



ENVIRONMENTAL CHINA

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



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chinadialogue



Issue 174, September 1 to September 8, 2012

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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

[Time to upgrade China's nuclear capabilities](#) (Global Times, 9/7/2012) The Chinese public is engaging in heated discussions over civil society and politics. Nuclear power has almost been forgotten in the realm of public opinion. However, the macro dynamics of international politics will not change based on China's domestic situation. China has to accelerate the renewal and consolidation of its nuclear deterrence capabilities.

[Shale gas needs larger role in nation's energy strategy](#) (Lin Boqiang, Global Times, 9/5/2012) As the Chinese economy expands, the country desperately needs to strike a balance between ensuring that it continues to receive the steady supply of energy that it needs to grow and curbing its heavy reliance on greenhouse gas-emitting fossil fuels. Shale gas, a form of natural gas that is much cleaner

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than coal, which has long been used to satisfy the country's appetite for energy, may offer China a way out of this dilemma.

RESEARCH & CIVIL SOCIETY

[Research and Markets: Renewable Energy in China - What will be the size of the market in 2016?](#) (Herald Online, 9/3/2012) Research and Markets has announced the addition of the "[Renewable Energy in China](#)" report to their offering. Renewable Energy in China industry profile provides top-line qualitative and quantitative summary information including: market size (value 2007–11, and forecast to 2016). The profile also contains descriptions of the leading players including key financial metrics and analysis of competitive pressures within the market. Essential resource for top-line data and analysis covering the China renewable energy market. Includes market size data, textual and graphical analysis of market growth trends, leading companies and macroeconomic information.

[Art campaign illustrates the beauty of walking](#) (Outside, 9/4/2012) Car sales in China are a wee bit flat right now, but it's still one of the world's largest car markets. Congestion in cities is so bad that local governments have begun restricting how many people can drive each day. Despite that, the air quality and traffic remain untenable. Still, the China Environmental Protection Foundation's campaign to get people out of their cars was an uphill battle at best. But its Green Pedestrian Crossing installation managed to drive the message home to pedestrians in a really innovative and tangible way. The group enlisted the talents of Jody Xiong, creative director at design agency DDB Group China, to try to get more Chinese citizens to opt for walking instead of driving.

[Portraits of China's People \(and Their Possessions\)](#) (New York Times, 9/7/2012) In Huang Qingjun's photographs, Chinese people stand in front of their homes, surrounded by all of their worldly possessions. They are starkly intimate portraits of lives in a country getting rich fast, but one where hundreds of millions still struggle to get by. "Belongings," an exhibition of Mr. Huang's work now on display in Beijing, is meant to show people within their environment, both outside and inside their homes, says Mr. Huang — lives lived in a fast-changing country.

[China Energy Profile: Increasing Demand Makes China Influential On World Markets – Analysis](#) (Eurasia Review, 9/5/2012) China is the world's most populous country and has a rapidly growing economy, which has driven the country's high overall energy demand and the quest for securing energy resources.

[In Depth: How a weak grid could hobble China's mega-PV push](#) (Dominique Patton, Recharge, 9/6/2012) The high altitude, long sunshine hours and vast swathes of cheap, unused land make the region an ideal location for big solar farms, the kind that appeal to investors eyeing showcase clean-energy projects and attractive returns.

In 2011, Qinghai added 1GW of new solar. This year, the provincial government has given the go-ahead for another gigawatt. Companies of all kinds — from telecoms to property investors, as well as China's

"big five" power groups — fought for permits issued this year to build projects in the province, and are keen to start construction in case Beijing reduces its solar feed-in tariffs in 2013. But against the flurry of activity, an emerging problem could slow the explosive growth: developers of some of the first projects are already feeling the effects of a weak grid.

[The Energy Corridor's Risky Loads](#) (Economic Observer, 9/3/2012) In the middle of the night on Aug 26, a double-decker passenger bus heading from Hohhot to Xi'an rear-ended a chemical tanker and burst into flames. As most of the passengers were asleep when the bus slammed into the truck, only three managed to escape with their lives, 36 others weren't so lucky. The expressway that connects Baotao in the northern autonomous region of Inner Mongolia with Maoming in the southern coastal province of Guangdong passes through Yan'an in Shanxi Province. It's known as the "energy corridor" for Shaanxi Province and a "labor corridor" for western China.

