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ALTERNATIVE ENERGY

Obama blocks Chinese company from owning four wind farms

Citing national security risks, U.S. President Barack Obama blocked China's Ralls Corp from owning four wind farm projects in northern Oregon near the Naval Weapons Systems Training Facility in Boardman, where the U.S. military flies unmanned drones and the EA-18G "Growler" electronic warfare planes on training missions. Republican presidential challenger Mitt Romney has accused Obama of not being tough enough with China. "The move has once again revealed the hypocrisy of U.S. politics and double standard on so-called welcoming foreign investment," Xinhua news agency commented. In his decision, Obama ordered Ralls Corp, a company owned by Chinese nationals, to divest its interest in the wind farms it purchased earlier this year. Ralls notified the authorities of the acquisition on June 28, and a 30-day review period began the next day. If the Committee on Foreign Investment in the U.S. (CFIUS) concludes that national security risks cannot be mitigated, the case is referred to the President, who has the sole authority to prohibit a transaction. The last time a American President used the law to block a transaction was in 1990, when President George H.W. Bush voided the sale of Mamco Manufacturing to a Chinese agency. The Treasury Department said that Obama's decision is specific to this transaction and does not set a precedent for other foreign direct investment in the U.S. by China or any other country, the Shanghai Daily reports.

Chinese-owned company Ralls has sued U.S. President Barack Obama over his decision to bar its Oregon wind-farm project as a national security risk, claiming the order violates its constitutional rights. “The physical and regulatory takings of Ralls's property interests constitute unconstitutional takings in violation of the U.S. Constitution, deprive Ralls of its property interests absent due process, and violate Ralls's constitutional right to equal protection,” according to an amended complaint. Ralls, which is owned by executives of Sany Group, was seeking to place Sany-made wind turbines at the Oregon installations after buying land and other rights earlier this year. The assets consisted of four sites near or within restricted navy air space, the Treasury Department said. Obama ordered Ralls to remove all property and installations from its sites within two weeks and divest all of its interests in the wind-farm project within 90 days. The amended complaint also includes claims that Obama acted beyond the powers of the presidency. “Ralls seeks only fair treatment under the law and the constitution", said Tim Xia, a lawyer who represents Ralls. Sany Group is the owner of China's biggest machinery maker. Duan Dawei, Sany's Chief Financial Officer (CFO) and Wu Jialiang, Vice President of the group and General Manager of Sany Electric, a group unit, own Ralls, according to court filings. Sany Group said that it will “fight to the very end” in its lawsuit against the U.S. President. “If in the end Sany wins this lawsuit, it would be a true triumph of the U.S. legal system, for it will be viewed as the best demonstration for the world to know that the United States is indeed a country where legitimate investments will be protected by the constitution regardless of where they come from,” Wu Jialiang, Deputy General Manager of Sany Group and CEO of Ralls Corp said.

Glut of solar panels poses a new threat to China

China in recent years established global dominance in renewable energy, its solar panel and wind turbine factories forcing many foreign rivals out of business and its policy makers hailed by environmentalists around the world as visionaries, the News York Times reports. Worldwide demand for solar panels and wind turbines has grown rapidly over the last five years, but China’s manufacturing capacity has soared even faster, creating enormous oversupply and a ferocious price war. The result is a looming financial disaster, not only for manufacturers but also for state-owned banks that financed factories with approximately USD18 billion in low-rate loans and for municipal and provincial governments that provided loan guarantees and sold manufacturers valuable land at deeply discounted prices. China’s biggest solar panel makers are suffering losses of up to USD1 for every USD3 of sales this year, as panel prices have fallen by three-fourths since 2008. Even though the cost of solar power has fallen, it still remains triple the price of coal-generated power in China, requiring substantial subsidies through a tax imposed on industrial users of electricity to cover the higher cost of renewable energy. In the solar panel sector, “If one-third of them survive, that’s good, and two-thirds of them die, but we don’t know how that happens,” said Li Junfeng, Director General for Energy and Climate Policy at the National Development and Reform Commission (NDRC). He said he wanted banks to cut off loans to all but the strongest solar panel companies and let the rest go bankrupt. But banks are not eager to take large write-offs, preferring to lend more money to allow the repayment of previous loans. Many local and provincial governments also are determined to keep their hometown favorites afloat to avoid job losses and to avoid making payments on loan guarantees, he said.

