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ALTERNATIVE ENERGY

China leads the world in sales of solar modules

China became the world's largest solar power panel market in last year's fourth quarter, and might retain the top spot throughout this year, according to industry consultancy NPD Solarbuzz. China accounted for 33% of the 8.3 gigawatt (GW) of solar modules shipped globally in the quarter, up from under 10% two years ago, the United States-based firm said. "China will likely become both a center for upstream solar modules and parts manufacturing, and downstream applications," Michael Barker, Senior Analyst at NPD Solarbuzz, said. For the whole of last year, China accounted for around 15.5%, or 4.5 GW, of the global market of 29 GW, the consultancy's Analyst Ray Lian Rui said. This represented growth of around 70% from 2011. China ranked second after Germany. After surging 40% in 2011, the global solar panel market grew just 6% last year, NPD Solarbuzz data shows. The slowdown was prompted by cuts in incentives in several key European markets like Germany and Italy, with Italy – the world's biggest market in 2011 – witnessing the biggest decline of about half, according to research house IHS Solar. Lian said that thanks to strong government incentives initiated last year, China should hang on to its No 1 position this year, taking a 22% share of the estimated global market of 32 GW. He forecast China, which used to export over 90% of its modules, will export two-thirds of its output and sell one-third domestically this year. Trade restrictions in the

U.S. and Europe have helped spur Chinese producers to sell more in the domestic market. Beijing ramped up subsidies for solar farms almost seven-fold last year in terms of output capacity from 2011.

Some taxis in Shanghai use dimethyl ether as fuel

More than 50 taxis in Shanghai's Minhang district are using a cleaner fuel – dimethyl ether – a non-toxic, cleaner-burning hydrocarbon gas that generates neither sulfur nor nitrogen particles. The use of the fuel could be expanded to all the city's buses and taxis to help control PM2.5 pollution. Engines only need slight modifications for the fuel, while it will power vehicles for long distances without a refill. Dimethyl ether, somewhat similar to LPG gas, costs just CNY3,000 a ton, cheaper than gasoline. Shanghai has more than 300 buses using cleaner power sources, mainly electricity, hybrid technologies or dimethyl ether. Many were used during the 2010 Shanghai World Expo. "There is no technical barrier to the expansion of new energy to the city's buses," said Yin Bangqi, an official with the city's Science and Technology Commission. There are many companies in Shanghai that have been developing new energy for buses, Yin said. Refueling and recharging stations are needed only at the bus terminus.

Solar-panel maker Yingli Green Energy expects gross margin to rise

Yingli Green Energy, the world's biggest maker by capacity of silicon-based solar panels, expects gross margin to rise to as much as 20% this year if module prices rebound and production costs drop. "Our production costs will decline considerably as new materials and technology are used, economy of scale intensifies and conversion efficiency rises," Chief Financial Officer Bryan Li said in Baoding, Hebei province, where the company is based. "Module prices have been steady for some time and will return to a more rational level." The comments reflect growing optimism among solar manufacturers following a 61% plunge in panel prices in the past two years because of oversupply. Solar manufacturers have been contending with a global glut that is driving down prices and cutting into margins as governments from Europe to the United States reduce subsidies. Photovoltaic panel prices have begun to recover slightly. In November, Yingli reported its gross margin was negative in the third quarter, for the first time since the firm listed on the New York Stock Exchange in 2007, coming in at minus 23% because of falling prices and lower sales in Germany. "Module prices are at bottom and very likely to rebound and the average cost will fall as shipments rise," said Wang Xiaoting, Analyst at Bloomberg New Energy Finance. Yingli would increase shipments by at least 50% this year from last year, when it shipped more than 2.2 gigawatt (GW), Li said. The domestic market will account for about a third of Yingli's panels this year.

Yingli Green Energy said it was planning to give more attention to emerging markets and less to Europe, its current largest source of business. The company is shifting its focus as anti-dumping and countervailing investigations initiated by the EU and the United States prepare to put the brakes on overseas demand for many made-in-China photovoltaic products. More than 90% of Chinese PV solar products are exported, 70% going to the eurozone and 10% to the U.S. More than 70% of Yingli's output went to the European market. President Miao Liansheng suggested that China would account for 40% of its sales in 2013, and the other emerging markets 10%. More than 2.8 GW of solar capacity will be installed in China in the next phase of the government's "Golden Sun Program", and it will provide another CNY7 billion in subsidies to domestic solar PV pilot projects. Yingli's latest financial report showed domestic orders accounted for 28% of total revenues in the third quarter, up from 14% on the second quarter. But the company also expected competition on the Chinese market to intensify.

