



FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

ENVIRONMENT NEWSLETTER | 21 MARCH 2013

Activities by FCCC Structural Partners

Alternative energy

[Cleantech World Café China – 28 March 2013 – Antwerp](#)

[State Grid to allow individuals to sell power to the grid](#)

[Wuxi Suntech starts bankruptcy proceedings](#)

[EU tariff threat on Chinese solar glass](#)

[Sany Group to continue court action against Obama](#)

[U.S. has surplus in trade of clean energy products with China](#)

[16% increase in clean power capacity planned](#)

Pollution

[Factory producing Apple products suspected of polluting river](#)

[Polluting industries to join insurance program](#)

[Six industries to observe airborne pollutant limits](#)

[Vehicles registered in Beijing to comply with stricter standard](#)

[Soil survey deemed to be a “state secret”](#)

[Air quality in Beijing and Shanghai not comparable](#)

[Discarded plants and flowers dealt with in Guangzhou](#)

[Air purifier business on the rise](#)

[Broad Group aims for No 1 in air purifier market](#)

[More than 13,000 dead pigs picked from Huangpu river](#)

[Toxins detected in seat covers of luxury cars](#)

[Air monitoring network to be expanded](#)

[Ban on polystyrene lunch boxes to be lifted](#)

[Premier Li Keqiang promises action on air pollution](#)

Greenhouse gas emissions

[Iron plants to close due to new emission standards](#)

ACTIVITIES BY FCCC STRUCTURAL PARTNERS

Cleantech World Café China – 28 March 2013 – Antwerp

Flanders Cleantech Association (FCA) and Flanders Investment & Trade (FIT) are organizing the Cleantech World Café China.

- You already have had your first export experience in Europe?
- You are considering to offer your clean technologies on the Asian continent, but you

- still have a few question marks?
- You like smart partnerships with companies in the region?
- You want to listen to the stories of experienced China entrepreneurs in the cleantech sector?

For whom? Flemish firms offering clean technologies

By whom? Companies with ample experience in China such as Waterleau, Applitek, and Aquaplus tell their stories. FCA and FIT are assisting in cleantech and international entrepreneurship.

What and how? We work together in small groups under the leadership of experienced China entrepreneurs in the cleantech sector. We exchange experiences and best practices:

- Which path did they take?
- Which clean technologies do they offer and did they find a market in China?
- Which are the lessons they have learned? How did they form smart partnerships?

The session will result in first insights into partner search expectations in Asia, so you can consider participation in the FIT-missions to China (September) or other opportunities for business matching.

Date: March 28, 2013 from 17 h. till 20 h., small snacks during the session, followed by a short networking reception on the Royal Terrace with a view of one of the most beautiful railway stations halls in the world, and... a bright cleantech future!

Location: Antwerp Central Station (De la Censerie Room)

Registration: To stimulate interaction, we work in small groups, following registration we expect your attendance or if not possible a correct cancellation. [Register here](#).

More information: Sonja Van den Bergh, e-mail: info@fca.be Tel: +32 295 22 72

ALTERNATIVE ENERGY

State Grid to allow individuals to sell power to the grid

The State Grid Corp of China will grant easier access to the grid for distributed energy, a move that will allow individuals to sell excess power generated from solar modules installed at home. China's biggest grid operator will boost construction of infrastructure, streamline the process required for grid connection and improve services to help all distributed power generation connect to the transmission grid. Distributed generation, or on-site generation, produces electricity from many small energy sources, particularly renewable sources such as wind and solar. Developing the sector could help China diversify its energy mix from a heavy reliance on fossil fuels. In October, the State Grid unveiled measures to facilitate the connection of solar power plants to the grid as long as they meet certain standards, potentially boosting the utilization of many small-scale distributed projects. The new policy covers all types of power sources, ranging from solar, natural gas, biomass to wind and geothermal energy with a single project capacity of less than 6,000 kilowatt. However, the most important factors – subsidies and on-grid electricity prices – were not mentioned. Zhang Zhengling, Spokesman for the State Grid, said the subsidy policies are only fit for large owners and projects, and they must be approved by the central government. "I hope the government can publish the details of the subsidy regulations for distributed power projects soon," he added. Since October, the State Grid said it has received up to 119 applications for distributed solar projects with a total generation capacity of 338, 000 KW. The company said that by the end of last year, there were 15,600 distributed power generation projects with total installed capacity of 34.36 million KW in China. According to the country's energy plan for the 12th Five Year Plan (2011-15), China will establish 1,000 natural gas power generation projects, and distributed solar power generation will reach 10 million KW by the end of 2015. In Qingdao, Shandong province, the country's first residential PV solar system was connected to the national grid on December 25.

Wuxi Suntech starts bankruptcy proceedings

Solar-panel maker Suntech Power Holdings Co's main operating subsidiary in Wuxi has been forced into Chinese bankruptcy proceedings. The company once was the world's largest supplier of solar panels, but now has debts of more than USD2 billion. Eight Chinese banks asked a court to declare it insolvent after the company missed a USD541 million payment to bondholders. Suntech said it would not oppose the petition. Solar panel makers have suffered huge losses in the past year after rapidly growing production capacity outstripped demand and prices plunged. Another industry giant, Germany's Q-Cells, filed for bankruptcy last April.

