



ENVIRONMENTAL CHINA

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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 or timquijano@gmail.com.

OPINION

[China's Weak Environmental Laws Won't Last Forever](#) (Kenneth Rapoza, Forbes, 2/23/2012) I was talking with an vice president of a big exchange traded fund in Boston on Thursday about the mining industry. We were at the Lenox. It was 11am. We had a Guinness. Anyway, he was talking about how countries like the U.S., or all of Europe, can never really pick up the slack from shortfalls in production in places like South Africa, Russia, Brazil or China, because regulations in the developed countries have squeezed margins to a point where it becomes hard to do business. Miners aren't really investing in the U.S. to dig up iron ore to make steel, or even buy iron ore to make more steel. I mean, the U.S. steel industry isn't growing. The coal industry is still fighting for its life and trying to find modern day relevance with its clean coal technology, however that works.

PACE

[IEA economist speaks on China's oil conundrum](#) (Li Zengxin, Caixin, 2/26/2012) After blistering economic growth over the past decades, China has become the world's largest energy consumer and second-largest oil consumer. In the World Economic Forum held in Davos, Switzerland in January, Caixin talks to Chief Economist of Fatih Birol, chief economist at the International Energy Agency, about China's oil imports and oil price reforms, as well as the ideal conditions to propel domestic growth of renewable energies.

RESEARCH & CIVIL SOCIETY

[Renewable Energy Investment Attractiveness: China #1, US #2, Germany #3](#) (Zachary Shahan, Clean Technica, 2/28/2012) Ernst & Young released its quarterly Country Attractiveness Indices report (CAI) for renewable energy today. There are some quite interesting observations regarding the state of and projections for renewable energy (and specific renewable energy sectors) within the report, but the ranking of the top countries in the index remains the same:

[Will Emerging Economies Repeat the Environmental Mistakes of their Rich Cousins?](#) (Willam Shaw, Carnegie Endowment, 3/1/2012) Rapid growth in the major emerging markets has been accompanied by severe environmental degradation, resulting in widespread illnesses and likely millions of premature deaths. Although greater resources will probably be devoted to improving the environment as incomes rise, the damage done may become unacceptable well before then.

[Dam proposal opens the floodgates of debate](#) (China.cn.org, 2/28/2012) In areas where rain is scarce it is common to see people storing water to get them through dry seasons. Using the same principle, officials want to dam a major lake in Jiangxi province that has shrunk noticeably but their plan has run into opposition.

[In Beijing, targeting polluters with Google Maps](#) (Tom Hancock, Smart Planet, 2/29/2012) China's transformation into a manufacturing superpower has left the country with a dire legacy of air and water pollution. But light punishments for polluters mean that Chinese factories often have little incentive to improve their behaviour.

[After LNG, China Test Drives Methanol-Fuelled Cars](#) (Esther Tanquintic-Misa, Nasdaq, 2/29/2012) After implementing the use of liquefied natural gas (LNG) powered public buses in Beijing, China, whose energy consumption rose by 7 per cent in 2011 over a year ago, will conduct a trial run of methanol-fuelled cars in three provinces effective March 2012.

[Video: China nuclear protest builds steam](#) (Leslie Hook, Financial Times, 2/28/2012) For Wang Nianyu, a cotton farmer in Anhui province, China's nuclear debate is right on his doorstep. From his patio he points across the Yangtze River to the Pengze nuclear power station, which has become a lightning rod for protest after the meltdown at Japan's Fukushima Daiichi plant last year.

[China Pursues Shale Gas as a Cleaner Alternative to Coal](#) (Ralph Winnie, The Diplomatic Courier, 2/27/2012) Over the past twenty years, China has experienced dramatic economic growth, transforming itself from a basically agrarian society into the world's second largest economy behind only the United States. Since the initiation of economic and political reforms in 1978, China has produced an average annual growth rate of 10 percent. From 1978 to 2008, China increased its GDP 83 times (NBS, 2009) and lifted over two hundred million of its people out of poverty. This has continued to generate increased energy supply. Within China's energy sector, production was stimulated by the clarification of mineral exploration rights, the development of transportation and roadway infrastructure projects, diversification of management structures and the liberalization of environmental and safety regulations.

