis from **PACE**



www.pacechina.net

Issue 31, October 23rd to October 30th, 2009

By CC Huang and Chris Langer

Now in cooperation with chinadialogue



WELCOME to *Environmental China*, PACE's electronic newsletter devoted to giving interested readers a comprehensive update of news concerning China's environment. Any comments, suggestions or questions can be directed to cc.huang2@gmail.com. PACE especially welcomes any input or suggestions for news articles and will give due credit to anyone who contributes to the newsletter. If you know anyone who would like to subscribe, please direct them here.

OPINION

Increasing competitiveness through clean energy (The Energy Collective, 10/29/2009) I hope you have been watching panel 3 of today's Senate climate bill hearings. It has been incredibly informative about the international competitiveness issue, especially China's aggressive efforts to become the clean energy leader and the complete turnaround in the thinking of Chinese business and policymakers since Chinese President Hu Jintao's UN speech.

Cutting the costs of clean energy (Chinadialogue, 10/29/2009) Addressing energy scarcity and climate change means adopting new energy sources. This poses different challenges for rich than for poor nations, writes Lin Boqiang. China outperforms US on green issues (New Scientist, 10/29/2009) China is often accused of not doing enough to reduce the carbon dioxide and other pollution pouring from its factories and coal-fuelled power stations. But a new report

suggests the country is doing more to tackle climate change than it gets credit for: in fact, its environmental standards surpass the US in some key measures.

China's Climate Change policy: The Dragon's Green Streak (World Politics Review, 10/28/2009) In a landmark address to the U.N. Climate Change Conference last month, Chinese President Hu Jintao announced Beijing's commitment to trim the explosive growth of China's carbon emissions "by a notable margin." But he also reiterated his country's hackneyed dictum that industrialized countries should bear most of the burden for emissions-cutting. Hu's headline-grabbing speech captured the essence of China's Janus-faced climate change policy -- which, despite remarkable progress, continues to be bogged down with implementation problems and overshadowed by China's concerns with economic growth and its leadership role in the developing world.

<u>Outlook and obstacles for CCS</u> (*Chinadialogue*, 10/23/2009) China needs carbon capture and storage technology to decrease its emissions from coal power, but the transition will be costly and difficult. In the first section of a two-part report, He Gang surveys an energy dilemma.

PUBLIC SECTOR/NGOs

Free Environmental Carnival comes to Shanghai (*ChinaCSR*, 10/30/2009) Environmental Carnival, the first environmental education themed park in China, will open free in Shanghai on November 7 and 8, 2009.

China's Pearl River suffers from "almost impossible to remove" pollution (Mongabay, 10/29/2009) A new study by Greenpeace has found high volumes of heavy metals and organic chemicals in China's Pearl River, which provides drinking water for 47 million people. In June 2009, Greenpeace took 25 samples from manufacturing facilities' discharge points into the river. They found heavy metals like beryllium, a know carcinogen; manganese which has been linked to brain damage; alkyl phenols which disrupts hormones; and a number of hazardous organic chemicals.

Mass Protest against Jiangsu Garbage Incinerators (New Tang Dynasty Television, 10/29/2009) On October 21st, more than ten thousand people in China's Jiangsu Province took to the streets. Residents of Pingwang Town protested the opening of a garbage-burning plant located just half a mile from town. They say the incinerators, which started running that day, are dangerous to their health and will pollute the environment.

<u>Top Ten Asian Nations in CSR Survey revealed</u> (2point6billion.com, 10/29/2009) China and India are among the top ten Asian countries with increased awareness of the importance of corporate social responsibility (CSR) disclosure norms, according to CSR Asia's Asian Sustainability Ranking survey.

Rights groups call for China to halt construction of pipeline in Burma (Voice of America, 10/28/2009) Human-rights groups are calling on China's government to halt its investment in a multi-million-dollar gas project in Burma over fears of human-rights abuses and unrest. The group presented an open letter to China's President Hu Jintao in a petition at Chinese embassies in Asia, Australia and Europe.

Bloggers map China's pollution (The Epoch Times, 10/28/2009) A map pinpointing the exact location of some of the worst-polluted parts of China is making the rounds on the Chinese Internet, as a prize-winning photo exhibit causes many well-heeled urbanites to confront the environmental devastation caused by three decades of breakneck growth.

<u>Sichuan earthquake survivors face pollution threat</u> (*Guardian*, 10/26/2009) Survivors of the Sichuan earthquake face a new threat in the form of pollution from an aluminum plant that has been hailed by the government as a symbol of reconstruction.