Suntech, headquartered in Wuxi, was also hurt by a revelation in July that a business partner faked USD680 million in collateral for a loan Suntech had guaranteed. Wuxi Suntech supplies more than 95% of Suntech Power's products, with a production capacity of 2.4 gigawatt (GW) last year. Owners of 63% of the bonds agreed not to exercise their rights under the notes until May 15, but the bonds' trustee declared a default, which triggered defaults on other debts owed to Chinese lenders and the International Finance Corp (IFC). Shi Zhengrong founded Suntech in 2001 and the company went public on the New York Stock Exchange in 2005. The case is set to be a big test of China's new bankruptcy law, which came into effect in 2007 but has rarely been applied to overseas-listed companies with assets in China. It will be complicated by the fact that neither the U.S.-listed entity, Suntech Power Holdings, nor any subsidiaries other than Wuxi Suntech are declaring insolvency. "It's going to be a test of what, exactly, do the U.S. entities and the Cayman entities really own?" said one Singapore-based analyst who asked not to be named. Under Chinese law, the courts will have six months to come up with a restructuring plan that is then presented to creditors, with the possibility of an additional three-month extension. Suntech's bankruptcy could help healthy players in the industry capture a bigger share of the market.

Days before the deadline of March 15 to make the USD541 million bond payment, Founder and Chairman Shi Zhengrong, said that he was improperly removed as Chairman and that he was committed to staying. "As the founder, largest shareholder and Director, I will do everything to save the company," he said. Suntech had named Susan Wang as successor to Shi, who owns about 30% of the company's shares. In the past week, frantic efforts were made to save the company. "The Wuxi government has been looking for measures to bail out Suntech," said Shi Dinghuan, President of the Chinese Renewable Energy Society and an adviser to the State Council. "The government won't let this well-known company enter catastrophe easily." No Chinese solar company has yet received a bailout for its foreign debts. Suntech Power also announced it is closing its only U.S. manufacturing plant in Arizona next month. It blamed the closure on higher production costs "exacerbated" by U.S. tariffs on Chinese-made solar cells and aluminum frames, as well as a global oversupply. In 2008, Forbes magazine named Shi the wealthiest man in China with a personal net worth of USD2.9 billion. By last year, his wealth had tumbled to USD500 million.

EU tariff threat on Chinese solar glass

The European Union has threatened to impose tariffs on solar glass from China to curb imports, heightening trade tensions over renewable energy. The EU opened an inquiry into whether Chinese makers of solar glass are dumping it in the EU market. The glass is used to make solar panels, which are themselves the focus of two European trade investigations affecting China. Those two cases could lead later this year to EU anti-dumping and anti-subsidy duties on Chinese solar panels. The new investigation will determine whether shipments of solar glass from China are "being dumped and whether the dumped imports have caused injury" to the EU industry, the European Commission said. The Commission has nine months to decide whether to impose provisional anti-dumping duties for half a year and EU governments have 15 months to decide whether to apply "definitive" levies for five years. The investigation stemmed from a January 15 dumping complaint by the industry group EU ProSun Glass on behalf of producers that accounted for more than 25% of the EU's output of solar glass. The EU solar-glass market was valued at less than €200 million. By comparison, EU imports of solar panels from China were worth €21 billion in 2011, the Commission said in early September when it opened the dumping probe into those goods. The EU subsidy probe into Chinese solar panels began in November. "Trade protectionism is bad for both sides," said Meng Xian'gan, Deputy Director of the China Renewable Energy Society. "It is really wrong to escalate the trade disputes. However, if the EU continues to pressure China, we have to take action to protect our trading rights." In 2008, China's solar glass annual production capacity reached about 486,000 metric tons with 24 production lines, with the country becoming the largest producer of solar glass in the world. Last year, China's solar panel output reached about 23 gigawatt (GW), a 2 GW increase compared with the previous year, according to Meng. "Although China doubled its solar panel output in 2011 compared with 2010, the increase last year amid the background of the trade disputes, which severely affected the country's exports, has shown the potential of the industry in China," he said. The solar glass investigation was launched based on political considerations rather than pure trade disputes, said Meng. The Ministry of Commerce (MOFCOM) said it deeply regrets the EU's decision to start the probe.

Sany Group to continue court action against Obama

Sany Group is determined to continue its judiciary action against U.S. President Barack Obama. The company's U.S.-based subsidiary Ralls Corp last year filed a complaint against Obama and the Committee on Foreign Investment in the United States (CFIUS) for blocking it from owning four wind farms in Oregon. According to a court order, Count IV of the amended complaint will not be dismissed. It alleges that the President's "order regarding the acquisition of four U.S. wind farm project companies by Ralls Corporation" on September 28, 2012 violates the due process clause of the Fifth Amendment to the United States Constitution by depriving Ralls of property without providing adequate opportunity to be heard or an adequate explanation of the reasons for the decision. The ruling, which dismissed other counts of the complaint, said the plaintiff's plea will be due before March 28 and defendants' reply will be due before April 4. Chinese firms used to be reluctant to protect their own interests in case they face unfair treatment in the U.S., so Sany's efforts set a good example in using the laws of foreign countries, said Zhang Guoqing, Professor in American studies at the Chinese Academy of Social Sciences (CASS).

U.S. has surplus in trade of clean energy products with China

The United States enjoyed a USD1.6 billion trade surplus in clean energy trade with China in 2011, showing that U.S. companies still hold an absolute advantage over their Chinese counterparts, according to a report by the Pew Charitable Trusts. The two countries traded more than USD8.5 billion worth of clean energy goods and services in 2011, the last year for which data are available. The two countries traded more than USD6.5 billion worth of products in the solar sector in 2011, and the U.S. had a USD913 million surplus in this sector. More than USD923 million worth of wind energy goods and services were exchanged between the two countries in 2011 and U.S. firms held a net trade surplus of more than USD146 million. In the energy smart technology sector, which includes smart meters, light emitting diodes, advanced lithium-ion batteries and electric vehicles, the U.S. enjoyed a net trade surplus of USD571 million. The data showed that China's clean energy industry has an advantage in large-scale manufacturing and high-volume assembly of certain clean energy products such as solar modules and LED fixtures.