Sunshine Silicon files for bankruptcy

Ningxia Sunshine Silicon Co, of which Jiangsu Sunshine owns 65%, filed for bankruptcy, the first such filing by a listed solar company. A supply glut dragged down the average spot price of polysilicon by 43% in the past year and led to a decline of gross margins. The tumble led companies including Ningxia Sunshine and units of Baoding Tianwei Baobian Electric Co to halt production and prompt GCL-Poly Energy Holdings, the world's biggest maker of polysilicon, to stop expansion last year. Ningxia Sunshine can't repay debt, which includes CNY1.3 billion owed to Jiangsu Sunshine. More than 90% of China's polysilicon producers have suspended production, and are awaiting government action to help improve their competitiveness after being squeezed by oversupply and an influx of overseas products. Just a handful of the 60-plus producers of polysilicon were believed to be still in production by the end of 2012. Mergers and acquisitions (M&As) could lead to better economies of scale,

analysts said. Mingsheng Securities noted that the output capacity of domestic polysilicon producers is still more than 100,000 tons, enough to produce more than 20 gigawatt (GW), and added there will be a huge surplus, considering expectations for 2013's silicon-based module output of 15 GW. Instead of trying to save all the companies, the authorities should take the opportunity to consolidate the industry, eliminating small-scale companies with low efficiency, the report by Minsheng Securities said. China launched an investigation on November 27, 2012, to determine whether retrospective duties should be levied on imported solar-grade polysilicon from Europe, South Korea and the U.S. Domestic polysilicon producers are considered less competitive than their overseas counterparts. The average costs for Chinese companies range from USD40 to USD50 per kilogram, almost twice the cost of the more advanced foreign products. Imports account for more than 60% of the Chinese market, up from 45% in 2011.

Prognos warns jobs at risk from solar tariffs

Up to 240,000 European jobs in downstream businesses could be at risk if the European Union levies anti-dumping tariffs against solar product imports from China, according to a study by Prognos, a Germany-based economic research organization. Downstream solar companies voiced concerns that the tariffs would lead to a rapid price increase of solar imports, create a volatile market situation and severely hinder the competitiveness of European businesses in the solar industry. Prognos has illustrated the impacts these measures could have on employment in the EU from 2013 to 2015 based on duties scenarios of 20%, 35% and 60%. It said that a punitive tariff of 20% would cost 115,600 jobs in the EU in the first year after the implementation, and a further 175,500 job could be lost in the third year. A punitive tariff of 60% would lead to 193,700 job losses in the EU in the first year and up to 242,000 in the third year. "The potential positive impact of duties for the EU solar producers is dwarfed by the negative impact on employment," said Thorsten Preugschas, Spokesman for the Alliance for Affordable Solar Energy and CEO of German project developer Soventix. John Clancy, Spokesman for EU Trade Commissioner Karel De Gucht, confirmed that the Commission has held a hearing with representatives of the photovoltaic industry, with about 60 participants coming from all sectors of the industry and including both those companies that produce solar panels and those that install the solar panels, the China Daily reports.

- China's off-shore wind power generating capacity is expected to reach 5 GW by 2015 and 30 GW by 2020, according to the 12th Five Year Plan (2011-15) on wind power. The costs of off-shore wind farms are at least double those of land-based projects, with additional seabed cables to be installed and high maintenance fees. Although China is a newcomer to off-shore wind power, enhancing off-shore wind power projects is mentioned in the local marine economy guidance plans for most coastal provinces. Environmentalists however worry about the impact of large off-shore wind farms on wildlife, fishing and bird migration. By the end of 2011, China had installed a wind power generating capacity of 260 MW, ranking third in the world after Britain and Denmark.
- All three independent non-executive directors spearheading a review of the company books of suspended solar cell maker Trony Solar have resigned. The trio formed an independent committee to examine the company's accounts for possible discrepancies identified by the board. The departures could deal a blow to efforts to find out what might have gone wrong with the company.