[China 'buying out' Africa: Top 5 destinations of Chinese money](#) (Michail Vafeiadis, Christian Science Monitor, 3/1/2012) On a quest to secure raw materials and energy resources to support the exponential growth of its economy, China has become the fastest-growing investor in Africa. As of July 2010, China overtook the [United States](#) as the world's largest energy user, according to the International Energy Agency (IEA), and much of that energy comes from African countries such as Sudan and Angola. Critics argue that China undermines democracy, human rights, and transparency by signing business deals with authoritarian leaders. They also point to the "\$10 billion imbalance in China's favor in 2010" as a type of African recolonization.

CORPORATIONS

[State Grid in talks to take stake in AES](#) (Leslie Hook, Anousha Sakoui, and Helen Thomas, Financial Times, 2/27/2012) State Grid, China's biggest utility company, has been in talks over a possible investment in US power company AES, a deal that would mark the Chinese group's first foray into the US energy sector, according to people familiar with the talks.

[China Copper Demand to Rebound on Clean Energy Use, Nexans Says](#) (Bloomberg, 2/27/2012) Copper consumption growth in China may rebound in the next few years on accelerating demand from the renewable energy sector and special industries, according to Nexans SA (NEX), the second-largest cable and wire maker.

[Charging green](#) (Yan Yiqi and Zhang Jianming, China Daily, 3/2/2012) It is not an easy task to triumph against the odds. But perseverance and grit can sometimes bring out the best in people or industry, and so has been the case with Changxing, a city in East China's Zhejiang province. Not too many would have imagined that Changxing would have been able to shed its tainted image and champion the cause of green energy in China. Certainly not an easy task considering that the city's pillar industry, battery manufacturing, was in the limelight for all the wrong reasons a few years ago for environmental damage and excessive lead pollution.

[U.K. Firm Continues South China Sea Exploration](#) (Cris Larano, Wall Street Journal, 2/29/2012) A U.K.-based energy company will continue to explore for oil in waters contested by both China

and the Philippines, a move that could exacerbate tensions over control of the potentially energy-rich South China Sea.

[China Encourages Solar Companies to Expand Amid Supply Glut](#) (Bloomberg, 2/24/2012)
China set targets for increasing production capacity at key poly silicon and solar cell makers, part of the government's plan to ensure its companies survive a slump in prices.

[China's consumers embrace bulky, pricey SUVs](#) (Fang Yan and Ken Wills, Reuters, 2/27/2012) 2005, Mercedes-Benz took a gamble and shipped its first batch of 200 sport utility vehicles from Germany to China, where cheap hatchbacks and black sedans ruled the roads.

[Shanghai Halts Johnson Controls Lead Processing](#) (James T. Areddy, Wall Street Journal, 2/28/2012) Authorities here directly linked lead pollution that they said had sickened local children to emissions from a Johnson Controls Inc. battery plant and indicated the facility would not be permitted to process lead in the future.

[China May Double Rare Earth Exports as Demand Rises on Price](#) (Bloomberg, 2/27/2012)
China, the biggest supplier of rare earths, may almost double exports this year and meet quotas set by the government as lower prices stimulate demand.

[Could China redefine the car?](#) (David Tyfield, China Dialogue, 3/1/2012)

Beijing's plan to flood the nation's roads with electric cars has hit a bump: consumers don't want them. But e-bikes – already a success story – could trigger a transport revolution, argues David Tyfield.

[500 children latest victims of pollution](#) (Shi Jiangtao, South China Morning Post, 2/27/2012) A flurry of lead-poisoning cases has hit several industrial hubs on the mainland, raising concerns over widespread heavy-metal pollution and its unsettling human toll.

[Germany Created Own Threat with Chinese Solar Aid](#) (Alexander Neubacher, Der Spiegel, 2/27/2012) Germany long aimed to be a front runner in the solar energy industry, but waning subsidies and rising competition from China have clouded its outlook. To add insult to injury, the Chinese boom has been generously supported by German financial aid.

GOVERNMENT

[Measures to improve air quality given more impetus](#) (Zheng Xin, China Daily, 2/24/2012) New steps may reduce fine-particle pollution in major Chinese cities. Three and a half years after the Olympic Games in Beijing, the city is ramping up its fight against air pollution. Liu Qi, Party secretary and the top official of Beijing, said this week that 6 billion yuan (\$952 million, 718 million euros) would be spent this year to plant 13,300 hectares of trees, which in theory would cover 12 percent of the city's land area.

