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ALTERNATIVE ENERGY

Suntech's bankruptcy hits China's solar panel industry

A court in Wuxi has ordered Suntech Power Holdings Co to undergo bankruptcy reorganization, but meanwhile the main plant in Wuxi is still operating, and it is not excluded that the Wuxi authorities will come to the aid of the company as it is a major employer and tax payer in the city. Suntech has defaulted on USD541 million of bond payments. The company has been badly hit by oversupply in the global market for solar cells and panels, as well as by trade disputes with the United States and Europe over alleged Chinese dumping and government subsidies to producers. The Board dismissed Chairman Shi Zhengrong earlier in March, but he could return to Suntech as part of the reorganization, as he is supported by the Wuxi government. By the end of February, nine major Chinese commercial banks had lent Suntech a total of CNY7.1 billion. Shi founded Suntech in 2002 and took the company public three years later, becoming the world's first solar billionaire, but a sharp drop in solar panel prices wiped out a major part of his fortune. The Wuxi government has poured a huge amount of subsidies into Suntech. Orders for Chinese PV equipment slumped 80% year-on-year in 2012, the China PV Industry Alliance said in its latest report. It said up to 90% of Chinese polysilicon makers had halted production, and 80% of solar panel producers had shut down or sharply reduced output. Gao Hongling, Deputy Secretary General of the China Photovoltaic Industry Alliance, said Suntech's fall would serve as a warning to other emerging strategic industries in China which also face similar problems of haphazard investment and excessive production capacity.

Suntech Power Holdings could offload its solar power generation assets in Italy, a company Spokesman said. It might consider selling its 88.15% stake in Global Solar Fund Sicar (GSF Sicar), a Luxembourg-based fund specializing in the development of solar power projects mainly in Italy. By some estimates, the fund carries an enterprise value of up to USD800 million, including more than USD600 million in loans from China Development Bank (CDB), analysts say. Even if Suntech disposes of the stake in GSF Sicar, proceeds would not nearly be enough to repay creditors, analysts added. Suntech said in November that it had contributed €156 million to the fund. Suntech's founder and former Chairman Shi Zhengrong, who holds the remaining 11.85%, had contributed €19 million.

GCL moves focus from polysilicon to solar farms

GCL-Poly Energy, the world's largest maker of raw materials for solar panels, plans to build 500 to 600 megawatts (MW) of solar farms. The firm aimed to start building up to 300 MW of solar power plants this year, mainly in the United States and South Africa, Chairman Zhu Gongshan said. It also plans to build as much as 300 MW of plants in China. By expanding into downstream solar farm development and construction, GCL aims to partially offset the low profitability of the production of polysilicon and solar wafers, which has suffered from sharp price falls amid oversupply. On March 14, the firm posted a net loss of HKD3.52 billion for last year, against a profit of HKD4.27 billion in 2011, after booking HKD1.08 billion of write-downs on fixed assets, goodwill and other assets. It sold 5.6 gigawatt (GW) of wafers last year and had 8 GW of production capacity. Zhu said the impact of Suntech's bankruptcy on GCL was limited as Suntech accounted for less than 5% of its sales. GCL's gross profit margin dived to 7.8% from 33.2% in 2011. The average selling price of wafers tumbled 53.7% to USD0.25 per watt as the production cost declined 41.7% to the same amount. With production of the materials barely profitable before accounting for fixed costs, the firm rolled out cost-saving measures, including cutting senior management's salary by 30% to 50%. GCL is projected to record an HKD86.4 million net loss for the year, before turning to HKD942 million of profit next year and a profit of HKD756 million in 2015, according to the average estimate of 28 analysts polled by Thomson Reuters.

China warns EU on solar panel duties

China reserves the right to take further action if the European Union hits Chinese exporters with punitive solar panel duties, Chong Quan, China's Deputy International Trade Representative, said. He also urged the EU to "cautiously use trade remedy measures," as both sides cannot afford a trade war. "If the EU side keeps on its path, imposes restrictions on solar products and hurts the interests of Chinese enterprises, the Chinese government will never stand aside," Chong warned. "The communication channels between the two sides have always been kept open and China has never suspended or delayed negotiation with the EU," Chong said. China's exports of solar products dropped 35% year-on-year in 2012, with

exports of solar panels and modules down by more than 40%. The China-EU solar trade dispute will affect more than 400,000 Chinese workers, and “an improper handling of the case will definitely impact China-EU trade ties severely”, said Chong. A report from the German think-tank Prognos, commissioned by The Alliance for Affordable Solar Energy, a coalition of over 160 companies in the European PV industry, said output of solar products within the EU may increase, but total demand would fall owing to the extra cost of solar products, which would hit the wider solar industry as a whole within Europe, as well as other export industries supplying China. It predicts the loss of between 170,000 and 240,000 jobs within the EU and a total economic loss of between USD24 billion and USD36 billion over three years. Germany is expected to suffer most, followed by Italy, Spain and the United Kingdom. More than 90% of Chinese solar products are exported, with 70% shipped to the EU and 10% to the U.S., according to the Ministry of Commerce (MOFCOM).