POLLUTION

China issues timetable to upgrade fuel

China issued a timetable for its program to upgrade fuel quality, aiming to implement a strict standard nationwide by 2017 in its latest bid to cut pollution. The country will issue the standard V for automobile petrol, with sulphur content within 10 ppm (parts per million), before the end of the year. There will be a grace period until late 2017, according to an executive meeting of the State Council chaired by Premier Wen Jiabao. Beijing is the only city in China to have adopted such a standard, which is equal to the Euro V vehicle emissions cap on sulphur content below 10 ppm. When the grace period ends in 2017, it means the standard will be put into practice nationwide. But the "5th-phase" standard for automobile diesel, with sulphur content within 10 ppm, will come earlier, likely before June this year, the statement said, with the same of grace period. The "4th-phase" standard for petrol, which caps sulphur content to no

more than 50 ppm, has already been issued. "The timetable shows that China is pushing faster to upgrade gas quality," said Wang Zhen, Deputy Dean of the China Energy Strategy Research Institute of the China Petroleum University. Sinopec said it was upgrading desulphurization facilities and will supply cleaner oil products that meet national standards for pollutant emissions in 2014. Cleaner fuel may also mean higher prices. When Beijing and Shanghai switched from the national "3rd-phase" standard to the stricter national "4th-phase" standard five years ago, petrol prices rose by CNY0.2 to CNY0.3 per liter.

China says major pollutant levels dropping

China's Environment Minister Zhou Shengxian said that emissions of four major pollutants dropped last year and should fall by a similar level this year, but admitted the country faced a tough task in trying to end chronic air pollution. Emissions of sulphur dioxide, nitrogen oxide, chemical oxygen and ammonia nitrogen all recorded on-year falls of 2% in 2012, and were expected to drop by the same degree in 2013. The Ministry will also ban the operation of vehicles registered before 2005 under exhaust emissions requirements and efforts will be made to improve the quality of gasoline and diesel. China will also expand its PM2.5 monitoring network. China has 496 PM 2.5 monitoring stations in 74 cities and the Ministry of Environmental Protection (MEP) said a further 39 cities would join the monitoring network this year. Minister Zhou Shengxian told a national environmental protection work conference that the monitoring and publication of readings for PM2.5 as well as controlling air pollution would be a priority this year. Zhou said the air quality in 70% of cities did not reach the national standard and the increasing health hazards had become a major concern.

Campaigner sues authorities about waste disposal

Environment campaigner Chen Liwen is suing Guangzhou's Environmental Protection Bureau after it refused to fully disclose all the information she requested about the city's only waste incineration power plant. She has investigated pollution caused by inappropriate waste disposal since 2010, and said getting waste disposal statistics from governments is an important part of her work for an environmental NGO, but only a few provided all the information she asked for, even though China had enacted legislation on the disclosure of government information in 2008. She started focusing on waste issues after joining the NGO Nature University at the beginning of 2010. On July 20 last year, she submitted an application for four pieces of information on the Likeng waste incineration power plant via the website of Guangzhou's Environmental Protection Bureau. They were: the whole draft of the environmental assessment report on the Likeng project; statistics on air pollutants and dioxin emission by the project between June 2006 and last June; statistics on the production of ash and cinders and how they were treated during the same period; and whether the Likeng project was Guangdong's major source of dioxin emissions.

According to regulations the authorities should reply within 15 working days. "I received the bureau's written reply more than a month later, which just gave some statistics in the second category of information I asked for," Chen says. Filing a lawsuit was the last resort. The Yuexiu district court heard the case on January 18. What we got from Beijing's environment watchdog after applying for statistics on smoke emissions from the Gao'antun waste incineration power plant was a photo of a screen showing monitored data, with one line explaining that we could find the information we wanted from the screen outside the plant, Chen said. When requesting environmental assessment reports, most of the local governments suggested we get them from the contractor of the project or the drafter of the report, or said they needed to "make inquiries with related companies because it involves business secrets", or "it's not in the category of information the government should voluntarily disclose," she added, as reported by the South China Morning Post.