16% increase in clean power capacity planned

The National Development and Reform Commission (NDRC) plans to raise the generating capacity of nuclear, wind-, solar- and hydropower facilities by 16% or 52.24 gigawatt (GW) this year as part of a drive to cut energy consumption and carbon dioxide emissions. The installed hydropower generating capacity will increase by 21 GW, nuclear power capacity by 3.24 GW, wind power capacity by 19 GW and solar power capacity by 10 GW. According to the China Electricity Council, hydropower capacity stood at 248.9 GW at the end of last year, indicating an increase of 8.4% under the NDRC's projections. Nuclear power capacity would grow by 25.8% from 248.9 GW and wind power by 29.6% from 60.83 GW. The biggest increase would be in solar power, which had a capacity of just 3.28 GW at the end of last year, indicating a 300% increase. The commission's plans far exceed the projections for overall growth in electricity generating capacity of the research unit of the State Grid Corporation of China, which predicted a 6.5% increase in electricity production this year. About 79% of the nation's power last year was generated from coal-fired plants.

- Xinjiang Goldwind Science & Technology reported an unaudited 74.8% plunge in net profit to CNY153 million for last year. Revenues fell 11.8% to CNY11.32 billion. This is in line with the 50% to 100% full-year profit decline the firm forecast in October.
- China's troubled solar panel manufacturing industry should see light at the end of the tunnel as early as this year, Chen Kangping, CEO of JinkoSolar Holding Co, said. Domestic solar companies who can survive 2013 should be able to make a profit next year. Chen said his New York Stock Exchange-listed company is now dealing with more orders than it can handle, and production can't meet demand even at full capacity. Chen added that "Europe is not where we can sell at the highest price" and the company would turn to emerging markets where there is less competition.
- China's top economic planner has issued a draft regulation showing lower than expected subsidies for distributed solar power projects. Distributed solar farms will receive subsidies of CNY0.35 per kWh. The country has set four rates from CNY0.75

to CNY1 per kWh for solar-power plants in different regions to sell electricity to grid operators, according to the draft.

- China Everbright International's net profit surged 40% to HKD1.12 billion last year, as turnover dipped 2% to HKD3.41 billion. Everbright hopes to benefit from the Chinese government's 12th Five Year Plan for waste treatment, issued in May last year. China's daily processing capacity of waste to energy is expected to grow at an annual rate of 28% from 89,625 tons in 2011 to 307,155 tons in 2015.

POLLUTION

Factory producing Apple products suspected of polluting river

A factory in suburban Shanghai which makes cases for Apple products is facing the "harshest penalty" for discharging waste into rain pipes, which severely polluted a river, local environment authorities said. Residents in Songjiang district's Chedun town had long been plagued by the stinky "river of milk" which ran across the district's industrial park and into their neighborhoods. The Tielu river earned its new name after it turned milky white and started to smell last year. Residents worry about food safety as many farmers grow vegetables next to the river, using its water to irrigate their crops. Elderly residents frequently wash vegetables in the river before selling them in the town's markets. "The water seemed to be poisoned. It started to appear white last year and it was so stinky and dirty that small fish and crabs have all died out," said a 63-year-old resident surnamed Ping. In a section of the river which runs across a residential neighborhood, the water is covered by solid matter which looks like dirty ice and smells bad. A plastic washbasin which had been thrown into the river hadn't moved or sunk but just "stood" on what seemed like a solid surface. "The river was like that since the beginning of last year. It was very smelly all the time and we don't know what was covering it. It looks like some chemicals discharged from nearby companies," said resident Zhao Guangxing. Local environment protection authorities launched an investigation into factories in the area and found that Apple supplier Riteng Computer Accessory Co had poured fluid and oily waste water into the drains which then flowed into the river, causing heavy pollution. Company officials said the waste "accidentally" got into the drains when workers were cleaning the factory floors during the Spring Festival. Liu Fengqiang, Deputy Director of the Songjiang District Environmental Protection Bureau, said there was no evidence that the factory deliberately poured the water into the river, but there were loopholes in the factory's management which needed correction, the Shanghai Daily reports.

Polluting industries to join insurance program

China is to force heavily polluting industries to join an insurance program to guarantee they can provide adequate compensation in the event of any damage. Companies that must participate in the scheme include mining and smelting industries, lead battery manufacturers, leather goods firms and chemical factories, the Ministry of Environmental Protection (MEP) and the China Insurance Regulatory Commission (CIRC) said in a joint statement. Petrochemical companies and firms that make hazardous chemicals and hazardous waste would also be encouraged to take part. Special environmental protection funds would be allocated to companies taking out the insurance, and they would be given priority for bank lending. Companies which don't apply for the insurance may face negative environmental impact assessments and credit downgrades, which could hamper their development, the statement added. A pilot insurance program currently covered more than 2,000 companies across a dozen provinces and had underwritten some CNY20 billion in risk. "Using the tool of insurance ... is conducive toward pushing companies to raise their environmental risk management and reduce incidents of polluting accidents," their statement added.