Documents reveal Suntech Power's road to bankruptcy

Suntech Power, forced to put its Chinese solar unit into bankruptcy last month, began the slide into insolvency in 2009 when customers linked to the founder could not pay their bills and the company booked the sales as revenue anyway, regulatory filings show. Seven buyers backed by an investment firm funded by Suntech and its founder, Shi Zhengrong, accounted for 29% of Suntech's uncollected bills at the end of 2009, according to correspondence between the solar company and the U.S. Securities and Exchange Commission (SEC). Those customers had not yet received enough money to go ahead with their projects and Suntech gave them more time to pay, the letters show. The SEC correspondence provides clues to Suntech's prospects and a road map to business practices that left the company vulnerable to a €560 million fraud and a USD541 million bond default. Suntech was booking revenue from sales to related companies with unbuilt projects, while also guaranteeing loans to those related firms. Wall Street investors funneled USD1.28 billion into Suntech, including the bonds and USD742.6 million of stock sales in 2005 and 2009. Last month Suntech said it received a notice of default on the USD541 million bond payment on March 15 and agreed with almost two-thirds of the holders to extend the due date to May 15. Analysts, including Standard & Poor's Angelo Zino, have said U.S. investors might take big losses. The SEC's first letter to Suntech was dated November 2005, and its latest was in April 2011. All of its letters were available to the public by mid-June 2011. There were about 38 analysts covering Suntech as of July 1, 2011, of whom 31 recommended either holding or buying the stock, data shows.

China's Trina Solar eyes return to profit

Chinese solar panel maker Trina Solar hopes it can return to profits by June, Chairman Gao Ji said. Trina, which suffered its sixth quarterly loss in February, is one of many solar panel makers bleeding cash as a worldwide glut hammers prices. While the industry may face another turbulent year, Trina Chairman Gao Ji was optimistic as he looked to expanding Chinese demand. “The overall trend in the photovoltaic industry this year may be better than last year's,” he said, adding that business could turn around in the second half of the year. If New York-listed Trina attains profitability from June, it would surpass expectations of analysts who only see a return to profit in the fourth quarter of next year. “After going through industry-wide losses in the past few years, a proportion of companies have been shut and eliminated,” he said. “The situation of excess capacity is improving.” At the same time, the Chinese market is expanding, Gao said. Domestic demand could make up for as much as 25% of total sales this year, up from 10% last year. “Judging by the first quarter, sales were not bad,” he said. “We didn't rest over the Lunar New Year. We worked overtime.” Gao said Trina has cash reserves of about USD920 million and has a debt ratio of about 67%, beneath the 80% sector average. Squeezed by shrinking demand abroad, Chinese solar panel makers are hoping Beijing can step in to fill the void by stimulating domestic solar consumption. Some analysts say this is wishful thinking, due to the size of China's solar making capacity, a lack of funding for solar subsidies, and a dearth of infrastructure to harness renewable energy.

China Gogreen to develop solar farms

China Gogreen Assets Investment plans to acquire and develop 70 megawatt (MW) of solar farms this year costing up to CNY175 million. The company, which has 31.5 MW of projects up and running in Qinghai and Henan provinces, aimed to have 500 MW of solar power generating capacity in five years, Chief Executive Jiang You said. Despite concerns about delays in connecting solar projects to power grids, Jiang said monopoly distributor State Grid Corp of China issued a notice late last year supporting the development of small-scale rooftop

solar farms – China Gogreen's main business focus. The notice said State Grid would support projects of less than 6 MW that met certain technical requirements by giving them priority in grid connection at no cost. Power from such projects should mainly serve local demand, with surplus electricity sold to the grid. Jiang also said that to minimize risk, China Gogreen would only buy projects that already had central government subsidies and had secured power sales agreements. Each watt of capacity is estimated to cost CNY8 to build, of which CNY5.50 is subsidized by Beijing, leaving the project developer to invest just CNY2.50. China Gogreen has signed three preliminary agreements to buy and develop 112.4 MW of solar farms in Henan, Ningxia and Shenzhen. The company aims to turn in a profit this year after a net loss of HKD418 million last year.

China supplants U.S. as leader in clean energy investment

China overtook the United States last year as the global leader in clean energy investment while U.S. spending on renewables fell nearly 40%, according to a report by the Pew Charitable Trusts. “The center of gravity in the clean energy world has shifted from the United States and Europe to China,” it concluded. China invested USD65 billion in clean energy last year, according to the report, or 30% of all renewable investment in the world's top 20 economies. China was installing solar, as the western European market for its solar products was drying up, said Ethan Zindler, head of policy analysis at Bloomberg New Energy Finance. China is also a major producer of wind turbines and wants to tap its wind resources in Inner Mongolia and elsewhere. The U.S. led in global clean energy investment until 2009. It then traded the top spot with China before reclaiming it during the surge in investment that came along with the stimulus legislation and a record boom in U.S. wind energy construction. U.S. investment in wind skyrocketed as developers scrambled to finance projects before a tax break was to expire at the end of last year. Congress was keeping the subsidy alive for another year, but scant new U.S. wind energy production was being planned at this point, Zindler said. Now China is in firm control of the global clean energy investment lead while the U.S. “continues to underperform”, according to the Pew report, as reported by the South China Morning Post.