[China To Spend 590B Yuan On Energy Saving](#) (Capital Vue, 2/28/2012) China plans to reduce energy consumption per unit of industrial value-added by 21 percent in 2015 from the level in 2010, saving the equivalent of 670 million tons of standard coal during the period of the 12th Five-Year Plan, reports China Securities Journal, citing the Ministry of Industry and Information Technology.

[China to cut energy use by 21%](#) (Tuo Yunnan, China Daily, 2/27/2012) China will cut energy consumption by 21 percent by 2015 and will shut down inefficient companies in more than 10 industries because of overcapacity, high energy consumption, and pollution, the Ministry of Industry and Information Technology (MIIT) said on Monday.

[Monitoring of PM2.5 to be extended](#) (China Daily, 2/29/2012) The State Council on Wednesday passed revised air quality standards which include an index for PM2.5, or fine particulate matter 2.5 microns or less in diameter.

[China combats air pollution with tough monitoring rules](#) (Mary Hennock, Guardian, 3/1/2012) State media acknowledge role of online environmental activists in forcing government to act on poor air quality in cities.

[China Tightens Energy Targets](#) (Chuin-Wei Yap, Wall Street Journal, 2/28/2012) China is calling for energy-intensive industries such as steel and textile manufacturing to reduce their energy consumption more sharply compared with targets set last year, in a move intended to help cull obsolete capacity to contribute to efforts to reduce its carbon footprint.

[China to Monitor PM 2.5 Nationwide](#) (Business China, 3/1/2012) Stricter air quality standards will be adopted in cities, the State Council announced on Wednesday. Readings for ozone and concentrations of PM 2.5, particulate matter smaller than 2.5 micrometers in diameter, will be included in the standards, according to a statement issued by the State Council after an executive meeting presided over by Premier Wen Jiabao.

Beijing struggles to reduce carbon emissions (Xinhua, 2/29/2012) With 350 million tonnes of coal burned a year in pan-Beijing area, it is difficult for Beijing to fulfill its goal of reducing air pollution, officials and political advisors have said ahead of China's pending legislative sessions.

[Pollution levels to classify farmland for production](#) (Jin Zhu, China Daily, 2/25/2012) Farmland in China will soon be classified by levels of pollution so guidelines can be set as to what can and cannot be grown in certain areas. All the producing areas will be labeled as forbidden, limited or suitable for producing certain varieties of agricultural products based on the results of the investigation, said Mei Xurong, head of the Institute of Environment and Sustainable Development in Agriculture under the Chinese Academy of Agricultural Sciences.

[High-emission vehicles banned and fined in Chinese capital](#) (Zheng Xin, China Daily, 2/29/2012) The capital has banished about 12,500 vehicles from other provinces from entering the city because they were deemed to have excessive emissions.

[Cars banned from Beijing in clean-air drive](#) (China Daily, 2/28/2012) A total of 12,500 cars registered outside Beijing that violated pollution standards have been barred from the city following the launch, on Feb 9, of a campaign to monitor vehicle exhaust emissions, the city's environment watchdog said on Tuesday.

[China on the path to efficient use of energy](#) (Tuo Yannan and Lan Lan, China Daily, 2/28/2012) China aims to curb its energy consumption for each unit of industrial output by 21percent during the period of the 12th Five-Year Plan (2011-15), the Ministry of Industry andInformation Technology said on Monday.

[China claims world's biggest shale gas reserves](#) (Ambrose Evans-Pritchard, The Telegraph, 3/1/2012) China is planning an investment blitz to unlock its vast reserves of shale gas, convinced it can match the energy revolution under way in the US and meet a significant part of its fast-growing fuel needs.

[Renewable energy riding high](#) (Meng Jing and Liu Yiyu, China Daily, 2/25/2012) China is putting greater emphasis on green energy as it tries to clean up industry and meet target for cuts in carbon emissions

[China to reform prices in energy sector](#) (Xinhua, 2/29/2012) China will reform its energy and resource pricing system this year, but will time it to minimize impacts on consumer prices, the country's price regulator said Tuesday.

[Gov't invests big in water pollution control](#) (Xinhua, 2/29/2012) The Chinese government invests big in water pollution control, pushing to commercialize most technologies, a top environment regulator said Tuesday.

[China to cultivate biofuel use](#) (China Daily, 2/29/2012) China is expected to use 12 million metric tons of aviation biofuels by 2020, accounting for 30 percent of the country's total use of jet fuel, according to Li Jian, deputy director of the Civil Aviation Administration of China.