Six industries to observe airborne pollutant limits

Six heavy polluting industries in 47 cities will gradually comply with special international emission limits on airborne pollutants, starting on March 1. The affected industries are thermal power, iron and steel, petrochemical, cement, non-ferrous metal and chemical. "The annual amount of smoke and dust from these six industries contributes more than 70% of total emissions," Chai Fahe, Vice President of the Chinese Research Academy of Environmental Sciences, told China Daily. "Take the dust emitted by coal burning boilers in thermal power plants as an example. The normal standard of dust concentration is 30 milligrams per cubic meter. But the special limit to be applied by the 47 cities is only 20 mg per cu m, which is the

strictest in the world,” he said. “The new policy will have the biggest influence on thermal power generation companies that have to invest a lot of money in upgrading the current environmental protection equipment and purchasing new ones for production,” said Dai Bing, Director of the Coal Industry Information Department at JYD Online Corp, a bulk commodity consultancy in Beijing. It will be even harder to get approval for new projects in the six industries because of the stricter emission rules, said Zhang Tieshan, Analyst from steel information provider Mysteel.com. As the steel industry has been suffering severely from rising costs and shrinking demand in recent years, it will face financial difficulties purchasing environmental protection equipment, he added. The 47 cities correspond with the most heavily polluted regions highlighted in the Environmental Protection Ministry’s Five Year Plan (2011-15) for Air Pollution Control released in December. New projects to be approved and those under construction are required to meet the new limits. According to the Ministry’s timetable, new projects in these regions’ thermal power and iron industries will start to follow the special limit on March 1, current projects in the thermal power industry on July 1, 2014, and current projects in the iron industry on January 1, 2015. “There has been no fixed timetable for the other industries, because their limits are still being set,” said Chai from the Chinese Research Academy of Environmental Sciences.

Vehicles registered in Beijing to comply with stricter standard

Beijing is the first Chinese city to ban registration of vehicles which are non-compliant with stringent new emission standards imposed on carmakers from March 1. Vehicles that don't meet the new standard are no longer allowed to be sold in Beijing. The measure may cost the industry about CNY40 billion, although many car manufacturers are prepared for the change. The National V emission standard would be extended to the whole nation by 2017. Copied directly from Euro V emission standards, the new standard requires that the sulphur content of fuel should be no more than 10 parts per million (ppm), five times more stringent than the National IV standard of 50 ppm and 15 times the National III standard of 150 ppm, which are still widely followed at present. While the technology required for the upgrade posed few challenges to carmakers, especially European and Japanese manufacturers that have long been under stringent emission controls at home, analysts said the extra costs involved, estimated at CNY2,000 per car, would pose a bigger burden for local brands than their foreign counterparts. According to a list of car models compliant with the BJ V emission standard from Beijing's Environmental Protection Bureau, 33% are imported models and 40% locally-made foreign models. Only 27% are local models. Domestic automakers including Chongqing Lifan Group, BYD Co and SG Automotive Group, currently have no China V standard models. Some popular models, for example, the locally-produced Ford Focus, Peugeot 207 and Suzuki Swift will also leave the Beijing market. The Chinese government said it would study options such as offering tax waivers or subsidies to enterprises that could achieve the target before the deadline.

Soil survey deemed to be a “state secret”

A survey into soil pollution in China is a “state secret,” according to the Ministry of Environmental Protection (MEP), which has refused a request by Beijing lawyer Dong Zhengwei for it to be published. The survey dated from as early as 2006 but its conclusions have never been made public. Dong said the Ministry’s refusal may have violated the rules governing the publication of government information. Ma Jun, Director of the Institute of Public and Environmental Affairs, said the public has the right to know about soil pollution, which is much more difficult to evaluate by the public compared to other forms of pollution. “The country has never made public any information about soil pollution. Questions such as what buildings are on polluted earth or what crops are still being cultivated in polluted soil may spark panic among residents,” said Ma. “But this should not be a reason for the Ministry refusing to publish.” Ma called on the Ministry to publish at least part of its survey result with explanations of how pollution came about and what measures should be taken to prevent it in future. The five-year ground-pollution survey started in 2006 and cost CNY1 billion. It tested 200,000 samples of soil, ground water and farm produce nationwide, resulting in about 5 million pieces of data, the Ministry said in 2011. “The Environmental Ministry has been releasing real-time information about air pollution even though the air in Beijing was so bad last month. In contrast, soil pollution is a 'state secret'. Does this suggest that the land is contaminated much worse than the air?,” Dong questioned. The Ministry said in 2006 that more than 10% of farmland was polluted, and that about 12 million tons of grain was contaminated by heavy metals annually. Updated figures have not been released since then.

Air quality in Beijing and Shanghai not comparable

Claims that Shanghai's air may be more harmful than Beijing's have been dismissed by environmental experts who say air quality in the two cities can't be compared. Recent media reports noted that Shanghai's air contained more organic chemicals and heavy metals than Beijing's. Zhuang Guoshun, an environmental researcher at Fudan University, said that the composition of haze in the two cities was different and the content of harmful particles in the air was also different. The yearly density of PM2.5 in Beijing is between 50 to 70 micrograms per cubic meter, while in Shanghai it is about 40 to 70 mg per cu m. "The air in Beijing is drier than in Shanghai and its pollutant discharge is also different from Shanghai," said Qian Hua from the Shanghai Academy of Environmental Sciences. "The major sources of pollutants in Beijing are vehicle exhausts, coal burning for heating in winter and sandstorms from February to April, while Shanghai's are vehicle exhausts and industrial pollutants. The two cities' temperature, humidity and geographic location are quite different, so chemical changes and meteorological conditions also differ." He said it was meaningless to compare which city had the worse air quality but it was important for all cities to study the sources of different pollutants and how they lead to secondary pollution after chemical changes caused by the weather.

