



ENVIRONMENTAL CHINA

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



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chinadialogue



Issue 178, September 29 to October 6, 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

[Rare earth metals: Will we have enough?](#) (Renee Cho, State of the Planet, 10/5/2012) Life in the 21st century wouldn't be the same without rare earth metals. Cell phones, iPads, laptops, televisions, hybrid cars, wind turbines, solar cells and many more products depend on rare earth metals to function. Will there be enough for us to continue our high-tech lifestyle and transition to a renewable energy economy? Do we need to turn to deep seabed or asteroid mining to meet future demand? "To provide most of our power through renewables would take hundreds of times the amount of rare earth metals that we are mining today," said Thomas Graedel, Clifton R. Musser Professor of Industrial Ecology and professor of geology and geophysics at the Yale School of Forestry & Environmental Studies.

[Towards a cleaner, and more efficient China](#) (Suwatchai Songwanich, The Nation, 10/1/2012) China's State Council released its 12th Five-Year Plan for Energy Saving and Emission Reduction in August, building on tremendous developments in previous years. The previous five-year plan saw significant progress – energy consumption per unit of GDP was reduced by 19.1 per cent, while total sulphur dioxide and chemical oxygen demand (COD) emissions were reduced by 14.3 per cent and 12.5 per cent respectively.

[A Big Opportunity Lies Beneath the Troubled China Seas...](#) (Tony Sagami, Uncommon Wisdom, 10/2/2012) The Senkaku Islands are a remote group of uninhabited and undeveloped islands in the East China Sea. These islands have little commercial or military value. In fact, they are considered so inconsequential that they have been used as practice targets for military training sessions. Then why are Japan, Taiwan, and China suddenly embroiled in a very public dispute over ownership of this group of these seemingly worthless islands? That's because they sit astride rich fishing waters and, more importantly, potentially gargantuan reserves of natural gas. Whoever owns these islands will own the internationally recognized drilling rights for up to 12 miles from land.

[China Needs Its Own Dream](#) (Thomas Friedman, New York Times, 10/2/2012) On Nov. 8, China is set to hold the 18th National Congress of the Communist Party. We already know who will be the next party leader: Vice President Xi Jinping. What we don't know is what matters: Does Xi have a "Chinese Dream" that is different from the "American Dream?" Because if Xi's dream for China's emerging middle class — 300 million people expected to grow to 800 million by 2025 — is just like the American Dream (a big car, a big house and Big Macs for all) then we need another planet.

[A Look At Environmentally Responsible Chinese Companies](#) (Jeffrey Friedland, Seeking Alpha, 10/2/2012) While there are not very many pure "green" Chinese based companies whose shares are publicly-traded, increasing environmental awareness has impacted many of the country's businesses. China's provincial, local and central governments are increasingly more environmentally aware, as well as are investors and members of the financial community both within China and worldwide. While I believe that it's nice to be a socially responsible investor, I also believe that it's critical to take a look at a company's operations, financial results and most importantly its overall growth strategy. I believe it's possible to do both. Chinese companies can be identified which are socially responsible, who also have strong historical financial performance, and are well positioned for strong growth.

RESEARCH & CIVIL SOCIETY

[China needs strategic planning to urbanize against odds](#) (Xinhua, 10/5/2012) With the urbanization rate reaching 51.3 percent in 2011, cities and towns have, for the first time, outrun the countryside in terms of population in China, the world's most populous country. Government officials and experts see how ongoing urbanization benefits economic development and people's livelihoods. However, issues facing urban dwellers, including housing prices and unequal access to the education, pension and healthcare systems, are only some of the problems giving rise to public grievances and these problems require solutions.

[China's green transition boosts sustainable development of national, global economy](#) (Yang Jingzhong, Devapriyo Das, Xinhua, 10/2/2012) China's rapid transition to a green economy will be a boom both to its domestic market and the global economy, especially renewable energy industry, leading experts here have said. Commitment to developing a sustainable economy, emphasizing domestic consumption, and putting a green economy at the heart of the planning process, already form the basis of China's ongoing 12th Five-Year Plan.

[Does China have enough water to keep building three power stations a week?](#) (Wai-Shin Chan, China Dialogue, 10/5/2012) Cities like Beijing and farming heartlands are at risk of water shortages from China's surging demand for power, says HSBC. China builds an average of three new power stations a week; by 2030 it plans to add more power capacity than exists in the US, the UK and Australia today. This will require huge amounts of water for cooling and driving steam turbine generators. The country's water resources are already stretched and climate change is making conditions even tougher.

[How Dirty Are China's Skies? A Daily Photo Archive Shows The Truth](#) (Bruce Upbin, Forbes, 10/5/2012) Anyone who's been to Beijing lately would instantly recognize the photo below. It's the glorious capital of China, rendered completely invisible by pollution. This was taken in August, four years after the Chinese government spent a reported US\$19 billion to clean the air for the 2008 Olympics.

[China's dams a threat to the Mekong](#) (UPI, 10/1/2012) — China's most recent hydropower project on the Mekong River, the Nuozhadu Dam, threatens the ecosystem of the river, experts warn. Nuozhadu is the fifth Chinese dam to be commissioned in Yunnan province. Studies by the Stimson Center, a Washington think tank, say the four completed Chinese dams "are already altering the river's hydrology and impeding the flow of nutrient-rich silt that sustains soil productivity, nurtures fisheries and keeps the sea at bay in the Mekong Delta."