- JA Solar Holdings Co, China's largest solar cell maker, said it is prepared to repay debt maturing in May as the price of its bonds fell after Suntech Power Holdings Co said it won't resist a bankruptcy petition. “Our bonds don't have default risks,” CEO Xie Jian said. The money needed to repay about USD120 million of its convertible notes maturing on May 15 has been prepared, he said.

POLLUTION

Coastal waters severely polluted by discharges

Increasing stretches of China's coastal waters were seriously polluted in 2012, mainly from excessive discharges from land, the State Oceanic Administration (SOA) reported. The area of severely polluted waters surged to 68,000 square kilometers in 2012 from 44,000 sq km in 2011, according to the country's 2012 marine environment report. The classification “severely polluted” indicates the waters are deemed unsuitable for swimming and fish-farming, and not fit for some industrial purposes. Guan Daoming, Director of the National Marine Environmental Monitoring Center, blamed the worsening marine environment on surging human activity. The water quality near coastal regions that are crowded with factories and buildings has been worsening in recent years. According to the report, more than 17 million metric tons of pollutants from the 72 monitored rivers flowed into the sea in 2012. This included 46,000 tons of heavy metals and 93,000 tons of oil. As the marine economy becomes a new growth area for China, coastal waters face great risks from booming offshore development and coastal construction. According to the State Oceanic Administration, more than 80% of the Bohai Sea coastline was crowded with factories and construction projects, and less than 5% of the Bohai Bay's shoreline remained in a natural state. The environmental impact from a Bohai Bay oil spill in June 2011 is still felt, with increased oil levels in the waters near the accident site. Some marine experts said that it could take about 30 years for the bay to recover. About 53,074 cubic meters of drilling mud from offshore oil platforms was discharged into China's coastal waters, a year-on-year increase of 11%. Plastic refuse accounted for 80% of the litter in the coastal waters. Nearly 4,400 pieces of plastic refuse are found per sq km of water, and beaches have 50,000 pieces per sq km, the China Daily reports.

Henan landfill threatens to pollute Beijing's drinking water

A huge landfill in Henan province is threatening to pollute a reservoir that provides drinking water for more than 20 million Beijing residents. Xinglong county began depositing rubbish in the Qingsongling rubbish dump in 1989. Once a 50-m deep valley, the rubbish dump was completely full when it was closed in 2009. The rubbish mountain now occupies an area of 23,000 square meters. During heavy rains, floods carry garbage along a small river to the Yangzhuang reservoir, which connects to Jinhai Lake, one of Beijing's major water resources. The local government built a dam next to the former rubbish site to stop rain from flushing refuse into the lower reaches of the river, but local residents say it is useless. Zhao Zhangyuan from the Chinese Research Academy of Environmental Sciences said that valleys were not suitable sites for use as rubbish dumps. The soil underneath was likely to be soft rock, he said, which could allow pollutants to leak through and contaminate ground water. Chen Liwen, Researcher for the Green Beagle Environment Institute, added that the rubbish in the dump would gradually pollute the soil beneath and nearby, causing the heavy metal content to exceed safety standards.

World's lightest material to help tackle pollution

Chinese scientists say they have developed the world's lightest material, which they expect to play an important role in tackling pollution. With a density of just 0.16 milligrams per cubic centimeter, a sixth that of air, graphene aerogel – which is also known as carbon aerogel – has been developed by Professor Gao Chao from Zhejiang University in Hangzhou. He said the most significant qualities of the new material are its ease of manufacture, and its strong oil-absorption. The material is derived from a gel, with the liquid component replaced by a gas. It appears in solid state with extremely low density. “Carbon aerogel is expected to play an important role in pollution control such as oil spill control, water purification and even air purification,” said Gao, whose research paper on the material was first published online in the academic publication *Advanced Materials* on February 18, and in the research highlights column of *Nature* magazine. In addition to being used in pollution control, carbon aerogel is expected to become an ideal material for energy storage insulation, as a catalytic carrier, and in sound absorption. Current oil-absorbent products usually absorb organic solvent about 10 times their own weight, but the newly-developed carbon aerogel can absorb up to 900 times its own weight. Gao's research team is conducting further research on its absorption performance, as well as other applications, the *China Daily* reports.

Most Chinese cities hiding vital pollution data from public

Most city governments in China withheld vital information on pollution from the public last year, with many scaling back their disclosure to protect polluters as economic growth slowed, two major environmental organizations said in a study released in Beijing. The 10 most secretive cities were Zaozhuang in Shandong, Datong and Yangquan in Shanxi, Xiangyang in Hubei, Karamay in Xinjiang, Changchun and Jilin city in Jilin, Zhangjiajie in Hunan, Jinzhou in Liaoning and Ordos in Inner Mongolia. They disclosed barely any environmental information, such as the amounts of pollutants discharged or the identities of major polluters. Datong and Yangquan are among China's largest coal and power production centers and were responsible for much of the smog that shrouded many parts of northern China in recent months. Jilin, Changchun and Jinzhou, in the northeast, are centers of heavy industry. The Institute of Public and Environmental Affairs in Beijing and the Natural Resources Defense Council in the United States have been monitoring the environmental transparency of 113 major Chinese cities since 2009, releasing an annual pollution information transparency index. The researchers said they had grown used to the persistent lack of transparency in mining and industrial centers over the years, but had been surprised this time by the large number of cities that took big steps backwards. Forty cities scaled back their information disclosure last year, with Wuhu in Anhui, Foshan and Shantou in Guangdong, Baoding in Hebei, Taizhou in Zhejiang, Changzhou in Jiangsu, Anshan and Dalian in Liaoning, Weifang in Shandong and Yinchuan in Ningxia the most regressive. Wuhu's index score was only 34.6 last year, down from a respectable 57.1 in 2011.