Law on disposal of green lightbulbs needed

While Shanghai goes all out to expand the use of green and energy-saving technology, there is an urgent need for a law to secure the safe disposal of millions of potentially poisonous used green lightbulbs, legislators said. The first official proposal at the annual session of the Shanghai People's Congress, signed by 12 legislators, was a call for immediate action to formulate a law to monitor and improve the disposal of old bulbs. Each bulb contains 0.5 milligrams of poisonous mercury – enough to contaminate 180 tons of water, the legislators said. This could happen if a bulb breaks and the mercury leaks into the water system. In 2009 and 2010, more than 2.7 billion energy-efficient lightbulbs were fitted in Shanghai

homes at prices subsidized by the government in a bid to promote green energy use. But many of the lightbulbs were now nearing the end of their useful life, the legislators said. "The current situation is that few professional companies are willing to recycle the worn out lightbulbs for lack of legal authorization and production guidelines while the government neighborhood offices don't know how to dispose of them safely," the proposal states. The legislators also advised the government to offer incentives for residents to swap used bulbs for new ones as this would put the old ones in the hands of watchdogs and thus reduce the risks of mercury leaking into the environment. The law should specify the recycling process and punishments for recycling companies that fail to dispose of bulbs safely, the Shanghai Daily reports.

Beijing suffers from serious pollution in January

Beijing suffered from serious pollution in January. On some days visibility was reduced to around 200 meters in parts of the capital, where pedestrians wearing masks made their way through a murky haze despite warnings from authorities to stay indoors unless absolutely necessary. Beijing Mayor Wang Anshun admitted that "the current environmental problems are worrisome." The air pollution index surpassed the maximum reading of 500 on several days. At one point, readings for PM2.5 particles peaked at 993 micrograms per cubic meter, almost 40 times the World Health Organization's recommended safe limit. At the height of the smog, many residents rushed to buy face masks and air purifiers, and doctors at two of Beijing's major hospitals said the number of patients with respiratory problems had increased sharply. The smog affected a total area of 1.3 million square kilometers across the country, the Ministry of Environmental Protection (MEP) said. Beijing, Tianjin, Shijiazhuang and Jinan were "gravely polluted". Visibility in central Beijing was reduced to 300 meters, causing flights to be cancelled or delayed. Some highways were also closed. To alleviate the situation, authorities in Beijing closed some factories and ordered many government cars off the roads. Beijing's former Vice Mayor Hong Feng said vehicles accounted for 22% of PM2.5 in the capital, followed by 17% from coal burning and 16% from construction site dust. More than 13 million passenger cars were sold in China in 2012, an annual increase of 7.6%, according to data from IHS Automotive, and it expects a growth rate of 11% this year. "Public transport should really have been prioritized but we need to understand that if you want to build up a new public transport system then you have to plan and design the city the right way," said Ma Jun, Director of the Institute of Public and Environmental Affairs. The central leadership has ordered Beijing to clear the air for the meetings of the Chinese People's Political Consultative Conference (CPPCC) and the National People's Congress (NPC), which start in the first week of March. The city was blanketed by heavy smog on 26 days out of 31 in January.

Air pollution was also a hot topic in Shanghai, where the most polluted air in five years was recorded. Shanghai's air quality index reached 250 several times in the past weeks, indicating heavy pollution. Chen Li, a Member of the Shanghai People's Political Consultative Conference, submitted a proposal to improve the city's air quality, calling for government organs to use new energy vehicles to reduce emissions. Exposure to PM2.5 contributed to 8,572 premature deaths in Beijing, Shanghai, Guangzhou and Xian last year, and led to economic losses of USD1.08 billion, according to estimates by Greenpeace and Peking University's School of Public Health.

In a recent survey of 7,000 people from 31 provinces, conducted by China Youth Daily, more than 90% of respondents believed that air pollution had a major effect on their lives. About 85% of respondents expected emergency plans to be initiated by the government but only about half felt that they could take measures themselves to improve air quality. Taking public transport could be part of the solution. Vehicle emissions have replaced industrial pollution as the biggest contributor to airborne pollution in major Chinese cities, according to research by Professor Zhuang Guoshun of Fudan University's Atmospheric Chemistry Research Center. Reducing indoor temperatures, even by a fraction, could also make a huge difference. Online sales of air purifiers soared by up to 70% year-on-year as people sought ways to combat the poor air quality. Since the smog started to spread in most parts of the country in mid-January, sales of air purifiers on 360buy.com even rose by 600% on average. Sales of air purifiers reached a value of more than CNY600 million since the start of this year, the company said at the end of January.