<u>Tiger skin trade in China exposed</u> (*BBC*, 10/23/2009) An undercover investigation has revealed the continued trade in tiger skins in China. Covert filming by the Environment Investigation Agency shows traders selling skins of tigers and other rare animals such as snow leopards. The skins are sold as luxury items and are used for clothes and home decor.

CORPORATIONS

Sinopec venture leak has "no impact on environment" (*Bloomberg*, 10/30/2009) AED Oil Ltd., China Petrochemical Corp.'s partner in the Puffin venture in the Timor Sea off northwestern Australia, said a gas leak from the project is having no impact on the environment.

<u>Chinese manufacturer in \$1.5 bln U.S. wind project</u> (*Reuters, 10/30/2009*) Chinese wind turbine manufacturer A-Power Energy Geneneration Systems (APWR.O) said it was building along with U.S. companies a \$1.5 billion wind farm project in West Texas.

<u>Chinese firm abandons bid for control of titanium mines</u> (*Business Daily*, 10/30/2009) Kenya's hope for titanium billions were shattered on Thursday after the Jinchuan Group – the Chinese company that was to buy a controlling stake in the mines from Canada's Tiomin Resources — abandoned the deal, citing lack of full disclosure by the vendor.

<u>Green technologies can be profitable</u> (*Business Standard*, 10/30/2009) One crucial actor missing from much of the climate change conversation is business. If society is to make any fundamental changes in the model of growth, then business must

not only be on board but must be a driver of innovation.

<u>China-U.S. Group Plans to build Texas wind farm</u> (*New York Times*, 10/29/2009) A consortium of Chinese and American companies announced a joint venture on Thursday to build a 600-megawatt wind farm in West Texas, using turbines made in China.

<u>China's oil refining industry earns \$9.8 billion</u> (*Bloomberg*, 10/29/2009) China's oil refining industry, led by China Petroleum & Chemical Corp., posted a net profit of 67.1 billion yuan (\$9.8 billion) in the first eight months of this year as the government eased control on fuel prices.

Electric double-decker buses to be made in Nanjing (Gasgoo.com, 10/29/2009) China's bus-maker Zonda Group and Qingshan Energy Research Institute have jointly invested two billion yuan (\$292 million) to set up an electric vehicle (EV) production base in Nanjing, capital of eastern Jiangsu province, Xinhua News reported yesterday.

<u>China's renewables curbs a boon to big players</u> (*Reuters*, 10/29/2009) China's efforts to curtail expansion in its renewable energy sector should brighten prospects for the country's more established wind equipment and solar companies, as curbs on excess capacity squeeze out smaller competitors.

Otis' Energy-Efficient Elevators selected for Longtan City industry zone (Reuters, 10/28/2009) Otis Elevator Company was awarded a contract to supply and install 334 energy-efficient Gen2(®) elevators for the Longtan City Industry Zone in Chengdu, China. Otis, a unit of United Technologies Corp. (NYSE: UTX), is the largest elevator supplier for the 32-million-square-foot (3-million-square-meter) development. The site, being developed by the Chengdu Yudu Industry Limited Corporation, will feature environmentally-friendly industries, companies and residential housing.

Energy service companies in China (The Green Leap Forward, 10/28/2009) Guest blogger Tristan Edmondson, partner at Mint Research, a clean tech consultancy, describes China's growing Energy Service Company (ESCO) industry.

Cleaning up polluted harbors with greener ships (Time, 10/28/2009) The image of an old wooden junk with groups sails is which in Hong Kong large. It's on

an old wooden junk with orange sails is ubiquitous in Hong Kong lore. It's on matchbooks, advertisements and postcards in this famous port city, but the traditional wind-powered Chinese boat cruising Victoria Harbor is a rare site these days. The reality is a bit less picturesque: the second busiest port in the world is filled with diesel-powered ships, ferries and fishing boats that belch toxins into the infamously polluted Hong Kong skyline.

Bioteq forms alliance to target power projects in China (MarketWire, 10/28/2009) BioteQ Environmental Technologies Inc. (TSX:BQE), a leader in the treatment of industrial waste water, has entered into an agreement with Guangdong Hehai

Engineering Consulting Company, to jointly pursue water treatment projects in the Chinese power generation industry. Under the terms of the agreement, the two companies have agreed to target several large, state-owned power producers, and work together to assess at least five potential projects within the next twelve months, with the goal of securing a definitive commercial agreement for a project within that time.

E-glass supplier Jushi prepares for a greener China (*Plastics News*, 10/27/2009) Jushi Group Co. Ltd. sees windmills in its future. After 16 years of growing its business on cheap prices and exports, the Tongxiang-based fiberglass manufacturer is tweaking its strategy to include more emerging markets and focus more heavily on the environment.