Institute of Public and Environmental Affairs Director Ma Jun said it was an alarming development. “This is totally new to us,” he said. “We have never seen so many cities, about 35% of the total, stepping backwards. They have significantly slowed down after promising progress on transparency in recent years.” A key reason for the increase in secrecy was local protectionism, the report said, with some city governments choosing to sacrifice the environment in their blind pursuit of economic growth. Apart from a few exceptions, such as

Ningbo in Zhejiang, Dongguan and Shenzhen in Guangdong, and Qingdao in Shandong, most cities refused to disclose some of the most important and basic information about pollution and polluters, such as pollutant discharge data and records of administrative punishments handed out to polluters, the report said. More than 20 Chinese environmental organizations issued a joint statement calling on city governments to disclose their pollution information immediately, completely and consistently, the South China Morning Post reports.

Dongchuan official vows to investigate 'milk river' pollution

Kunming authorities vowed to launch an inquiry into water pollution after an environment official's endorsement of a "milk river" came under fire. "We acknowledge our faults. [The water pollution] was due to waste water discharge. We will address the problems and amend our conduct," said Dongchuan District Governor Lu Ping. Lu also acknowledged the stream was polluted by waste water discharged from mineral processing factories and promised to crack down on the enterprises responsible. The water quality of the stream came to light after photographs were published online and it was dubbed "milk river" due to its white color. Lu's apology followed contradictory claims made by Dongchuan Environmental Bureau Director Wang Jieyun. Wang insisted the water in the stream was safe to drink and for irrigating crops. But Wang's claims backfired when an environmental protection expert found the heavy metal content of the stream was 50 times higher than claimed by the Environmental Bureau. Villagers said the river water had not been fit to drink for a long time and they only drank bottled water. They had also built home-made purification ponds to clean the water from the stream before using it on crops. Lu said authorities would pay more attention to the issue and would announce a comprehensive strategy to treat pollution based on studies around April 20.

China suffered CNY1.1 trillion in economic losses from pollution in 2010

China is paying an increasingly heavy price for rampant pollution, with direct economic losses more than doubling between 2004 and 2010. An incomplete calculation of the environmental costs in 2010 showed that pollution had caused CNY1.1 trillion in economic losses, or 2.15 times the CNY511.8 billion loss in 2004, when the "green GDP" project was launched. The direct cost of pollution accounted for 2.5% of total economic output in 2010, but if damage to the ecosystem – including forests, wetlands and grasslands – was included, the losses added up to CNY1.54 trillion, or 3.5% of that year's gross domestic product (GDP), according to a study by the Ministry of Environmental Protection's Chinese Academy of Environmental Planning. The cost of pollution also grew more rapidly than GDP in 2010, up 13.7% compared with GDP growth of 10.4%. The findings were incomplete due to a lack of data in some areas, the Academy said. "The existing accounting system fails to reflect the true cost of resources consumption and environmental degradation, as a result the country's economic achievement has been over exaggerated," the Academy said in a summary of the findings for 2010. Government campaigns targeting major air and water pollutants since 2006 were not able to reverse the trend of rising environmental costs, it said. A total of CNY558.9 billion would have been needed to clean up pollution in 2010, an increase of 94% from the CNY287.4 billion needed in 2004, the study said. The research does not calculate the health costs associated with pollution, which would push the economic losses even higher. A government-sponsored report released in 2006 said air pollution caused 358,000 premature deaths in 600 cities each year, with an estimated health cost of CNY152.7 billion. The World Bank estimated in 2007 that the health costs of air and water pollution equalled 4.3% of China's GDP.

Halma sees potential for its pollution-monitoring equipment

The London-listed technology firm Halma plans to make inroads into the market for air pollution monitors in China. Halma, a maker of safety, health care and environmental technology products forecasts 30% annual growth in its China business over the next three to five years, buoyed by rising demand for its products. Chuck Dubois, Chief Executive of Halma's fluid technology division, said: "Obviously, that's much higher than the GDP growth, but there's still a lot of growth in those sectors we are in, and we believe we can capture it." Halma's Alicat mass flow controller, which improves the accuracy of air monitors, is set to become one of its key growth engines after Beijing's decision to raise air quality standards and improve the disclosure of air quality data. More than 20 cities publish PM2.5 readings every day, creating a market of up to CNY5 billion as local governments buy PM2.5 monitors. So far, most of the PM2.5 monitors used by local governments have been imported, but several domestic manufacturers are upgrading their own products to bring them in line with standards demanded by the environment protection campaign. Halma expects its China businesses to

account for 10% of its global total by 2015, up from 5% now. "Today the market is willing to adapt to high-technology products," said Halma Director Martin Zhang. Last month, the company established HFT Shanghai, which incorporates the businesses of Halma brands including Bio-Chem Fluidics, Diba and Perma Pure, to consolidate its purchasing, production and research in China, the South China Morning Post reports.