Beijing ranks ninth among China's top 10 polluted cities

China's Ministry of Environmental Protection (MEP) released a list of the 10 most heavily polluted cities for January – with Beijing ranking ninth, following Xingtai, Shijiazhuang, Baoding, Handan, Lanfang, Hengshui, Jinan, Tangshan and ahead of Zhengzhou. Seven of the cities listed were in Hebei province – a major center for China's steel industry – with Xingtai listed as the most polluted. Only in Haikou, Fuzhou, Zhoushan, Xiamen, Huizhou, Zhaoqing, Shenzhen, Kunming, Lhasa and Zhuhai was the air quality recorded better than the previous month. The World Bank estimates China is home to at least 16 of the world's most polluted cities. Air pollution in the capital city hit record levels in January. The average level of PM2.5 hovered near 200 for nearly the whole month. The city's Municipal Environmental Protection Bureau said it would aim to bring the level of PM2.5 down to WHO standards by 2030, but Beijing's air quality will worsen without a reduction in coal consumption, Greenpeace warned, as the capital was surrounded by some of the biggest consumers of coal. A study led by Dr Wang Yuesi, Researcher with the Chinese Academy of Sciences' Institute of Atmospheric Physics, found that between January 9 and 15 an estimated 4,000 tons of pollutants were floating in Beijing's sky. Zhang Kai, a climate and energy campaigner with Greenpeace, said that even though Beijing was determined to cut annual coal consumption from 27 million tons in 2010 to 20 million tons by 2015, the drop would easily be offset by increased consumption in neighboring Tianjin and Hebei province. The burning of coal in Beijing contributes to about 20% of the city's smog, according to Wang's study. Pollutants from neighboring regions account for 20% and the capital's vehicle emissions for another 25%. Tianjin's municipal government has said it expects to see annual coal consumption rise from 48 million tons to 63 million tons between 2011 and 2015, while Hebei was already burning around 300 million tons of coal in 2010, China's third biggest provincial consumer, the South China Morning Post reports. The Foreign Ministry in Tokyo proposed a meeting with Chinese officials about the smog over Beijing, which is now being seen in Japan.

Travelers unveil illegal waste water dumping

Smartphone users and microbloggers returning home for the Lunar New Year break have helped reveal how widespread water pollution is causing cancers. The campaign has prompted some state media to declare war on illegal dumping. It all started with a microblog post exposing factories in Shandong that injected toxic waste water underground, and evolved into an online campaign to uncover pollution scandals as people returning home from cities for the holiday encountered unbearable levels of water contamination. Deng Fei, a social activist who helped initiate the campaign, said some journalists and lawyers had mobilized to investigate clues offered by microbloggers, adding that several members of the National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) had expressed interest in looking into the problems. The post which set the campaign in motion said some chemical plants in Weifang – which were preparing for initial public offerings (IPOs) – had been secretly discharging untreated waste water deep underground, using high-pressure injection wells to avoid supervision. Online postings said the practice of pumping waste water into the ground was common in Shandong and Hebei, which is especially worrisome because residents in the north rely on groundwater for about 65% of their water supplies. Micro-blog users also complained about rising cancer rates. A reward of up to CNY100,000 is being offered to anyone who blows the whistle on companies illegally discharging waste deep underground in Weifang. The local government told Xinhua news agency that it had investigated 715 companies but so far hadn't found any polluting the underground water. A post by a villager in Shandong's Zibo said the water from wells appeared to be as black as ink and had a sour taste.

