



ENVIRONMENTAL CHINA

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



PACE is now in cooperation with

chinadialogue



Issue 172, August 16 to August 24, 2012

By CC Huang, TimQuijano

Invite your friends and colleagues to subscribe to the e-mail newsletter [here](#).

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 is the emissions culprit, not Alberta](#) (Vancouver Sun, 8/21/2012) NASA scientist James Hansen recently claimed it would be "game over" for the climate — and indeed, human civilization itself — if Alberta's oilsands were developed. Hansen's headline-grabbing comments, which appeared in an op-ed piece in the usually sober-minded New York Times, were part of the green lobby's campaign to demonize the oilsands, and halt the Keystone XL pipeline project. No wonder so many people have an outsized view of the oilsands' environmental impact. Such irresponsible hyperbole is fed to them regularly. In 2011, China emitted 29% of the world's carbon total, while Canada emitted 2%. China is adding more than one Canada worth of emissions to its total every year, thanks to its dependence on coal-fired power plants and the country's continuing rapid industrialization.

PACE

[Why China Will Stop U.S. Energy Independence](#) (Matthew Hulbert, Forbes, 8/23/2012) Hold onto your hats. Mitt Romney has declared North American energy independence by 2020 (effective 23/08/2012). Lots more drilling of oil and gas on federal turf, alongside offshore plays is the general gist – and especially in Alaska – all with a view to stimulating the U.S. economy. The template comes courtesy of the ever bullish Citigroup, who think an explosion in U.S. shale oil, and production upticks from Canada and Mexico will suffice to make everyone else go whistle. This places energy at the crux of the presidential election, precisely because this is U.S. economic policy over the next decade.

[China's Millennials: Get Rich or Save the Planet?](#) (Shi Xiaoguang, TIME, 8/21/2012) There is no serious doubt that the world is getting warmer and warmer, and there is no doubt either that many once-poor nations – especially China, India and Brazil – are getting richer and richer. Wealth is a very good thing, and every nation has a right to pursue it, but in the 21st century, that pursuit comes with a special moral burden that other industrial nations never faced.

[Story of a lake and how to protect it](#) (Li Yang, China Daily, 8/20/2012) The Kunming environmental protection authority in Yunnan province plans to make each visitor to Dianchi Lake's drainage area pay 10 yuan (\$1.59) as ecological indemnity fee.

[Oil shale: Game changer for China?](#) (Xinhua, 8/21/2012) Tourists flock to the Changbai Mountain Range in Northeast China during summer for refreshing weather and marvelous natural landscapes. But to oil developers, its beauty lies beneath the surface, in massive oil shale reserves.

RESEARCH & CIVIL SOCIETY

[Environmental activism gains a foothold in China](#) (Harold Thibault, Guardian, 8/21/2012)

Protesters have pushed green issues on to the state agenda, despite a predictably heavy-handed response.

[China and its controversial carbon appetite](#) (Pilita Clark, Financial Times, 8/19/12) Book Review: China's Environmental Challenges, by Judith Shapiro. This guide to Beijing's ecological aims casts doubt on the idea that the middle class can drive green action

[Vegetable factory a farming solution](#) (Jin Zhu, China Daily, 8/18/2012) Countries in East Asia, including China, with limited resources, are looking at "plant factories" – a kind of artificial farm that doesn't use arable land – as a way to provide adequate food supplies for rising populations.

[Villagers to Battle Waste Plant](#) (Radio Free Asia, 8/21/2012) Residents of an industrial town in the southern Chinese province of Guangdong are banding together in protest over plans to build a waste incinerator on their doorstep, local sources said on Tuesday.

CORPORATE SECTOR

[Shell plans to invest US\\$1B a year in Chinese shale gas](#) (Reuters, 8/21/2012) Royal Dutch Shell plans to spend at least US\$1– billion a year exploiting China's potentially vast resources of shale gas, the firm's top China executive said, part of an aggressive strategy to expand in the world's biggest energy market. Shell in March secured China's first product sharing contract for shale gas, hoping that getting in early will allow it to be a big beneficiary from the sort of boom in shale that has transformed the U.S. energy market. Exxon Mobil, BP, Total and Chevron Corp are also trying to get a bigger slice of the Chinese market, where use of natural gas is set to triple this decade and growth in oil demand makes up more than a third of the world total.

[Chinese solar panel makers are under pressure, too](#) (New York Times, 8/22/2012) China's solar panel manufacturers, who dominate global sales with a two-thirds market share, are confronting growing trade and financial problems. Chinese manufacturers "face challenges of decreasing margins, decreasing exports, lack of capital, protectionism, and an external environment that continues to deteriorate," said Chen Huiqing, deputy director at the China Chamber of Commerce for Import and Export of Machinery and Electronic Products. The US Commerce Department has imposed preliminary antidumping and antisubsidy tariffs on Chinese solar panels totaling over 33 percent, though they are subject to further review. A coalition of manufacturers in Europe has asked the European Union to impose antidumping tariffs, as well.

[China Supports Nuclear Power IPO](#) (Wall Street Journal, 8/20/2012) China National Nuclear Power Co. said it has received final approval from the Ministry of Environmental Protection to move forward with its planned initial public offering.