“For the leading companies in the sector, if they’re not careful, the whole sector will disappear,” said Chen Huiqing, Deputy Director for Solar Products at the China Chamber of Commerce for Import and Export of Machinery and Electronic Products. The Chinese government also wants to see the country’s more than 20 wind turbine manufacturers, many of which are also losing money, consolidate to five or six. Chinese solar company executives blame their difficulties partly on the United States’s decisions last spring to impose antidumping and anti-subsidy tariffs on solar panel imports, and on the European Union’s recent decision to start its own antidumping investigation of imports from China. Chinese solar power companies are making some cutbacks. Suntech, based in Wuxi, is temporarily closing a quarter of its solar cell capacity. It will transfer a majority of the 1,500 affected workers to other operations and provide severance payments to the rest. Trina Solar also has said it will “streamline its operations” and shrink its work force, but did not provide details. Trina shares have dropped 85% in the last three years and Suntech shares have fallen more than 98% in the last five years. Both trade on the New York Stock Exchange. GTM Research, a renewable energy consulting firm in Boston, estimates that Chinese companies have the ability to manufacture 50 gigawatt (GW) of solar panels this year, while the Chinese domestic market is on track to absorb only 4 GW to 5 GW. Exports will take another 18 GW or 19 GW. China’s official goal is to install 10 GW of solar panels a year by 2015, using 20-year contracts to guarantee payment for electricity purchased from them.

China’s solar industry ‘on life support’

China’s solar panel industry was like “a patient on life support” that would have to undergo radical consolidation and cuts to emerge from the “crisis” of overcapacity, said Li Junfeng, Deputy Director of the Energy Research Institute of the National Development and Reform Commission (NDRC). Panel prices have fallen by 30% over the past year. Li added that at least half of global solar panel manufacturing capacity will have to shut down through “powerful market competition and cruel elimination”. “Without a huge capacity phase-out there is no way to solve this crisis,” he said in an interview with the Financial Times in Beijing, referring to cuts both inside and outside of China. While Chinese solar-panel makers have been slapped by antidumping tariffs and countervailing duties in the U.S., and similar tariffs are under investigation in the EU, Li said the trade tariffs were just the “straw that broke the camel’s back”. According to him the real culprit was the rapid, credit-fueled expansion in Chinese solar capacity that has contributed to today’s global production capacity of about 100 GW, compared with global demand of 30-50 GW. Oversupply coupled with slowing global demand growth led China’s big solar groups such as Suntech, Trina and Yingli to cut production. Deputy Director Li said central government support for China’s ailing solar panel companies would not be forthcoming and the enterprises would need to “take responsibility for their own problems”. He described the recent solar bailouts from local governments as “suicidal” because it will just intensify the problem of overcapacity. Most Chinese solar companies are privately owned, with local governments often holding a minority stake. China’s solar sector would need at least one to two years to complete its natural consolidation cycle, he said, although it could be longer because of the lack of clarity over Chinese bankruptcy laws, the Financial Times reports.

NEA requests proposals for non-grid-connected projects

The National Energy Administration (NEA) has asked local governments to submit proposals for non-power-grid-connected solar power generation projects, whose total scale could potentially exceed targets set under the 2011-15 industry development blueprint. Such projects' power sales would effectively bypass the powerful power distribution monopoly State Grid Corp. Each jurisdiction should propose no more than three projects, whose combined generating capacity should not exceed 500 megawatt (MW). This means, theoretically, a maximum of 15.5 GW of projects could be submitted and approved from the 31 jurisdictions, exceeding the 10 GW target Beijing was aiming at by the end of 2015. By end-2020, Beijing wants solar farms of all sorts with a generating capacity of 50 GW to be built nationwide. Macquarie Securities Analyst Patrick Dai said the target numbers announced by the government were only indicative. “They give a signal that the government is very keen to have them implemented, but whether they can be fully executed is another matter,” Dai said. The biggest challenge was from State Grid, which has the monopoly in building and running power grids in all but five southern provinces. Dai cited the example of privately controlled Weiqiao Group, which had sold electricity in excess of its internal demand to other factories. State Grid and Weiqiao had clashed over such power sales on several occasions.