Almost all major Chinese cities have poor air quality

Nearly 90% of China's major cities have poor or extremely poor air quality, according to a report by the School of Environmental and Natural Resources of Renmin University of China. Experts evaluated the air quality data of 281 cities across China from 2005 to 2010 and reached the conclusion that the bulk of the most developed cities have poor air quality. More than 46% of residents in those cities are unsatisfied with air quality. The evaluation is based on an analysis of density of particles smaller than 10 microns in diameter, sulfur dioxide and nitrogen dioxide in the air. More than 89% of the cities have poor to extremely poor air quality, while most of the cities in the 10.67% with better air were less developed. The report said China's air pollution control lagged behind its economic development and the situation is getting worse. Most cities in Liaoning, Shandong and Shanxi provinces ranked in the lower 30%. Baiyin and Lanzhou in Gansu province and Urumqi in Xinjiang were the most polluted, the Shanghai Daily reports.

NGOs urge more disclosure of pollution sources

An open letter signed by 23 NGOs urged environmental agencies to disclose more information to the public about sources of pollution. "So far, 2013 has seen a leap forward in open environmental information, as 74 cities are providing real-time air quality readings so people can protect themselves from airborne pollution, especially from fine particles," the letter said. "But to make a real change, we need to actively reduce emissions rather than simply covering ourselves up," the letter added. The letter was issued on the day the 2012 Pollution Information Transparency Index was released. The index rates cities based on eight criteria. Beijing ranked sixth, Guangzhou seventh and Shanghai 14th. The average score of the top 10 cities was almost 74 on a scale of 100 and exceeding the average by more than 30 points. The figure for the bottom 10 cities was less than 20%. The index, co-authored by the Institute of Public and Environmental Affairs and the Natural Resources Defense Council, is the fourth annual assessment of environmental transparency in cities. "The average score has been growing steadily in the past four years, but the growth rate has declined largely, from more than 16% in 2010 to about 6% in 2012," said Ma Jun, Director of the Institute of Public and Environmental Affairs. "The main problems include poor information, transparency of official routine monitoring results, and the fact that few cities are releasing the types and amount of pollutants emitted by enterprises," he said.

Beijing puts environment at top of its agenda

The Beijing municipal government has put the environment at the top of its work agenda this year, launching a campaign to tackle pollution, especially in the suburbs. It will make efforts to improve sewage disposal, garbage treatment and air quality, as well as curb illegal construction. CNY100 billion will be spent over three years to deal with Beijing's pollution. The capital will set up 47 recycled-water plants and upgrade 20 sewage disposal plants. About 1,290 km of pipeline will be laid or upgraded for sewage disposal. Beijing will also build five garbage incineration plants by the end of 2015 to ensure more than 70% of the city's waste can be incinerated. The city already has two incineration plants to dispose of 16,900 metric tons of garbage a day, and the number will increase to 24,000 tons. The sewage treatment, garbage incineration and forestry development will cost CNY100 billion, said Beijing Mayor Wang Anshun. He said the huge investment called for the private sector to participate. Fang Li, Deputy Director of Beijing's Environmental Protection Bureau, said the government will continue to control vehicle emissions using the policy that restricts private cars from being driven one day a week. When the air quality is poor, the city will set up an emergency headquarters to resolve the problem, according to a government statement. The government will also compile a list of illegal buildings for demolition next year, Beijing Deputy Mayor Wang Wei told China Daily.

Supervision of hazardous waste disposal to be strengthened

The government should further supervise and control hazardous waste discharged by enterprises and enforce drainage information disclosure regulations, experts said in response to a recent landfill scandal in Beijing. KB (Beijing) Autosys Co, a South Korean company that produces auto parts in Miyun county, dumped hazardous waste directly on farmland and in forests for three years, seriously polluting the soil and air of surrounding villages. Instead of disposing of the waste properly, the company simply dumped it in about 30 holes, the average diameter of which was 30 meters. The waste was mostly powder from the leftover bits and pieces of brake blocks, according to Jiang Huanhuan, an employee at the Logistics Department of KB (Beijing) Autosys. "Many enterprises with heavy hazardous waste in the city are not resorting to licensed companies to dispose of their waste but rely on private ones because of the lower cost, which results in pollution in soil, water and air," said Mao Da, an expert in waste management at Beijing Normal University. "With poor corporate self discipline and loose government supervision, the environment as well as public health are falling victim to hazardous material discharges." According to the Beijing Environmental Protection Bureau's Pollution Prevention Department, the city has more than 10 licensed waste treatment companies. "The high cost is the major reason many companies with heavy hazardous discharges avoid their responsibility and resort to illegal workshops or individuals to have the scrap dealt with," Mao said, as reported by the China Daily.

