



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

[Lessons from China on reducing air pollution](#) (Eleanor Chen, New Straits Times, 7/14/12) China's pollution today is not so much from mining as from coal-fired power plants, heavy industry, their construction frenzy and chronic traffic congestion. The Wall Street Journal reported in 2010 that air quality had been declining nationwide thanks largely to a car boom and surge in heavy industry.

[Shifang: a crisis of local rule](#) (Tang Hao, China Dialogue, 7/18/12) China's feeble public participation system is forcing people onto the streets to protect their environmental interests, as the latest demonstrations in the south-west show.

RESEARCH & CIVIL SOCIETY

[China protests use health threats as rallying cry](#) (AFP, 7/16/12) When the wind blows in one Shanghai suburb, residents can smell the stench rising from a towering garbage dump, feared to be so harmful it can make people vomit and cause birth defects. Now residents of Songjiang district are raising a stink about the future of the landfill, one of a series of recent protests across China as people hold the government more accountable for health and environmental problems.

[Feeding China's Energy Appetite, Naturally](#) (China Oil Trader, 7/17/12) Ever since CNOOC, one of China's "big three" national oil companies, made an ill-fated bid to take over Unocal Corporation in 2005, Sino-U.S. energy relations have been marred with mistrust. Foreign acquisitions by China's national oil companies thereafter have largely avoided the United States. Many were thus caught off guard by recent reports that Sinopec has emerged as a leading suitor for some of the \$7 billion in natural gas assets that Chesapeake Energy must shed to avoid a breach of its debt covenants. Yet upon closer inspection, the move is deft and bears the imprint of lessons well-learned. Chinese national oil companies know from prior experience that in the United States they must wear kid gloves to avoid getting burned.

[Building Energy and GHG Reporting Scheme for Enterprises: A Guangdong Strategy Study](#) (World Resources Institute, 7/12) Technical solutions for the reporting scheme are outside the scope of this paper. However, the GHG Protocol Tool for Energy Consumption, developed by the World Resources Institute, and the Guangdong GHG Information Management Platform, established by Guangdong Energy Conservation Center, provide technical means to realize the first step in the proposed three-step policy roadmap. This paper also puts forward some preliminary technical recommendations, which can assist the development of final technical solutions.

[Is China's electricity data worth any of your precious attention?](#) (Kate Mackenzie, Financial Times, 7/17/12) The slowing growth in China's electricity output and consumption has been drawing a lot of attention the past few months. Production in June growth was flat, year-on-year, prompting many questions as to how Q2 GDP managed to grow at 7.6 per cent.

CORPORATIONS

[Oil prices fall below \\$87 per barrel on Chinese economic warnings](#) (Associated Press, 7/16/12) Oil fell slightly in Asia on Monday as the Chinese premier's downbeat comments on the economy underlined the possibility of weak demand from the world's second biggest crude consumer.

[China Shale Gas Is Lure for U.S. Firms](#) (Wayne Ma, Wall Street Journal, 7/16/12) China's shale-gas industry is still in its early days, with production nowhere near the commercial stage, but that hasn't deterred foreign companies from trying to get in on the ground floor.

[Despite ambitions, growing gap in battery-powered cars](#) (Han Tianyang, China Daily, 7/17/12)

China has made progress in electric vehicles, but compared with some developed countries, the gap in core technologies and industrialization is actually widening, according to a recent report.

Battery-electric vehicles are a mandated priority in China's new energy vehicle R&D, but domestic carmakers still lag behind their foreign counterparts in vehicle reliability and engineering, said the yearly report on the nation's auto industry jointly formulated by the Development Research Center of the State Council, the Society of Automotive Engineers of China and Volkswagen Group China.

[Public fears check Chinese nuclear](#) (China Dialogue, 7/19/12) A new nuclear safety plan for China has been treated as a signal the sector is returning to favour. But old problems still plague the industry, writes Cui Zheng.

[Fading fortunes: China's demand for 'big coal' wanes](#) (Leslie Hook, Financial Times, 7/17/12) As trains loaded with coal chug their way from far western China toward the teeming eastern seaboard, their long migration across thousands of kilometres, through mountains and deserts, epitomises China's huge energy needs.

[Shale gas fever develops as firms see a new gold rush](#) (Zhou Yan, China Daily, 7/16/12)

Unconventional energy source is proving to be attractive outside the sector as well. With China having put shale gas near the top of the government agenda for energy security concerns, the scramble for this game-changing unconventional gas is gathering momentum. The Ministry of Land and Resources said that more than 70 companies have shown their interest in participating in the country's much talked about second tender for domestic shale gas blocks, which is estimated to kick off this month or next. China opened four blocks for the first round bidding to selected State-owned companies last June. China Petroleum & Chemical Corp and a provincial coalbed methane company won the bid for two blocks.