State Grid to help solar companies to connect to the grid

The Chinese government will support the connection of photovoltaic solar power producers to the national grid with favorable policies, in a bid to expand the domestic market and help the industry get through tough times. “A document on how State Grid will support China’s PV solar industry has been handed to the central government and is waiting approval,” said Meng Xiangan, Deputy Director of the China Renewable Energy Society. State Grid Corp, China’s largest state-owned utility company, is expected to allow local grid companies at city level to approve solar power plants with installed capacities of less than 10,000 kilowatt each to be connected to the grid. State Grid also plans to not charge solar power companies for integration with the grid, which usually costs millions of yuan, and to simplify the process. “The obstacles that companies face in order to be connected to the national grid are the biggest problem for the PV solar power industry, as well as many other new energy industries,” Meng said. The administration will carry out a series of policies to expand the domestic market, enhance industry mergers and reorganizations, and promote innovation. In western areas of the country, where there are rich solar resources, it is especially hard to get connected to the grid. “Distributed solar power generation will allow the industry to develop, as long as the grid-connection problems can be solved,” Meng said. According to the new plan, China’s installed distributed solar power generation capacity will reach 15 GW by the end of 2015, 5 GW more than the target in the 12th Five Year Plan (2011-15). The administration plans to offer subsidies ranging from about CNY0.4 to CNY0.6 for each kilowatt-hour of distributed solar power. "The new subsidy policy means that the more electricity the distributed solar power plants generate, the more subsidy the companies will get," said Meng. "It's a very helpful measure to further open the domestic market," the China Daily reports.

U.S. sets final duties on Chinese solar panels

The United States set steep final duties on imports of billions of dollars of solar energy products from China, but turned down a request from lawmakers and U.S. manufacturers to expand the scope of its order. The Commerce Department said Chinese companies were "dumping" solar cells and panels in the United States at prices 18.32% to 249.96% below fair value, although some individual companies received lower anti-dumping duty rates than in a preliminary decision earlier this year. The Department also set additional countervailing duties ranging from 14.78% to 15.97% to combat Chinese government subsidies, significantly higher than preliminary levels. The Department however turned down a request to expand the scope of its order to include Chinese panels made with non-Chinese solar cells. SolarWorld Americas, the driving force behind the U.S. case, fears that will encourage Chinese producers to simply move cell production to nearby countries to avoid U.S. duties. The United States imported about USD3.1 billion worth of solar cells and panels from China last year, although that figure contains some products not covered by the investigation. SolarWorld's German parent has also been behind a charge in Europe for duties on Chinese solar panel imports. China has warned the U.S. and European cases could damage trade ties and cripple development of the global solar and clean energy sector. The United States also has slapped preliminary duties on wind turbine towers from China. The U.S. International Trade Commission (ITC), must give its approval for the duties to come into force, although importers have been required to post bonds or cash deposits based on the preliminary rates. The ITC vote is set for November 23.