Beijing has 'relatively poor air quality' as pollutants soar 30%

Beijing Environmental Bureau Director Chen Tian described the city's air quality as "relatively poor" as statistics revealed the level of major air pollutants in the city had soared by 30% this year. The level of both nitrogen dioxide and PM10 rose by nearly 30% in the first three months of 2013 compared with same time last year. The level of sulphur dioxide – a third major pollutant – had dropped slightly. Public concern about air pollution remains high in the capital after it was frequently shrouded in thick smog earlier this year. In the document "Cleaning Air Operation Plan 2013", Beijing authorities vowed to lower major air pollutants by 2% this year. To reach this goal, the city announced 52 measures including phasing out about 180,000 vehicles with high emission levels and growing more than 58,000 acres of forest around Beijing. Chen admitted climate and geological factors had contributed to the "relatively poor air quality", but he said a major problem was also soaring vehicle emissions and high daily emissions in urban areas. The government has ordered coal power stations in Beijing to gradually shut down and to use better quality coal and natural gas. Chen said that in the long-term Beijing aimed to become a coal-free city. Earlier figures show outdoor air pollution caused 1.2 million deaths in China in 2010, 40% of the world's total number of deaths from air pollution.

Pollution devastates rural areas, threatens farmland

Rural China has paid a high ecological price for the government's decades-long drive to boost food production, leaving fields and waterways across the country severely polluted, Zhuang Guotai, the Ministry of Environmental Protection's Director of Nature and Ecology Conservation, said. He made the remarks at a press conference marking the publication of the annual "Analysis and Forecast on China's Rural Economy Report", compiled by the Chinese Academy of Social Sciences (CASS) and the National Bureau of Statistics (NBS). Zhuang said that most of the nine billion tons of sewage and 280 million tons of rubbish produced annually by rural communities went untreated because few of the country's 600,000 villages had appropriate facilities. "Sewage is expected to evaporate and garbage to be blown away by the wind," he said, citing a popular saying. The report faulted China's farms for using 318 kg of fertilizer per hectare – more than 2½ times the world average. It noted that China was producing less food than more developed countries on a per capita basis: one hectare of farmland yielded 5.5 tons of cereal in 2010, which was 20% lower than typical yields in Britain, France, Germany and the United States. Zhuang said that only 35% of fertilizer used by a typical Chinese farm actually contributed to the growth of crops, meaning the rest was washed into waterways or otherwise wasted. He urged special attention to soil pollution, since it builds up slowly and can linger for a long time. He said central and local governments' pollution treatment projects over the last five years served only 4% of communities, even though CNY30 billion was spent on rural regions.

Air quality in Beijing second worst out of 31 cities

Air quality seriously deteriorated in some major cities last year, but there were surprising improvements in a few cities, according to the annual Green Book of Environment of the NGO Friends of Nature. Beijing's air was the second-most polluted last year among 31 municipal and provincial capital cities. Liu Jianqiang, Chief Editor of the report, said that he could understand why some foreigners had reportedly left Beijing for better air. "They made a wise decision because I don't think Beijing's air quality will improve any time soon," he said. "Many locals, in fact, have the same idea. But we have nowhere to go," he added. Lanzhou, in the northwestern province of Gansu, finished 31st, below Beijing. Haikou in Hainan was said to have the cleanest air last year, followed by Kunming and Lhasa. Guangzhou ranked fifth, and Shanghai was ninth. The results were based on government-provided figures on air pollutants, including sulphur dioxide and fine particles. While some rankings stayed more or less the same over the past few years, those of some cities changed considerably. Tianjin was ranked 17th in 2011, but fell to the 26th place last year, and Chengdu in Sichuan has slipped from 16th in 2010 to 19th in 2011 and 28th last year. Chengdu residents blamed the serious decline in air quality to infrastructure construction, which is generating a lot of dust and traffic jams. Tianjin blamed its decline in air quality on frequent dust storms. Residents said the rapid expansion of industrial special economic zones was also to blame. Some other cities saw their air improve. Hefei in Anhui moved up from 28th in 2011 to 13th last year, and Chongqing, ranked 24th in 2008 had moved up to 10th by last year, the South China Morning Post reports.

University develops diesel particulate filter

The Hefei University of Technology (HFUT) has developed a diesel particulate filter that can eliminate more than 95% of PM2.5 pollutants from diesel-fueled vehicle emissions. With the added ability of reducing noise, the filter covers the exhaust pipe and can be recycled, said Prof Liu Yi, who founded Anhui ActBlue Co while teaching at HFUT. Liu said China's total amount of PM2.5 from vehicle emissions in 2011 was about 621,000 tons, and diesel particulate matter accounted for 84.5%. "The ActBlue product represents a leading technology in the country, and it is applicable in the domestic market because of the high sulfur content and poor quality of local diesel," he said, adding that "the price of the filter is relatively high because it contains expensive metal". Currently, the product retails for CNY50,000. If this technology were adopted on Anhui's fleet of around 10,000 buses, PM2.5 levels could be reduced by nearly 1,000 tons annually, leading to a substantial improvement in air quality. Another new technology developed by Liu's team is a selective catalytic reduction system that can be used in cars to decrease nitrogen oxides emissions by more than 85%. Founded in 2009, ActBlue now has the capacity to produce 20,000 sets of diesel particulate filters and 200,000 sets of selective catalytic reduction systems annually, the China Daily reports.