Discarded plants and flowers dealt with in Guangzhou

Sanitation workers in Guangzhou have been very busy following the end of the Spring Festival period, cleaning up discarded potted plants and flowers. It is estimated that more than 10,000 metric tons of potted plants, flowers, tree branches and other festive products are abandoned annually by city residents. Urban management officials urged locals to classify festive waste before dumping it in local collection centers to reduce unnecessary waste. Pots and earth will be transferred to local gardens, wetlands and nurseries and recycled, while flowers, tree branches and related waste will go to landfills and incineration plants. The city's urban management authority published a list of 398 special centers citywide for the centralized collection of tossed potted plants, flowers and related festive waste. Residents of Guangzhou, which has been dubbed "the city of flowers", have a long history of buying flowers to decorate their homes during Spring Festival, such as potted oranges and peach blossoms. According to a traditional Chinese saying, potted oranges mean good luck; lilies signify a couple will live together for 100 years; orchids mean elegance; and peach blossoms bring luck to those wooing the opposite sex. Traditional flower street fairs are held during the three days before Spring Festival, attracting thousands of locals and tourists who want to buy flowers, the China Daily reports.

Air purifier business on the rise

Blue sky days have become increasingly rare in cities in China, but global air-purifier makers are seeing the bright side of the hazy conditions as concerns over air quality drive up demand. Blueair, a Sweden-based maker of air purifiers whose products are sold in more than 50 countries, said its sales in mainland China soared 300% year-on-year in the three months from last December to 20,000 units. High levels of air pollution have raised the awareness of Chinese people about indoor air quality, said Sam Li, General Manager of Blueair China. All the products in the Blueair range saw record sales in China over the past two months. Blueair's 500 series, which are for rooms of up to 54 square meters, and the 600 series for up to 65 sq m rooms, are the most popular. They cost between CNY6,860 and CNY12,000. The products' clean air delivery rate, which measures the amount of filtered air delivered by an air purifier, was higher than other brands, Li claimed. The worst pollution in Beijing was reported on January 12, when readings of PM2.5 reached a record of 993, far higher than the World Health Organization's recommended level of 35. But Beijing was only the ninth most heavily polluted city in January, according to the Ministry of Environmental Protection (MEP). A report by global research and consulting company TechSci Research forecast that China's air-purifier market would surpass USD14.6 billion by 2016, with a compound annual growth rate of 36%, outpacing the global average growth of 8%. Philips, the largest air-purifier maker in China with a market share of more than 40%, sees increasing demand from the middle class. Philips' air purifier products are priced between CNY1,000 and CNY6,000 in China, targeting a wider range of consumers. The Netherlands-based appliance maker's China sales went up by 29% to €2.71 billion last year from a year ago, outpacing the 9.8% growth rate of its total sales, according to Philips' annual results. China was Philips' second-largest market, the South China Morning Post reports. The Shanghai Daily added that the Shanghai Quality and Technical Supervision Bureau warned that consumers should be wary about how much ozone such machines produce. Ozone can cause health problems, including respiratory tract irritation and breathing difficulties. According to China's standard, air purifiers should produce no more than

50 parts per billion of ozone. Machines that produce a strong metallic, chemical or fishy smell may not meet the standards, the paper noted.

Broad Group aims for No 1 in air purifier market

Hunan-based Broad Group has ambitious plans to dominate the air purifier sector and counter health-threatening pollution with its heat-recovery technology. "Although we are now not even one of the top three air purifier makers in China, we believe we will become No 1 in the coming years," said Hu Jie, General Manager of the group's air purifier unit, Broad Air Quality Tech. Those top three positions are occupied by Dutch group Philips, Japan's Panasonic and local player Yadu, which together have about 77% of the market, according to Beijing-based market researcher China Market Monitor. Broad Group, a major air-conditioner manufacturer, was founded in 1988 and set up its air purifier subsidiary in 2005. Although it is younger than 25-year-old Yadu, Broad's air purifiers have been reported to be used in Zhongnanhai, the Chinese Communist Party leadership compound in Beijing. The group's revenue quadrupled last year to CNY1 billion from a year earlier. "The strong growth has continued this year and we have received more orders than last year," Hu Jie said. Air purifiers for areas of between 20 and 30 square meters were the company's most popular, Hu said, claiming that Broad's electrostatic cleaning system was unique compared with the products of its peers. The technology filtered 95% of PM2.5, he said. Most home air purifiers used paper filters to obstruct particles, which could filter PM10 particles but were unlikely to catch PM2.5, he added. As air quality in China was unlikely to improve in the short term, Hu said the market potential for air purifiers was infinite. The penetration rate of air purifiers in China was extremely low at 0.2%, compared with 20% in the United States and 15% in Europe, he said. He expects revenue from the air purifier market to post 50% compound growth in the coming years, adding that Broad's growth is likely to outpace the industry average. Targeting the middle- to high-end market, Broad Group's products are priced between CNY3,000 and CNY30,000, the South China Morning Post reports.

More than 13,000 dead pigs picked from Huangpu river

Shanghai authorities are under increasing pressure to release detailed information about tests on water in the Huangpu river and its tributaries, from which more than 13,000 dead pigs have been retrieved since March 8. Shanghai's municipal government has insisted water quality in the Huangpu river, which provides water to about a fifth of the city's residents, has not been affected by the dead pigs. It said the nine measures of water quality – including turbidity, ammonia-nitrogen level, coli bacillus level and chemical oxygen demand (COD) – had tested as normal, without giving specific figures. Tests for six kinds of virus and five kinds of bacterium, all related to pig diseases, had also been carried out since the first reports of dead pigs in the river at the start of this month. All the tests had so far proved negative, the authorities said. Water intakes affected provide about 2.41 million tons of water for the city each day, accounting for 22% of the city's water. The city now gets only 30% of its water from the Huangpu river, as opposed to 70% previously, he added. Ma Jun, Director of the Beijing-based Institute of Public and Environmental Affairs, said Shanghai's government should provide more "specific and comprehensive" information about the water tests, rather than giving vague assurances that there was no problem. Authorities said the pigs originated from family farms in Jiaxing, Zhejiang province.