CORPORATIONS

[Foreign firms 'will benefit from new industries'](#) (China Daily, 9/5/2012) Foreign companies will enjoy new opportunities with the development of the recently announced seven strategic emerging industries, such as environmental protection and new-energy vehicles. According to a national development plan for strategic emerging industries during the 12th Five-Year Plan (2011–15), unveiled in July, the government wants the industries to generate 8 percent of GDP in 2015 and 15 percent by 2020. This is a marked rise from the 4 percent of GDP that they were responsible for in 2010. Plans for energy saving and environmental protection, high-end manufacturing, new materials and new-energy vehicles have been issued. Plans for new-generation information technology, biotechnology and new energy are being examined for approval by the State Council.

[Morgan Stanley arm bets big on China energy](#) (Wall Street Journal, 9/4/2012) Morgan Stanley said its infrastructure arm has led a private-equity consortium in investing \$300 million in hydropower operator Zhaoheng Hydropower, in what is the largest foreign investment in China's renewable-energy sector to date. Hydropower generates power from water sources, and like wind and solar power, is a clean energy source that doesn't require fossil fuels such as coal or gas. "Zhaoheng operates in China's fast-growing renewable energy sector where there is tremendous potential for growth," said James Chern, executive director of Morgan Stanley Infrastructure Partners. "Our plan is to be a long-term investor and help Zhaoheng's capacity grow to one gigawatt in the next two years."

[Russia and China link to invest in timber](#) (David Pilling, Financial Times, 9/6/2012) China and Russia's sovereign wealth funds are making their first joint investment — in a Siberian timber company — as part of a push to increase commercial ties between the Russian far-east and fast-growing countries in Asia.

[Ottawa says China not the only potential investor in Canada's oil](#) (Reuters, 9/7/2012) China is not the only possible source of the massive investment that Canada needs to develop its oil-rich tar sands and other energy assets, Natural Resources Minister Joe Oliver said on Friday. Cash-rich

Chinese companies are showing an increased interest in Canadian oil and gas and Ottawa is currently reviewing a \$15.1 billion takeover bid for Canadian oil company Nexen Inc by Chinese state-owned firm CNOOC Ltd.

[China Price War Draining Jobs in Germany's Solar Valley: Energy](#) (Bloomberg, Stefan Nicola, 9/7/2012) When Thomas Behling returned to his home state of Saxony-Anhalt in 2006, he was drawn by a job in the solar industry and the chance to participate in Germany's renewable energy boom. He was fired in July.

[China Dominates Renewable Energy Market](#) (Joanna Schroeder, Domestic Fuel, 9/7/2012) According to the most recent Global Renewable Energy Country Attractiveness Indices Report (CAI), China will continue to dominate the global renewable energy market. The country has quadrupled its solar capacity target to 50GW by 2020. At the top of the All Renewable Index (ARI), China will have to overcome some challenges including oversupply of wind turbines and solar panels as well as solve many grid transmission issues to reach its goal.

[Oil falls on weak China manufacturing](#) (Associated Press, 9/3/2012) Oil prices fell Monday after weaker-than-expected manufacturing data from China intensified concerns about the global economy. Benchmark oil for October delivery was down 12 cents at \$96.35 a barrel in early afternoon trading in London in electronic trading on the New York Mercantile Exchange. The contract rose \$1.85 to finish at \$96.47 per barrel Friday in New York. Brent crude for October delivery was up 1 cent to \$114.59 on the ICE Futures exchange in London. A report released Saturday by the state-authorized China Federation of Logistics and Purchasing said its purchasing managers' index, a measure of manufacturing activity, fell to 49.2 in August from July's 50.1. Numbers below 50 indicate activity is contracting.

[JinkoSolar to Supply China Guangdong Nuclear with Solar Modules](#) (Joshua Hill, Clean Technica, 9/2/2012) One of China's leading solar power product manufacturers, JinkoSolar, has won a contract to supply 30 megawatts of photovoltaic (PV) modules for a PV power plant project planned for Hami city in the Xinjiang Province of China.

[Geography Rules: Why Mongolia's China Mining Strategy is a Mistake](#) (Gabe Collins and Andrew Erickson, Wall Street Journal, 9/6/2012) In May 2012, the Mongolian parliament passed a law requiring parliamentary approval for foreign investors to take a stake larger than 49% in enterprises in strategic sectors such as mining or for investments by state-owned enterprises. The timing of the law — passed shortly after an attempt by the China Aluminum Company ("Chalco") to purchase a majority stake in coal producer SouthGobi Resources suggests it was specifically designed with China in mind.

[China slowdown cuts deeper into Indonesia's coal sector](#) (Fergus Jensen, Reuters, 9/3/2012) The slowdown in China's economic growth is cutting deeper into Indonesia's coal sector, forcing producers to reduce output and slash costs, and testing the resilience of a commodity boom in Southeast Asia's largest economy.