Smog in Pearl River Delta 'worse than in Beijing'

Pollutants in the Pearl River Delta (PRD) are more dangerous than those in Beijing because they contain higher levels of hazardous nitrogenous organic compounds, Wu Dui, an expert in dust haze and Researcher at the China Academy of Meteorological Sciences, said. The volatile organic compounds were mainly emitted during the manufacture of shoes and cosmetics and were the main components of photochemical smog. Wu said the problem was identified a decade ago but had been given scant attention. His claim came as a British study concluded that exposure to higher levels of fine particulates causes a sharp rise in deaths from heart attacks. Researchers from the London School of Hygiene and Tropical Medicine established a clear link between exposure to PM2.5 pollutants and early death after following 154,000 patients in England and Wales who had been taken to hospital with heart attacks between 2004 and 2007. "We found that for every 10 micrograms per cubic meter in PM2.5,

there was a 20% increase in the death rate,” said Cathryn Tonne, who led the research. If PM2.5 levels had been reduced to their natural background rate, they calculated the number of deaths would have fallen by 4,873, or 12%. In Beijing last month, PM2.5 levels reached 993 micrograms per cubic meter, almost 40 times the WHO’s recommended safe limit of 25 micrograms over a 24-hour period.

- Shanghai residents may have to pay for their household waste in three to five years in an effort to reduce the volume of trash and promote environmentally friendly sorting and processing of waste disposal. Shanghai is already charging institutions, government agencies and private businesses to collect their waste since 2005, adding around CNY690 million to tax revenues in 2011. Officials said trash sorting and reduction is a long-term campaign and they would need another 10 years to promote the concept among residents.
- Multimillionaire Chen Guangbiao, who made his fortune in the recycling business and is a high-profile philanthropist, handed out soda pop-sized cans of air from unpolluted areas of China to urge more efforts to combat air pollution. He conceded that his canned-air effort is tongue in cheek, but says it’s a way to awaken people to the importance of environmental protection.
- Bureaucratic fighting between the Ministry of Environmental Protection (MEP) on the one hand and China National Petroleum Corp (CNPC) and Sinopec on the other has thwarted stricter emission standards for diesel trucks and buses. “I think the Communist Party’s new government should weaken CNPC and Sinopec,” said Wang Yukai, Professor from the National School of Administration. “These interest groups have too much power.” Delays in implementing stricter emission standards are rooted in money – chiefly, who should pay for the price of refining cleaner fuels. To supply cleaner diesel, the oil firms must invest tens of billions of yuan to remove the sulphur content.
- North Korea’s third nuclear test had no negative impact on China’s environment, the Ministry of Environmental Protection (MEP) said, adding that no radiation had been detected.
- Authorities must find a way tackle the problem of groundwater pollution urgently or face an acute shortage of clean water in future, according to an editorial in the Beijing News. It called for a “declaration of war” in the new Lunar Year on “unscrupulous enterprises” engaged in the illegal and often secretive discharge of untreated waste into waterways. There have been reports about companies using high-pressure wells to pump chemical discharge directly into the ground and sometimes into underground caves. Official estimates put the number of water pollution accidents in China at 1,700 a year.
- Haze and more Spring Festival firework celebrations pushed Shanghai’s air pollution levels to new highs early on February 14, despite “good” air being recorded throughout most of the previous day. The level of PM2.5 fluctuated between 70 and 100 micrograms per cubic meter on February 13 but rose to 651 at 1 a.m. the next morning, according to the Shanghai U.S. Consulate’s air quality monitor. Following the eve of Spring Festival fireworks, the city’s PM2.5 levels doubled to 523.
- Sharp and Panasonic are boosting sales of air purifiers in China as pollution worsens. Sharp’s sales of the products, mainly manufactured in Shanghai, tripled last month, company Spokeswoman Miyuki Nakayama said. Panasonic’s output of air purifiers for the China market rose 50% in January, said Spokeswoman Chieko Gyobu.
- The heavy smog that affected north China in January contained a heavy concentration of deadly organic compounds, according to the Chinese Academy of Sciences (CAS). The smog contained chemicals that were present in London’s Great Smog of 1952, in which about 12,000 people died, and the photochemical smog in Los Angeles from 1940 to 1950 which killed about 800 people.
- An environmental protection official was challenged to swim in a highly polluted river with CNY200,000 as a reward if he did. In response, the official has pledged to build facilities to combat the pollution and to control population in the area. Jin Zengmin, Chairman of a glasses company in Hangzhou, asked Bao Zhenming, Director of the Environmental Protection Bureau in his hometown of Rui’an in Wenzhou, to swim in a local river for just 20 minutes. Jin claimed pollution had caused cancers among many villagers living nearby. Bao said overpopulation was the main reason behind the

pollution. A second offer of CNY300,000 was made to another official if he swam in the river for 30 minutes.