Shanghai collects dead pigs from farmers for biological treatment and farmers can receive some compensation for their losses, but there is no such mechanism in Zhejiang and pig farmers simply discard dead pigs in rivers. One villager said there was not enough land to bury the dead pigs. An official from Zhejiang's provincial Agricultural Department said that instead of dying from illness, most pigs had died due to cold weather. Jiaxing accounted for a quarter of all pigs raised in the province and sells about 4.5 million pigs every year. Most of the dead pigs retrieved in Shanghai have been buried in 7-meter-deep pits and covered with at least 3 meters of thick soil. Some carcasses were incinerated. Shanghai's has been the first provincial-level government to set up an animal carcasses biological treatment center in 2002. The city bought 16 sealed animal carcasses transportation vehicles to collect carcasses from farms in 2008. The center has one incinerator and one biological treatment system, while expansion of another incinerator is slated to be done before April. The city started to offer subsidies to farmers for pig carcasses last year to ensure all such carcasses were sent to the official processing network. Farmers can get CNY80 for each pig. Last year, the center collected and treated 10,735 tons of dead animals and animal products.

Toxins detected in seat covers of luxury cars

The health of drivers is suffering because of toxins contained in seat covers of luxury cars. Last year, more than 300 Mercedes owners in China complained about excessive formaldehyde levels inside their cars. Some BMW owners have also been complaining online. Formaldehyde, contained in several components such as seat and roof covers, is a toxic substance that may trigger headache, nausea and vomiting. "It may even cause diseases as serious as cancer," said Qiu Baochang, Director of the Beijing-based Huijia Law Firm. He said the main problem for consumers was lax regulation. "China only has a 'suggestive standard' for air quality [inside cars], rather than a mandatory standard," he said. Zheng Chuankai, a lawyer at Beijing Chaoyang Law Firm, said it was difficult to know how many car owners had been plagued by the problem but he estimates the number could be as high as 10,000. The lawyer said if the same thing happened in Europe or the U.S., the car manufacturer would have to recall the product. "But in China carmakers only need to recall their products when they threaten personal security. A health hazard is not mentioned as a criterion."

Air monitoring network to be expanded

Nearly 950 air quality monitoring stations are expected to be operational in 190 Chinese cities by the end of the year, Wu Xiaoqing, Vice Minister of Environmental Protection, said. There are plans to build about 440 air quality observation points in 116 cities this year after 496 such points were built in 74 cities in 2012. Realtime monitoring data obtained from the network will be published. Heavily polluted areas include the Pearl River Delta, the Yangtze River Delta, and Beijing and Tianjin cities, the three major economic powerhouses of China. The three areas cover about 8% of China's landmass but discharge five times more pollutants per square kilometer than other areas, which worsens air pollution in these places, Wu said. Those areas have more than 100 hazy days every year. In some cities, there are more than 200 days with haze a year, he said. By 2015, the Environmental Protection Ministry aims to reduce the intensity of PM2.5 particles in those three regions by 6% from the 2010 level, he said. Wu said it was working with other departments to establish an assessment mechanism to ensure the target is met. Beijing experienced just five days with clear skies in January.

Ban on polystyrene lunch boxes to be lifted

A ban on disposable polystyrene tableware is expected to be lifted in May, after being in force in China for more than 14 years. The National Development and Reform Commission (NDRC) did not offer an explanation on why it was lifting the ban, only saying circumstances had "changed greatly" since the regulation was issued. The ban was meant to curb the problem of "white pollution" in the 1990s. Food-packaging experts said polystyrene, or styrofoam, tableware still lacked product safety and quality standards as well as recycling capacities. Hundreds of domestic enterprises were still covertly producing up to 15 billion units a year despite the ban.

Premier Li Keqiang promises action on air pollution

China's newly-appointed Premier Li Keqiang said that he was appalled by Beijing's air pollution. "This government will show even greater resolve and take more vigorous efforts to clean up such pollution," he said. He promised the government will set deadlines to tackle pollution and be tough with polluters. "We need to face the situation and punish offenders with no mercy and enforce the law with an iron fist," he said. "We shouldn't pursue economic growth at the expense of the environment. Such growth won't satisfy the people," Li said. The Premier added that a series of measures will be implemented to phase out old factories and create a new development model. Fake and substandard food, a longstanding problem that caused many scandals in recent years, such as toxic milk powder, will also be dealt with severely, he said. "The government will take strong efforts to punish the heartless producers of substandard and fake food, and they will pay a high price," he added. Li also urged more transparent government and more public supervision to address environmental issues.

- After two Wenzhou environmental protection officials were challenged to swim in polluted rivers, the city's Environmental Protection Bureau bought a full-page ad to publicize its achievements, a move widely criticized on the internet. It said it cleaned up 16 polluted rivers and strictly monitored 298 factories. According to an online posting of the newspaper's ad rates, CNY140,000 is quoted for a full-page color ad.

Netizens called it a misuse of public money for boasting instead of using it to control pollution.