[China Could Be Rare Earth Metals Importer by 2014](#) (Jennifer M. Freedman, Bloomberg, 7/18/12)

U.S. and Canadian producers of heavy rare earth metals are poised to benefit as China becomes a net importer of some of the materials as early as 2014, said Peter Cashin, chief executive officer of Quest Rare Minerals Ltd.

[China sees 24% rise in new clean tech investment](#) (China Daily, 7/12/12)

China was the main contributor to a 24 percent rise in new global investment in clean energy in the second quarter as large Chinese solar and wind projects raised millions of dollars of finance, said research firm Bloomberg New Energy Finance.

GOVERNMENT

[SE Asian nations fail to reach agreement on China dispute, don't issue statement after meeting](#) (7/13/12) Associated Press)

Southeast Asian diplomats failed to reach common ground Friday

on how to deal with a touchy territorial dispute involving China, as a regional conference ended without a joint statement for the first time in the bloc's 45-year history.

[Chinese Cities Curb Car Sales](#) (Bloomberg, 7/12/12) In three years as a car salesman, Rooney Chen had never pulled an all-nighter. Then came June 30. At 9 p.m. that Saturday, after all 57 showrooms at the huge Race Course Automall in the southern Chinese city of Guangzhou had already closed, the municipal government announced that to rein in congestion and air pollution it would cap the number of new vehicle registrations at about half of last year's total and suspend new registrations for July—effective midnight. Caught by surprise, car retailers recalled their staff to sell to hundreds of buyers packing the sprawling collection of dealerships the size of four soccer fields.

[China builds most ecologically friendly cities](#) (Calum MacLeod, USA Today, 7/16/12) At Utopia Garden, retiree Li Yuling likes the green space around his new apartment block and the solar panels that resemble a dragon in flight. At the Mangrove Garden apartments, Du Feng says the property managers handle all "green" issues, but he pledges to start a car pool to work.

[Little Hu and the mining of the grasslands](#) (Economist, 7/14/12) Local legend has it that the beauty of the grasslands in Xilin Gol, a prefecture in eastern Inner Mongolia, so captivated the 13th-century warrior Genghis Khan that he planned to settle down there once his battles were over. He might be less impressed if he saw it today. In recent years a rush to mine the region's abundant minerals has scarred its hills, desiccated its pastures and fuelled unrest among its Mongol herders. For the local Communist Party chief, Hu Chunhua, who many believe is being groomed as a future leader of China, these are difficult times.

[Energy-Saving, Agriculture Water Projects To See China Approvals](#) (Bloomberg, 7/17/12) Agricultural projects that involve water conservancy measures and energy saving may see more government approvals in the second half of the year, China Securities Journal reported, citing unidentified people.

[PV Demand Set To Spike In China As Government Boosts Solar Energy Target](#) (Solar Industry Magazine, 7/16/12) Solar photovoltaic installations in China are set to surpass 4 GW in the second half of the year, as the National Development and Reform Commission – the country's regulatory and planning body – has raised its solar energy target from 15 GW to 21 GW by 2015, according to a new report from IMS Research.

[Dependence on Middle Eastern Oil: Now It's China's Problem, Too](#) (Damien Ma, Atlantic, 7/19/12) Energy security is a big concern for both the United States and China, though the latter typically sees it as a supply side issue: secure as much as possible to fill what it sees as endless future demand. For the U.S., having tied much of its energy fate to the Middle East for the last several decades, energy security meant building robust military capabilities to defend its interests and maintain open sea lanes for trade. The Chinese, of course, also depended on the U.S. provision of security as its energy imports from the Arab world expanded dramatically.

[Average Chinese person's carbon footprint now equals European's](#) (Duncan Clark, Guardian, 7/18/12) The average Chinese person's carbon footprint is now almost on a par with the average European's, figures released on Wednesday reveal.

[Along the Eastern Line of China's South-North Water Transfer Project](#) (Nadya Ivanova, Circle of Blue, 7/18/12) At Circle of Blue, we have reported extensively on China's giant water transfer schemes. In 2011, we visited the construction site of China's mammoth project to divert water from the south into thirsty provinces in the country's north. The same year, my colleague Keith Schneider reported on a proposed transcontinental pipeline that could draw seawater from the Bohai Sea into a complex of coastal desalination plants and then pump it uphill for hundreds of kilometers to unlock the fossil fuel riches in China's north and northwest regions. And while the Bohai pipeline is still largely a pipe-dream — quite literally — the South-North Water Transfer Project (SNWT) is well under way to start diverting 27.8 billion cubic meters (7.3 trillion gallons) a year by the end of 2014 through eastern and central routes to relieve acute water shortages in northern China.