China's Ministry of Commerce (MOFCOM) condemned the U.S. decision, saying the step "signals protectionism" and "hinders the development of new energy". Spokesman Shen Danyang said "the U.S. decision runs counter to global efforts to combat the challenges of climate change and energy security and breaks the country's promise not to take fresh protectionism measures, which was made at the G20 summit". Wuxi-based Suntech Power was given a tariff of 31.73%, and the Changzhou-based Trina Solar Energy received a tariff of 18.32%. Jigar Shah, President of the Coalition for Affordable Solar Energy, said the anti-dumping duties were "a bad decision". The coalition was formed last year by a group of U.S. solar developers and installers to oppose anti-dumping duties. Aaron Chew, Senior Analyst at investment firm Maxim Group in New York, said that all the major players in the Chinese solar industry, such as Suntech Power Holdings, have figured out a way to work around the tariffs by buying cells from Taiwan. Chinese companies also plan to establish factories outside of China and produce solar panels for export to overseas markets, although the U.S. could block this loophole, Barry Broome, President and CEO of the Greater Phoenix Economic Council, called the tariffs "a short-sighted policy. "SolarWorld claimed that Chinese manufacturers received loans allowing them to sell their products cheaply. This is hypocritical. SolarWorld is heavily incentivized in its country," Broome said. Between 2003 and 2011, the German manufacturer received more than €137 million in government aid, according to the Center for Solar Research, the China Daily reports.

Power monopolies obstacle to wind power

China's wind power generators will reach their full potential only if the state-owned power distribution companies lose their monopoly, because the grid operators are reluctant to invest in the hardware and software needed to meet the special requirements of intermittent renewable energy output like wind turbines. The distributors preferred to rely on stable fossil-fuel power and regarded renewable energy as troublesome, said Qiao Liming, China Director of the Global Wind Energy Council. "Technology and funding are not the real issues. If there is a need, the grid companies have the means to make the necessary investment. It is more of a mindset problem," she said in an interview with the South China Morning Post on the sidelines of the Asia Future Energy Forum. About one-sixth of the power from wind farms in the north of China last year was wasted since it could not be delivered to consumers, the State Electricity Regulatory Commission (SERC) said in a report in August. This translated into a revenue loss of CNY6.6 billion when the farms were told by the grid operators to stop their turbines because the grid could not absorb their output. Moreover, at the end of last year, 28% of the nation's installed wind farms were not connected to power grids, according to the Commission, meaning a substantial portion of the wind farms had been idle. The blame has been put on poor government control over the approval of new wind farm projects in the early years when there was a rush to invest, and the failure of the distribution infrastructure to catch up. State Grid Corp, which owns and operates power grids in all but five southern provinces, blamed the poor equipment of wind farms for the many instances when their power had to be dropped from the grid. The stoppages were to protect the whole grid from collapsing due to instability caused by the wind generators, State Grid said. The corporation has since tightened the requirements on wind farm operators, but the bottleneck in grid transmission capacity has yet to improve. This is partly caused by a delay in several large ultra-high-voltage power transmission projects that would send power from the remote energy-rich northern regions to the high-consumption coastal markets efficiently. Qiao said a more fundamental issue was the insufficient research and investment by grid operators on their infrastructure to cater for the special needs of renewable energy. The Chinese government has fostered competition on the generation side by forming five big generation companies. However, transmission and distribution is carried out by State Grid and China Southern Power Grid, both monopolies in their respective regions, the South China Morning Post reports.