- Chinese bloggers and experts have made renewed calls on March 22 – World Water Day – to fight severe water pollution in the country after thousands of pig carcasses were discovered floating in the Huangpu river, which provides 22% of Shanghai's tap water. Local authorities reassured local residents however that the water was safe. According to the Ministry of Environmental Protection (MEP), underground water in 57% of monitoring sites across China is polluted or extremely polluted. In addition, 298 million rural residents do not have access to safe drinking water.
- China is considering levying a consumption tax on some products that make heavy use of resources and cause pollution. Fourteen items are currently subject to consumption tax, including cigarettes, alcohol, cosmetics, expensive jewelry, pearls and jade, firecrackers, motorcycles and automobiles. The consumption tax on some products could also be lowered, such as on cosmetics. Several experts suggested raising the consumption tax on cigarettes, as this levy in China is much lower than the international average. Liu Shangxi, Researcher at the Research Institute for Fiscal Science under the Ministry of Finance, said some emerging luxuries such as motorboats, sailboats, light aircraft and luxury bags should be subject to a consumption tax.
- The decomposed bodies of more than a thousand ducks have been found in the Nan river in Pengshan county, Sichuan. County government officials suspected that the ducks had come from a farm in another county that had recently experienced a disease outbreak. All the ducks had been removed from the river and safely disposed of in a cave, the county government said. In the wake of Shanghai's dead pig crisis, the dumping of dead ducks in Pengshan received extensive media coverage in China.

According to a study, only 20% of animal carcasses are properly disposed of in rural areas.

- Three more large-scale reservoirs will be built on the Yellow river, after the Chinese government approved the Comprehensive Plan for the Yellow River Basin in the period through 2030. With a length of 5,464 kilometers, the Yellow river provides water to 12% of China's 1.3 billion population, 15% of its farmland and generates about 14% of its gross domestic product (GDP). Existing and planned reservoirs are expected to reduce the amount of silt washed into the river by half to 80 million tons by 2030.
- World Health Organization (WHO) experts will help set Hong Kong's air quality objectives. A 40-page road map for Clean Air for Hong Kong will outline the targets and timetables for improving air quality in the next seven years. The roadmap also highlights the need for cooperation with Guangdong in addressing regional smog caused by ground-level ozone pollution. It is hoped the experts can help determine how far Hong Kong can go in setting air quality targets.
- Seven plants in a village close to Nanjing, including chemical and metallurgical plants and a container producer, were blacklisted for causing severe water pollution by discharging heavy metals and toxic chemicals. Contaminated water may have made its way into the Yangtze river. The plants resisted orders to close down.
- Almost a third of government vehicles will be kept off Shanghai's roads when the air is heavily polluted, and schools and kindergartens will close, the city's Environmental Protection Bureau said, as it outlined emergency measures to be taken when pollution is heavy or severe. In the first three months of the year, only 59 days were classified as being not polluted. The average density of PM2.5 in the first three months was 73 micrograms per cubic meter.
- Shanghai is expected to enforce laws this year mandating the evaluation and cleanup of urban soils with pollution hazards before the land is put to other uses. The land where factories once stood and where solid waste was stored and processed is the major target for soil testing and cleanup, experts from Shanghai Academy of Environmental Sciences said. The Academy plans to set up China's first soil pollution control and remediation center to study the status of China's urban soil, and work with officials around the country to monitor and clean up urban land and underground water pollution.
- Five hundred fishermen in Shandong who are suing U.S. oil firm ConocoPhillips in Texas for compensation after an oil spill in Bohai Bay have come under pressure from local authorities to drop the lawsuit. County officials told the fishermen that the government was promoting Changdao as a global tourist attraction and were worried the lawsuit would hurt its efforts, as the islands were less than 40 nautical miles from the platforms where the spill occurred in 2011. The government excluded Shandong fishermen from a CNY1 billion compensation settlement by ConocoPhillips, saying the pollution had affected only Liaoning and Hebei.
- Villagers in the Jinling Hui ethnic township in Zibo, a prefecture-level city in Shandong province, say petrochemical plants are behind a rise in cancer deaths. Jinling town is entirely located within the 22-square-kilometer Qilu Chemical Industrial Zone. Many families are too poor to afford proper medical care. Lung cancer was the most prevalent, followed by cancers of the stomach, liver and oesophagus. Villagers say the chemical factories release foul-smelling "toxic gas" every night after 10 pm. Tests showed groundwater in the area had "relatively high concentrations of petroleum and benzene".
- If current trends continue and without a change in policy, China's air quality will worsen 70% by 2025 from the current often unbearable levels, thanks to a 60% projected increase in coal burning and a quadrupling in the number of cars on China's roads, according to Deutsche Bank estimates.
- A team of experts has been set up to test drinking water believed to have killed 700 chickens since November in Cangxian county, Hebei province. The water running through ditches or pumped from deep underground in Xiaozhuzhuang village was found to be red and with an unpleasant odor. The county's former Director of Environmental Protection, Deng Lianjun, denied any risk, saying the color did not mean the water was polluted. The company responsible for discharging pollutants, Hebei Jianxin Chemicals, has issued a public apology.
- A total of 250 kilograms of dead fish have washed up along the shorelines of a man-

made river in Shanghai's Songjiang district since April 3, but the Songjiang Water Authority and Environmental Protection Bureau insist the water is safe. An official said "most fish were killed by electrocution".