- Hong Kong-owned plants in the Pearl River Delta can apply for funds to instal air cleaning equipment or to assess their present facilities. Two smog-inducing pollutants – volatile organic compounds and nitrogen oxides – will be targeted for two years, the organizer of the scheme says. HKD50 million has been earmarked for the extended scheme. It is hoped that at least 460 factories will take part. At least 90 could get up to HKD300,000 or up to half of the costs to install pollution control devices. The delta region plans to cut volatile organic compounds by 10% and nitrogen oxides by 18% by 2015. Emissions of volatile organic compounds and nitrogen oxides in the delta amounted to 903,000 and 889,000 tons in 2010.
- The average density of PM2.5 particles in Shanghai's air was 48 micrograms per cubic meter in the second half of last year, 37% higher than the nation's yearly limits. Fine particles, ozone and acid rain were the three major challenges to air pollution prevention in Shanghai. The World Health Organization (WHO) has listed PM2.5 as the fourth greatest risk to people's health in China after high blood pressure, smoking and unhealthy diets. WHO estimated that about 1.2 million deaths in 2010 in China were related to PM2.5 pollution. "We studied the out-patient, emergency and hospitalized patient numbers in Beijing and its neighboring cities of Shijiazhuang and Tangshan during January's haze pollution," Kan Haidong of Fudan University's public health school said. "People's visits to hospitals rose along with the severity of haze."
- China has more than 247 "cancer villages", according to a map that is being widely circulated on the internet. Many of them are located in Henan and Jiangsu provinces. Although there is no definition of what constitutes a "cancer village", the name was first mentioned in January in a document issued by the Ministry of Environmental Protection (MEP).
- Air pollution in Beijing spiked on the day of the traditional Lantern Festival, marking the end of celebrations for the Lunar New Year period, and which is celebrated by viewing setting off fireworks, among other activities. In certain areas, the level reached as high as 561, regarded as "severely polluted". The government urged people to limit the amount of fireworks set off. Feng Yongfeng, Founder of Green Beagle, an environmental protection NGO in Beijing, said cutting back on fireworks during the holiday is a great leap forward.
- Just days before the opening session of the National People's Congress (NPC) on March 5, Beijing suffered its worst sand storm so far this year. Visibility was reduced to a few hundred meters. The air quality index reached the scale's maximum level of 500 in the late morning and early afternoon. Similar conditions were seen across the region, including in Tianjin, Shijiazhuang in Hebei, and across Shaanxi and Shanxi provinces. Strong northwesterly winds improved the air quality in late afternoon.
- The Ministry of Commerce (MOFCOM) and the Ministry of Environmental Protection (MEP) jointly launched the Guidelines on Environmental Protection for China's Outbound Investment and Cooperation, aiming to standardize requirements on environmental protection for Chinese investors abroad. The guidelines cover a wide range of practices. Chi Changhai, Vice Chairman of the China International Contractors Association, said improvement of corporate social responsibility will help ease overseas risks, smoothing the way for China to "go abroad".
- Shanghai should impose a tax on plants releasing sulphur dioxide, nitrogen oxides, chemical oxygen and ammonia nitrogen. This would encourage plants to reduce pollutants, improving air quality, said Zhang Quan, Director of the city's Environmental Protection Bureau, in a proposal to the National People's Congress (NPC), China's parliament. The tax would be applied on a sliding scale, the sum depending on the quantity of pollutants within legal limits. He added that the city must work with neighboring provinces to curb emissions as it is difficult for Shanghai to improve the air alone.
- A 2,000 cubic meter sulphuric acid leak at a warehouse in Fangshen village in Liaoning province killed at least three people early this month. Improper storage and transportation of explosives and dangerous chemicals is a frequent cause of deadly accidents in China.
- Four people who dumped about 8,000 tons of toxic sludge in a forest used for water and soil protection in Shanghai's suburban Qingpu district received sentences ranging from 22 months to 42 months and fines for environmental pollution, a local court ruled.

Prosecutors said the sludge was generated by an urban sewage treatment plant in Wuzhong district of Suzhou in neighboring Jiangsu province. The plant gave the lead suspect a transportation fee of CNY20 per ton and a treatment fee of CNY160 per ton. The sludge contained heavy metals such as copper, lead, zinc and chromium and a high concentration of toluene. Public losses and private damages were estimated at CNY1.56 million. The maximum penalty for environmental pollution is seven years in prison with fines.