['New colonialism' accusation against China unfair](#) (Xinhua, 8/23/2012) The so-called "new colonialism" allegation that China has exploited Africa's resources is unfair, given that China has made great efforts to help the continent's development and benefit its people, a Chinese official said here Thursday.

[Cementing a strong business in China](#) (China Daily, 8/23/12) Holcim Group, one of the world's largest cement producers, recognizes the need to evolve its Chinese business into a more environmentally-friendly operation, envisioning a future in which it turns garbage into an alternative fuel, replacing coal to produce cement. The National Development and Reform Commission, China's top economic planning agency, has already demanded a better environmental performance by the cement industry, which uses not only a massive amount of energy and resources for production but also emits a huge volume of greenhouse gases, such as carbon dioxide. The Chinese government sees the cement industry as a potentially large contributor to solving problems in municipal waste, which can be turned into alternative fuels.

[Thousands being moved from China's Three Gorges – again](#) (Reuters, 8/22/2012) China relocated 1.3 million people during the 17 years it took to complete the Three Gorges dam. Even after finishing the \$59 billion project last month, the threat of landslides along the dam's banks will force tens of thousands to move again. It's a reminder of the social and environmental challenges that have dogged the world's largest hydroelectric project. While there has been little protest among residents

who will be relocated a second time, the environmental fallout over other big investments in China has become a hot-button issue ahead of a leadership transition this year.

[China's jet biofuels: ready for take off?](#) (Financial Times, 8/20/2012) China consumes about 29m tonnes of cooking oil a year, and much of it, when the frying is over, gets thrown away. Boeing believes this "gutter oil", as it is locally known, could turn out to be liquid gold. In collaboration with Commercial Aircraft Corporation of China (COMAC) it has opened a new lab this month in Beijing, and the first research project will investigate refining waste cooking oil into jet fuel. While China's cooking oil consumption is 29m tonnes, its aviation industry uses 20 million tonnes of petroleum-based jet fuel. The cooking oil thus represents, Boeing and COMAC say, a major opportunity for an alternative fuel source.

GOVERNMENT

[China Pollution Tax Plan Submitted to Cabinet, Daily Reports](#) (Bloomberg News, 8/22/2012) China's tax department has proposed a pollution levy to the cabinet, a move that may increase raw-material prices, the Economic Information Daily reported, citing an unidentified government official. The plan covers discharge of sulfur dioxide and waste water and excludes carbon emissions, the newspaper, an affiliate of the official Xinhua News Agency, said today, without specifying the rates. The proposal is aimed at a "smooth transition" from a discharge fee that's currently used, according to the report. Increasing concerns about pollution have led to confrontations between local governments and residents, including a protest last month in the southwestern city of Shifang over the construction of a molybdenum copper plant.

[China May Spend \\$373 Billion for Energy Savings, Emissions Curbs](#) (Bloomberg News, 8/22/2012) China, the world's biggest generator of greenhouse gases, estimated it may spend 2.37 trillion yuan (\$373 billion) on projects for conserving energy and reducing emissions in the five years through 2015, spurring a surge in shares of environmental protection companies. The nation plans by 2015 to reduce the amount of energy it uses to produce every unit of gross domestic product by 16 percent from 2010 levels, the State Council said in a statement late yesterday. The estimated spending in the period during the so-called 12th five-year plan will be for key energy-saving, emission reduction and recycling projects, the State Council said. Economists have suggested that government spending on environmental protection could be a good way to support Chinese growth, despite the global economic slowdown.

[China Increases Rare Earth Export Allocations to 3-Year High](#) (Bloomberg, 8/22/2012) China, the world's biggest supplier of rare earths, increased export quotas to companies by 2.7 percent to the highest in three years after they complied with environmental standards. China has curbed output and export of rare earths since 2009, when quotas were set at 50,145 tons, to conserve resources and protect the environment. The limits were 30,184 tons in 2011 and 30,258 tons in 2010. China's rare-earth exports declined 36 percent to 6,409 tons in the first seven months of this year from a year earlier, the General Customs said in an e-mail yesterday. Japan, the world's biggest importer of rare earths, the

U.S. and the European Union complained to the World Trade Organization about China's limits on exports.

[China to help Mongolia develop mineral industry](#) (China Daily, 8/24/2012) China will support Mongolia in upgrading its massive mineral industry, State Councilor Dai Bingguo said on Thursday. He was preparing to make an official visit to the neighboring country, three days after Ulan Bator finished setting up a new government advocating a friendlier investment environment.

[Russians concerned over tainted border rivers](#) (Global Times, 8/24/2012) A Chinese water quality monitoring official said on Thursday that a shared border river between China and Russia remains at the same level of pollution as when monitoring began, after a Russian news report said the pollution has become a critical problem.

[Why China Needs Peace in the Middle East](#) (Oil Price, 8/21/2012) There's a tendency among U.S. scholars, policymakers and especially the military to look at China in a purely confrontational way. Not everyone thinks this way but the number of analysts looking at a future clash of the powers is staggeringly big. This may be true, especially if we look at Chinese aggression in the South China sea. Maybe the Pentagon itself, with its focus on the Air-Sea Battle doctrine, is right in making sure everything is in order in case that happens. And yet, looking at some data, a different future looks more likely.