- Shanghai plans to reduce non-industrial waste that needs processing to 0.7 kilogram per person per day this year from last year's 0.74 kilogram. By 2015, the city government is also seeking to have 5 million families separating wet and dry waste. Officials said the city is studying laws to promote residential waste sorting and reduction. The daily production of non-industrial rubbish dropped from 0.82 kilograms per person in 2010 to last year's 0.74 kilograms, meaning the city cut the amount of residential rubbish by over 1,000 tons per day.
- Carcinogenic substances have been found in samples of cars parts, according to a study by car website Chewen and China Central Television (CCTV). Polycyclic aromatic hydrocarbons (PAHs) were found in vehicles including the Chang'an Alsvin, the Mitsubishi Outlander, Hyundai's New Santa Fe and the Chevrolet Aveo, said Xiu Yu, General Manager of Chewen. China has no standard for the content limit of PAHs in car products.
- The Beijing Municipal Commission of City Administration and Environment has vowed to regulate 75 unofficial landfills by the end of this year and another 100 next year, while bringing 250 landfills into line by the end of 2015. The government is also considering excavating waste buried in landfills, sorting and incinerating it starting in 2015, to improve the landfills' sustainability. The Lujiashan waste incineration plant, which will become the capital's largest, will undergo a trial operation in September and have a daily processing capacity of 6,000 tons.
- Car washes, golf courts, ski slopes and bathing centers continue to threaten Beijing's already-deficient water supply, according to an NGO report. "Among all the environmental risks the capital has encountered, the worst and most dangerous one is the shortage of water resources, but few people have sensed that," said Yang Dongping, Director General of Friends of Nature. The city's naturally available per capita water resources have decreased from 325 cu m in 2002 to about 100 cu m in 2011.
- Severe pollution hit Hong Kong in mid-April, with the roadside readings in Central peaking at 210 on the Air Pollution Index (API) – the worst level since last August when the reading topped 212. Green activists blamed the government's bad town planning, which allows skyscrapers to cluster in downtown areas, blocking air circulation and trapping pollutants. They also urged prompt action to control vehicle emissions.
- The carcasses of 410 pigs and 122 dogs were discovered in homes and at farms in a village under the jurisdiction of the city of Yanshi in Henan province. Chemical factories in the vicinity have been ordered to suspend production and help police with a criminal investigation into the incident. No poisonous gases have been found in tests of the air around the village and its drinking water has met quality standards.

GREENHOUSE GAS EMISSIONS

U.S. and China to set up working group on climate change

The United States and China are to set up a joint working group on climate change and have a shared view on the "increasing dangers" of global warming. The two countries "recognize that the increasing dangers presented by climate change measured against the inadequacy of the global response requires a more focused and urgent initiative", they said in a statement issued in Beijing on April 13. The initiative came as U.S. Secretary of State John Kerry visited Beijing. China and the U.S. are the biggest emitters of greenhouse gases. China says developing countries, which emit far less carbon per capita, should not have to bear the same burden as advanced economies in tackling the problem. "By agreeing to raise the issue of climate change and energy policy to the ministerial level, we put on an accelerated basis at a higher level our joint efforts with respect to energy and climate," Kerry said. "And I think that globally that will be a very significant step and significant message." In the joint statement, the two countries said they "took special note of the overwhelming scientific consensus" concerning "climate change and its worsening impacts". Chinese State Councilor Yang Jiechi and John Kerry also pledged to deepen Sino-U.S. cooperation in clean energy, after attending a China-U.S. energy cooperation seminar in Beijing.

New study shows dramatic fall in number of rivers in China

The number of rivers in China with catchment areas of at least 100 square kilometers has dropped by more than 50% compared with 60 years ago, China's Ministry of Water Resources' first ever national census of water revealed. The survey, conducted by up to 800,000 surveyors, said there were 22,909 rivers in China which had catchment areas of at least 100 sq km as of the end of 2011, less than half the government's previously estimated figure of over 50,000. The large fall in the number of these rivers has prompted fears that China's rapid economic development has also caused considerable water and soil loss. Huang He, Deputy Director of the group in charge of the census, said the disparity in the numbers was caused mainly by inaccurate estimates in the past, as well as climate change and water and soil loss. Huang said many figures released in the new study had not been known before. "For example, we used to think China had 8,700 water reservoirs, but the census shows the number has now reached 98,002." The latest research, which took three years to complete, is the first comprehensive study to show the precise number of waterways, reservoirs and irrigation zones in China. "Of all the river sections that require constructions for flood prevention, 33% have been undergoing work, while only 17% are qualified for use," indicating much work still needs to be done in flood prevention.

- The Shanghai Development and Reform Commission will start a carbon trading trial on the Shanghai Environment and Energy Exchange before the end of June as part of efforts to reduce energy intensity and emissions. Shanghai said last year that about 200 local companies, such as steel makers and hotel operators, will participate in the trial.

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