CORPORATE SECTOR

[Q&A: Is Midwest coal destined for Asia?](#) (Kari Lydersen, Midwest Energy News, 10/3/2012) As coal-fired power plants are closing down across the U.S. — the result of competition from cheap natural gas and tougher pollution rules — coal companies are looking to ramp up their exports overseas. Coal exports from the U.S. have already increased significantly in the past few years.

[China gets \\$600m for eco projects](#) (The Construction Index, 10/1/2012) The Asian Development Bank (ADB) is providing US\$600m (£371m) for a package of four green projects in fast-growing second-tier cities in China. The projects are designed to transform waste into clean energy, reduce CO2 emissions, expand eco-friendly transport, and protect fragile wetland areas.

[Company taps clean energy in Tibet](#) (Xinhua, 10/4/2012) A national energy company is planning to invest 100 billion yuan (15.87 billion U.S. dollars) within 10 years to tap into abundant solar and hydroelectric power resources in Tibet. Huaneng Tibet Power Generation Co., Ltd. (HTPG), a subsidiary

of the state-owned China Huaneng Group, has signed multiple agreements with the Tibetan autonomous regional government regarding development of clean energy, company sources said. "The investment is aimed at putting an end to the energy shortage in Tibet and sending power out of the region as well," said Liu Xingguo, general manager of HTPG.

[China's Hanergy to buy solar startup Miasole in fire sale](#) (Ucilia Wang, GigaOm, 10/5/2012) After making a public appeal for investors, MiaSole has found a suitor in Hanergy, a large renewable energy company in China that just bought another solar equipment maker in Germany. The \$30M sales prices of MiaSole shows how cheap solar manufacturing assets can be picked up.

[China solar firms weigh outsourcing to skirt potential duties](#) (Krishna Das Swetha Gopinath, Reuters, 10/1/2012) Chinese solar companies are being forced to speed up plans to move a big chunk of their manufacturing offshore as Europe looks increasingly likely to join the United States in implementing duties on imports of Chinese-made solar equipment. The timing could not be worse for the Chinese firms, whose balance sheets are already being strained by nearly two years of weak prices and slowing demand for solar energy products.

[China's nascent shale industry won't affect global energy balance: official](#) (Platts, 10/3/2012) Startup of shale gas production in China is unlikely to affect the situation in the global energy market in the near future, China's former national energy administrator Zhang Guobao said Wednesday. "China is rich in shale gas resources but... activation of shale gas production in China is unlikely to affect either the domestic or global energy situation," Zhang told the Kazenergy forum, according to a translation provided by the event organizers. Shale gas production in China in the next several years is unlikely to be significant, he added.

[China taps shale gas through combined efforts](#) (Xinhua, 10/5/2012) China is exploring an optimized energy structure by tapping into shale gas resources through the joint efforts of local authorities, enterprises and researchers. The country's second round of auctions for shale gas licenses, which will be held in late October, has elicited substantial interest from more than 70 domestic companies, including Sinopec and PetroChina, the country's two largest oil producers.

[Glut of Solar Panels Poses a New Threat to China](#) (Keith Bradsher, New York Times, 10/4/2012) China in recent years established global dominance in renewable energy, its solar panel and wind turbine factories forcing many foreign rivals out of business and its policy makers hailed by environmentalists around the world as visionaries.

GOVERNMENT

[China boasts huge geothermal resources](#) (Xinhua, 10/5/2012) China's geothermal energy resources amount to 860 trillion metric tons of coal equivalent, an amount 260,000 times greater than China's annual energy consumption, according to newly issued statistics from the Ministry of Land and Resources.

The figure is based on a new evaluation of geothermal energy resources buried 3,000 to 10,000 meters below 287 cities, 12 sedimentary basins and 2,562 hot springs.

The ministry said the country's shallow-lying geothermal energy resources add up to 9.5 billion tons of coal equivalent, with annually available resources amounting to 350 million tons of coal equivalent.

[Chinese energy firm sues Obama for blocking wind-farm deal](#) (Guy Adams, Independent, 10/4/2012) A Chinese energy company is suing President Barack Obama for blocking a deal for it to build wind farms on land next to a US military site in Oregon. The President cited national security concerns when he intervened last week to stop Ralls Corp building turbines near the site, which is apparently used by the Navy to test drones.

[SolarWorld Says Unfair China Policies Rate Import Penalties](#) (Brian Wingfield, Bloomberg, 10/4/2012) U.S. solar-energy manufacturers led by SolarWorld AG (SWV) said they were forced to close plants and lay off workers because of unfair Chinese government policies, as they tried to persuade regulators that the U.S. should continue to impose penalties on imports from the Asian nation.

[China Seeks Green Development](#) (China Radio International, 10/1/2012) Green or low-carbon development has become a global economic trend. And China has been actively promoting the consumption, research and development of energy-saving products. Because of the efforts of the central government, more ordinary people have learned about the differences between an incandescent lamp and an energy-saving one. Government-funded subsidies for low-carbon home appliances are expected to save 12 million tons of standard coal. People have also been encouraged to use recycled plastic bags and drive their cars less frequently.

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