- China is considering measures to boost domestic solar power demand to rescue an industry that’s battling with excess output capacity and anti-dumping action from the West. The National Energy Administration (NEA) is promoting the development of distributed photovoltaic power generation, or power generation from many small energy sources.
- Solar power stations have generated more than one billion kilowatt hours of electricity in Qinghai, the largest solar-power-generating region in China, Xinhua reports. The milestone was surpassed in September. The province has been forced to invest heavily in solar power because of the difficulty in bringing electricity to distant settlements, such as in the Qaidam Basin region.
- Debt-ridden Suntech Power Holdings Co is seeking ways to boost the price of its American depositary shares (ADS), after it received a delisting alert from the New York Stock Exchange. “We are confident that we will avoid the delisting and will find ways to pay off our debt by March next year,” Suntech Spokesman Zhang Jianmin said. As of September 10, 2012, the average closing price of the company’s American depositary shares was less than USD1 per ADS over a consecutive 30-day trading period. The company has six months following receipt of the notification to comply with minimum share price requirements.
- Foxconn Technology and GCL-Poly Energy will build and jointly operate a solar-power plant in Shanxi province. They will share revenue from selling electricity to the government from the 310 MW plant, which will use GCL's solar cells, to be assembled by Foxconn, Shu Hua, Executive President of Hong Kong-listed GCL, said.
- Guangxi plans to invest CNY8 billion over the next four years to support power generation from sugar-cane pulp. About CNY3 billion will be used to upgrade generating facilities, with the remainder spent on building biomass-processing power plants. The province is a major producer of sugar cane.
- The Guilin city government in Guangxi will invest nearly CNY5 billion to increase wind power capacity under the province's 12th Five Year Plan. Plans call for two CNY2.5 billion projects in Quanzhou and Gongcheng counties.
- Jiangsu-based Suntech Power, the world's largest maker of solar panels, said it aimed to reduce the non-silicon production costs of its panels by 30% to USD0.55 per watt by the end of the year from last year. Last month, the debt-ridden company said it was temporarily shutting down a quarter of its annual production capacity of solar cells to 1.8 GW. It also set a target to slash annual operation expenses by 20% this year.
- The National Development and Reform Commission (NDRC) has approved 60 photovoltaic projects this year, including seven overseas projects, with installed capacity of around 1.17 million kilowatt. The projects are mainly in western China, including Qinghai and Gansu provinces, Ningxia, Xinjiang and Inner Mongolia. Last year, there were only 36 approved projects, with installed capacity of 0.34 million KW. The government is hoping to stimulate the domestic photovoltaic market through the projects. By the end of 2011, China’s total photovoltaic installed capacity was only 3.6 million KW.

- China's polysilicon imports jumped during the first eight months of 2012 but prices slid, further squeezing profit margins for domestic companies. China imported 56,000 tons of polysilicon in the first eight months, up 32.8% annually, with import prices averaging USD26.92 per kilogram, down 54.2% compared with last year's average import prices, according to the General Administration of Customs. South Korea, the U.S. and Germany accounted for 87.8% of China's polysilicon imports in August.
- The National Development and Reform Commission (NDRC) recently approved several energy projects overseas. Silicon cell producer Hareon Solar Technology won approval to build a 122-megawatt solar-panel power station in Romania, while Winsun New Energy will establish solar power stations in Italy and Greece. "Solar has led a new wave in China's overseas investment," said Han Wenke, Director of the Energy Research Institute under the NDRC. More and more Chinese companies are switching from producing solar wafers to building solar power stations.
- Shanghai's Laogang landfill gas project has started to generate power. It is expected to provide nearly 110 million kilowatt-hours of electricity every year, which should cover about 100,000 households' annual power consumption. With an area of 6.5 square kilometers, Laogang receives nearly 10,000 tons of household garbage every day, 50% of the city's total waste. Laogang has six generators operating at 10.8 megawatt (MW). Next year, three more sets will be installed and the total capacity should reach 15 MW. The burning of landfill gas in Laogang is also expected to save 37,800 tons of coal every year.

POLLUTION

Sinopec orders closure of three Guangdong subsidiaries

Sinopec has ordered three subsidiaries in Guangdong province to shut operations and correct problems that violate pollution regulations. "People who are responsible for the subsidiaries will be seriously punished according to the investigation result," Sinopec said in a statement. The announcement followed local government accusations that three subsidiaries of Sinopec, one in Guangzhou and the others in Zhanjiang, have long been violating environmental rules despite repeated demands from pollution watchdogs for rectification. "They always threaten the government by claiming that what they do is for the national economy and the people's livelihood", Zhou Quan, Director of the Environmental Inspection Bureau of the Guangdong Environmental Protection Administration. The three companies have a combined oil refining capacity of more than 18 million metric tons a year. Sinopec Guangzhou, which operates a refinery petrochemical complex that can process 13.2 million tons of crude a year and produce 220,000 tons of ethylene a year, was found to have stored a large amount of an unidentified liquid in two of its emergency tanks. "The tanks could cause severe environmental pollution in the event of an accident," Zhou said.