<u>Dam defends reservoir storage</u> (*Shanghai Daily, 10/26/2009*) Three Gorges Corp yesterday defended ongoing plans to raise reservoir water levels amid a crippling drought.

GOVERNMENT

<u>China plans to build advanced nuclear-power plant</u> (*The Wall Street Journal*, 10/30/2009) China will start building its first large nuclear-power reactor with home-developed "fourth generation" technology in 2012-13, a senior engineer involved in developing the system said.

Record Hong Kong smog makes a choking return (*Earthweek*, 10/30/2009) Smog levels in Hong Kong have returned to the record high level registered in 2000, prompting warnings from the city's Environmental Protection Department for people with heart or respiratory illnesses.

ASEAN environment ministers set up working group on climate change (*Bernama*, 10/29/2009) The ministers are scheduled to meet with their counterparts from China, Japan and South Korea at the 8th ASEAN Plus Three Environment Ministers Meeting tomorrow to discuss regional and global environmental issues. Philippines aiming to join China's resource boom (*AFP*, 10/29/2009) The Philippines is aiming to be one of the next nations to cash in on China's insatiable appetite for resources, with the Asian neighbors working to build closer mining ties, officials from both sides say.

<u>High price for water reform?</u> (*People's Daily, 10/29/2009*) On October 22, Lanzhou Municipal government announced that the price for the city's tap water would be lifted by 0.3 yuan to 1.75 yuan per ton. Prior to Lanzhou's action, Tianjin and Shanghai already decided to lift water price by over 20 percent. Cities including Yinchuan and Harbin are also considering water price hike.

MOU to support energy cooperation program signed in China (Farm Futures, 10/29/2009) A Memorandum of Understanding signed at the U.S.-China Joint Commission on Commerce and Trade is designed to among other things remove barriers to clean energy deployment and accelerate development of clean energy projects.

<u>China tightens supervision on steel production</u> (*CCTV*, 10/29/2009) The Ministry of Environmental Protection says it has started the largest verification program against steel producers in China. The campaign aims to curb overcapacity, as well as to urge producers protect environment. The Ministry said some of the information gathered earlier from local governments on over 1,000 steel makers is incorrect and inadequate.

<u>India-China nudge forward on climate issues</u> (*Asia Times*, 10/29/2009) India and China's memorandum of understanding signed last week in the Indian capital may have only had "a symbolic value", but it nevertheless showed that two of the world's big economies are serious about finding an alternative path to dealing with climate change while trying to attain sustainable development, said a top United Nations official.

<u>China's water needs to create opportunities</u> (*New York Times*, 10/26/2009) The staggering economic growth in China has come at a heavy cost, paid in severe contamination of the country's air, soil and water. But now the Chinese government is aggressively pursuing more stringent environmental regulation, with a particular focus on water distribution and wastewater treatment.

<u>Natural gas pricing regime may be changed in 2010</u> (*Caijing, 10/26/2009*) China is likely to adopt a new regime in 2010 for natural gas pricing that will use weighted prices for imported and domestic gas, an official with China National Petroleum Corp., the parent of PetroChina, told Caijing on Friday.

<u>US bets on Greentech startups, China spends big</u> (*Reuters, 10/26/2009*) The United States will need its entrepreneurial spirit to compete with deep-pocketed China in the race to develop green energy technologies, U.S. Energy Secretary Steven Chu said on Monday.

<u>U.S., Chinese lawmakers will agree on climate pledges</u> (*Bloomberg*, 10/24/2009) Lawmakers from the U.S., U.K., China and 13 other economies are likely to agree by Sunday, Oct. 25, on guidelines to reduce carbon emissions, even without a deal at United Nations- sponsored climate talks.

<u>The Greening of China</u> (*Forbes*, 10/23/2009) China and India agreed Oct. 22 to coordinate their efforts on climate change. The two countries are at one in holding developed countries responsible for taking the lead in cutting emissions. As the largest carbon emitter, China is being watched particularly closely in the approach to the December Copenhagen summit on climate change to see what position it

will adopt.

<u>US safety chief seeks China's help on drywall</u> (*AP*, 10/23/2009) Top U.S. safety officials were meeting with their Chinese counterparts to discuss complaints from American homeowners of illness and other damage from suspect drywall imported from China.

<u>Australia clears takeover by Chinese miner Yanzhou Coal</u> (*Telegraph*, 10/23/2009) Yanzhou Coal is paying \$3.2bn (£1.9bn) for Felix Resources, but the deal is subject to strict conditions. Assistant Treasurer Nick Sherry said China's fourth-biggest coal producer must sell shares in its Australian operations.