- Energy consumption per unit of gross domestic product (GDP), or energy intensity, will be cut by at least 3.7% in 2013, the National Development and Reform Commission (NDRC) said. It fell 3.6% in 2012, beating the government's target of 3.5%. Carbon dioxide emissions per unit of GDP will also fall 3.7% this year.
- China should accelerate environmental taxation reform and cut income tax for environmental protection companies from 25% to 15%, to ease the country's pollution problems and realize sustainable development, Jia Kang, Member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and head of the Ministry of Finance's Research Institute for Fiscal Science, suggested in a proposal to the Committee. Preferential tax treatment is the most direct and effective way to boost the environmental protection industry, Jia said. China should also impose a carbon tax, based on a company's annual total carbon emissions, he added.
- In the next 10 years, China should invest 2% to 3% of its gross domestic product (GDP) in environmental protection, said Wen Yibo, Chairman of the China Environment Service Industry Association under the All-China Federation of Industry and Commerce (ACFIC) and President of Sound Group. In recent years, the nation's environmental protection companies have seen fast growth. According to the Association, up to half of the country's sewage treatment, 65% of waste incineration and 13% of desulfurization in power plants is invested and operated by professional environmental protection companies. He also suggested amending environmental protection laws.
- Kumamoto prefecture on Japan's Kyushu island earlier this month advised residents to stay indoors in Japan's first official health warning over smog drifting from China. Officials said the air quality was likely to be substantially below national standards. Kyodo News reported that a meeting of Environment Ministers from Japan, China and South Korea is planned in May to discuss ways to combat pollution.
- The amount of non-industrial rubbish produced daily by each person in Shanghai has dropped from an average of 0.82 kilograms in 2010 to 0.74 last year – meaning the city has reduced such waste by more than 1,000 tons per day, according to the Shanghai Greenery and Public Sanitation Bureau. But the Bureau's Deputy Director Gu Yuxin added that rubbish sorting at people's homes still lags behind and only accounted for a very low percentage of the reduction, despite placing special trash-sorting bins at over 1,000 communities, schools and parks in the past two years.
- Beijing launched the Clean Air Action Plan on March 15, pledging that a 2% reduction in major pollutants will be achieved by the end of the year. Measures will include transforming coal-fired boilers, scrapping old polluting vehicles, and imposing stricter standards for companies to build plants in the city.
- 850 delegates to the National People's Congress (NPC) voted down the new NPC Environmental Protection and Resources Conservation Committee, while 125 abstained, about a third of the total votes, and one of the lowest approval rates in NPC voting since a plan to construct the Three Gorges Dam was endorsed in 1992. Environment Minister Zhou Shengxian also won the least recognition from deputies, receiving 2,734 votes of approval, the lowest among 25 Ministers appointed.
- The Xilingol League in Inner Mongolia plans to start the second stage of the Sandstorm Source Control Project around Beijing and Tianjin this year, investing CNY6 billion to transform 2.67 million hectares of sand into grassland. The Xilingol Grassland, 180 km from Beijing, is the nearest grassland to the capital and Tianjin. Vegetation coverage in the league's grassland reached 60% at the end of 2012, up from 23% in 2000. The league has planted more than 800 km of protective forests.
- About 20,000 residents from the town of Changshou in Hunan province's Pingjiang county have refused to drink local tap water for years despite quality control tests showing no evidence of contamination. They believe tap water is too polluted to drink, cook, bathe and even clean with, because a local river is being polluted by a gold mine upstream. Changshou Mayor Yin Youxiang, in an effort to allay concerns about water

pollution, said he drinks tap water himself. He believed people just prefer spring water because of its taste.

- Some disposable chopsticks may be toxic. "Sulphur, hydrogen peroxide, sodium sulfite and mold inhibitor, are chemical substances commonly used to make disposable chopsticks, even though they are not allowed," Dong Jinshi, Secretary General of the International Food Packaging Association, said. China enacted a national standard on disposable chopsticks in 2010. It included specific criteria on additional chemical agents and the amount allowable to produce chopsticks. However, the standard has never been thoroughly carried out, Dong told China Daily.

GREENHOUSE GAS EMISSIONS

Iron plants to close due to new emission standards

The introduction of new industrial emission standards in China is likely to mean the shutdown of some iron and steel plants this year. Yuan Yuzhu, Chairman of Shanxi Zhongyang Iron and Steel Co, said. "The Ministry of Environmental Protection will introduce new emission standards from April, which will present a big challenge to struggling steel enterprises. And a lot of enterprises will be shut down as a result. This shift in the industry will take about two or three years to complete," he added. The Ministry of Environmental Protection (MEP) said on March 6 that it plans to impose pollutant emission caps on six major industries, and coal-fired furnace projects in 47 major cities.

FOUNDING MEMBERS



STRUCTURAL PARTNERS



Your banner at the FCCC website or newsletter

Companies interested in posting a banner/an advertisement on the FCCC website, FCCC weekly newsletter or bi-weekly sectoral newsletters are kindly invited to contact the FCCC at: info@flanders-china.be

Organisation and founding members FCCC

President: Mr. Bert De Graeve, C.E.O., NV BEKAERT SA

Vice-President: Mr. Stefaan Vanhooren, President Agfa Graphics, Member of the Executive Committee of the Agfa Gevaert Group, NV THE AGFA-GEVAERT GROUP SA

Secretary and Treasurer: Mr. Dirk Mampaey, Senior General Manager Corporate Services, NV KBC Bank SA

Executive Director: Ms. Gwenn Sonck

Members of the Board of Directors and Founding Members:

Mr. Bert De Graeve, C.E.O., NV BEKAERT SA

Mr. Jozef De Mey, Chairman of the Board, NV AGEAS SA

Mrs. Elisabeth Schraepen, Public Affairs Manager, Belgium and Luxembourg, NV AB INBEV SA

Mr. JP Tanghe, Senior Vice President, NV BARCO SA

Mr. Kris Verheye, Vice President Corporate Division, NV BELGACOM SA

Mr. Johan Verstraete, Vice-President Marketing, Sales & Services Weaving Solutions, NV PICANOL SA

Mr. Luc Maton, General Manager Asia Region, NV AHLERS SA

Mr. Marc Stordiau, Member of the Board of Directors, NV DEME SA

Mr. Stephan Csoma, Senior Vice-President Government Affairs, NV UMICORE SA

Mr. Dirk Mampaey, Senior General Manager Corporate Services, NV KBC Bank SA

Membership rates for 2013:

- Large enterprises: €975
- SMEs: €385

Contact:

Flanders-China Chamber of Commerce

Voldersstraat 5, B-9000 Gent

Tel.: +32 9 264 84 86/82 – Fax: +32 9 264 69 93

E-mail: info@flanders-china.be

Website: www.flanders-china.be

Share your story:

To send your input for publication in a future newsletter mail to: info@flanders-china.be



This newsletter is realized with the support of the Federal Government of Belgium, the Flemish Government, the Walloon Government and the Government of the Brussels-Capital Region.

The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail michel.jc.lens@gmail.com. Disclaimer: the views expressed in this newsletter are not necessarily those of the FCCC or its Board of Directors.