- 39 people have been punished after a chemical leak contaminated a river in Shanxi province last month. An investigation found Tianji Coal Chemical Industry Group in Changzhi city, which is responsible for the leak, and some Changzhi government departments were to blame for the serious contamination. Pan Xianzhang, Vice Mayor of Changzhi, received Party and administrative disciplinary sanctions. Zhang Bao, Mayor of Changzhi, was sacked as a result of the contamination. The December 31 leak of about 9 tons of aniline into a river in Changzhi contaminated downstream water in neighboring Henan and Hebei provinces, resulting in water supply problems. Changzhi authorities delayed reporting the leak for six days.
- China is considering a ban on barbecues to help reduce air pollution in built-up areas after heavy smog recently choked large swathes of the country. The Ministry of Environmental Protection (MEP) has issued draft guidelines advising major cities to adopt legislation banning "barbecue-related activities". An official called on the public to abstain from outdoor grilling in favor of a more environmentally-friendly way of life.

GREENHOUSE GAS EMISSIONS

Tibet's budget for environmental protection rises 10.5%

The government of the Tibet Autonomous Region plans to invest more than CNY3.5 billion in 2013, 10.5% more than last year, in environmental protection. More than CNY3.23 billion will be used for major forestation projects and for compensating and rewarding locals who protect and grow grass and forests and conserve wetlands, lakes and water resources. More than CNY50 million will be allocated to support environmental improvement projects and preserve resources, according to the draft budget. The Tibetan plateau's fragile and sensitive environment faces a worsening situation of land desertification, soil erosion and threats to deteriorating biodiversity, but environmental protection has also received "unprecedented" attention over the past five years. The Chinese government listed the protection and building of a safety screen of environment in Tibet as a state-level major eco-project in February 2009. The project aims to pour in CNY15.5 billion to basically finish building the screen by 2030. Tibet has controlled desertification and prevented water loss and soil erosion on a total of 130,000 hectares of land over the past five years. People planted 260,000 hectares of forests and sealed off forests on more than 511,000 hectares. Eight wetland conservation zones have been established at the regional level in the period, the China Daily reports.

Beijing hopes carbon dioxide tax will help reduce pollution

Beijing will levy a tax on carbon dioxide emissions as part of new fiscal measures aimed at addressing the worsening pollution problem, a senior official at the Ministry of Finance said. Jia Chen, Director of the Ministry's Tax Policy Division said that the central government should improve its consumption tax regime to help achieve its energy-saving and emission control goals. "We should proactively push forward the reform of taxation related to the environment, such as replacing the existing pollution discharge fee by an environmental protection tax," he wrote. "Carbon dioxide emissions should be subject to this tax." Coal-fired-power producers have been paying pollution discharge fees on their emissions of sulphur gases for more than a decade, although Beijing has encouraged them to install equipment to collect such gases by giving them financial incentives. Carbon dioxide has so far not been subject to levies. Jia said the environmental protection tax should be collected by local governments, without suggesting any timeframe. He added that the authorities should study the feasibility of taxing pollution-prone and highly energy-intensive products such as batteries and non-commercial luxury aircraft. He also urged the implementation of a plan to reform the resource tax on coal production. The plan was first proposed in 2006, but was shelved owing to concerns it would stoke inflation.

- A carbon emission trading platform is expected to be established in Chongqing by the end of the year, at a cost of CNY2.86 million, in an effort to reduce carbon emissions. Regulators will create carbon emission allowances and credits for companies to use or sell, thereby encouraging them to reduce emissions. Chongqing hopes to reduce the total carbon emissions from local factories by 17% by 2015, compared with the 2010 level.

- Guangdong's environmental watchdog has pledged that it will not loosen green regulations in pursuing a new round of economic growth. Some environmentalists said they were worried that the province's renewed enthusiasm for staying No 1 in terms of economic output among China's 31 provinces, municipalities and autonomous regions could lead to another round of blind investment and spread pollution woes to less-developed regions outside the Pearl River Delta (PRD).

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- Large enterprises: €975
- SMEs: €385

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