GOVERNMENT

[A Chinese city moves to limit new cars](#) (New York Times, 9/4/2012) The municipal government of Guangzhou, a sprawling metropolis that is one of China's biggest auto manufacturing centers, introduced license plate auctions and lotteries last week that will roughly halve the number of new cars on the streets. The crackdown by China's third-largest city is the most restrictive in a series of moves by big Chinese cities that are putting quality-of-life issues ahead of short-term economic growth, something the central government has struggled to do on a national scale.

[Carbon trading market research boosted](#) (China Daily, 9/4/2012) China is researching the foundation of a national carbon-trading market before linking with other countries' carbon trading schemes, said a top climate change official. The United States, Australia, Japan and the European Union are discussing the possibility of building a sub-regional or regional carbon market with China, said Xie Zhenhua, vice-chairman of the National Development and Reform Commission. "Our priority is getting our work done first, accumulating experience and then taking part in making the rules," Xie said at a low-carbon forum over the weekend.

[Expert calls for wiser investment in China's energy sector](#) (Xinhua, 9/2/2012) Investment in the Chinese energy sector should be cautious as the country's energy consumption growth is likely to slow down, a Chinese energy expert warned on Saturday. Zhou Dadi, standing vice president of the China Energy Research Society (CERS), said it is unsustainable to boost the energy sector by expanding energy production capacity. "Energy consumption growth will inevitably slow to a reasonable pace," said Zhou in a news briefing, at which the CERS annual China Energy Development Report was released.

[More groups can litigate in public interest](#) (China Daily, 9/1/2012) China's top legislature expanded on Friday the number and type of entities permitted to file class-action lawsuits, ending a heated debate on who has the right to defend the public interest by bringing litigation to court. Government agencies and related organizations are allowed to file class-action lawsuits, in which a group of people collectively bring a litigation concerning environmental pollution and unsafe food incidents to court to defend the public interest, the Amendment to the Civil Procedure Law states. The amendment marks a step forward from the draft proposed to lawmakers on Monday, which empowered only social groups and government agencies to file class actions.

[China continues to rein in plastic recycling with new policies](#) (Plastics News, 9/5/2012) For years, China has shown an insatiable appetite of waste plastic imports. With low-cost labor sorting and lax regulatory controls, the recycling business thrived. But the government has been taking actions to rein in the industry, first by imposing policies last year to tighten up the control of import and trade of scrap materials, and now, by enacting a new regulation that bans improper recycling practices that may pollute the environment.

[China Speeding U.S. Solar-Dumping Case as Election Nears: Energy](#) (Bloomberg, 9/5/2012) China is accelerating a dispute with the U.S. over solar-energy taxes, moving forward its next salvo to hit as President Barack Obama faces re-election. China's Ministry of Commerce will make

preliminary findings as early as November, eight months before the deadline, on a complaint that U.S. manufacturers are dumping polysilicon, according to officials at Daqo New Energy Corp. (DQ) and Jiangsu Zhongneng Polysilicon Technology Development Co., two of four companies that brought the case. Ministry officials are visiting the companies to gather proof of damage.

[China seeks regional energy cooperation as challenges mount](#) (Xinhua, 9/5/2012) China is seeking to diversify channels for energy cooperation as it faces mounting challenges from surging energy demand, geopolitical risks and price volatility, officials and experts said at an international expo in held in west China's Xinjiang Uygur autonomous region.

[Canada is the new Africa in China's quest for oil](#) (Massoud Hayoun, Vancouver Observer, 9/3/2012) As the decision on China's \$15-billion Nexen bid looms, here are some lessons that Africa's experience can teach Canadians about business with Beijing.

[China ponders retaliation ahead of EU verdict on solar probe](#) (Dominique Patton, Recharge, 9/5/2012) Beijing is weighing up retaliatory measures to respond to a widely-expected anti-dumping investigation by the European Commission into Chinese solar companies, according to sources.

[Russia to increase energy exports to Asia-Pacific](#) (Xinhua, 9/4/2012) Russia would increase exports of oil and natural gas to the Asia-Pacific to counterbalance instability in Middle East supplies, an APEC expert said Monday. The proposed increase was expected to account for between 22 and 25 percent of Russia's total exports by 2020, Russian APEC Study Center deputy director Gleb Ivashentsov said at the 2012 Asia-Pacific Economic Cooperation forum now underway in this Russian Far East city.

[China widens renewables lead over US in Ernst & Young ranking](#) (Bloomberg, 9/1/2012) China widened its lead over the US in a renewable-energy ranking compiled by consultant Ernst & Young (E&Y) that gauges the attractiveness to investors of wind and solar power projects in those countries.