Sinopec's Dongxing petrochemical company in Zhanjiang, western Guangdong, was found illegally discharging sewage through its rain drainage system. The Dongxing plant, which was originally a Sino-foreign joint venture founded in 1992, was officially taken over by Sinopec in 2002. The environmental protection authority of Guangdong ordered it to suspend its production in May. However, it later resumed production without permission, Zhou said. Another subsidiary, New Sino-U.S. Chemical, a polystyrene producer with a capacity of 100,000 tons a year in Zhanjiang, was accused of illegally dismantling its sewer system and diluting the waste before discharging it into rain tunnels. The Ministry of Environmental Protection (MEP) has reported 26 pollution cases in the first half of this year, with nine of them related to Sinopec or its subsidiaries, according to China Central Television (CCTV). In Shanghai, a Sinopec subsidiary was fined CNY200,000 in April 2011 for causing a toxic gas leak that affected many parts of the city, the China Daily reports.

Beijing's PM2.5 reports criticized

Beijing's environmental monitoring center real-time report on PM2.5 levels has led to complaints from academics and the public over a "lack of detail". Air quality readings on its website – bjmemc.com.cn – are only available for the previous 24 hours. Even academic researchers cannot access historical data, said Li Jinfeng, a PhD student at Peking University's College of Environmental Sciences and Engineering. "It is not necessary for the government to keep the data secret as it has already been released to the public," she added. For the first time, Beijing has also placed five monitoring stations beside roads, to record how traffic pollution affects air quality. Vehicles are major contributors to PM2.5 pollution. The number of cars in Beijing now exceeds 5 million. According to the city's Environmental Protection Bureau, the density of PM2.5 has decreased over the past 10 years, with the average annual density falling from between 100 and 110 micrograms per cubic meter of air in 2000 to between 70 and 80 mcg/cu m in 2010, due to pollution reduction measures, including a policy to encourage the scrapping of old cars. City officials are determined to cut the concentration to 60 mcg/cu m by 2015 and by a further 10 mcg by 2020. The Bureau says 24.5% of PM2.5 pollution comes from neighboring provinces.

Environmentalists accuse textile suppliers of pollution

More than 20 of the world's biggest fashion brands have been criticized by Chinese environmentalists for ignoring the pollution practices of their Chinese textile suppliers. Environmentalists have called some of the brands, including Marks & Spencer, Disney, J.C. Penney, Ralph Lauren and Tommy Hilfiger, the worst examples of social responsibility by multinational companies in China. Five major non-governmental organizations in China said their appeals to those international fashion brands to check and discipline their polluting suppliers in the Chinese textile industry had been repeatedly ignored. The environmental NGOs, including Friends of Nature, the Institute of Public & Environmental Affairs, the Green Beagle Institute, EnviroFriends and the Nanjing-based Green Stone, released a similar report in April with a list of 33 “irresponsible” brands. While about a third of them took action to address the issues, the rest did not respond. Ma Jun, Director of the Institute of Public & Environmental Affairs, urged consumers to pressure these companies to change. “They can ignore victims, environmentalists and even the Chinese government, but they cannot afford to lose customers. As long as companies such as Marks & Spencer continue doing dirty business with them, the polluters will keep their discharge pipelines running,” Ma said.

A Spokesperson for Marks & Spencer's China headquarters in Shanghai said it had launched an internal inquiry and would release a statement to respond to the accusations. Ma said the Chinese government has been weak when it comes to environmental issues. In some districts of Shaoxing, Zhejiang, the textile industry contributes more than half of the local GDP. The regional economy would collapse if the government imposed high fines that would drive the polluters to bankruptcy. Some suppliers have complained to Ma that the international brands have squeezed their profit margins so much that being environmentally friendly is impossible, the South China Morning Post reports. The report said 19 companies had remained silent on the issue, including Guess, Calvin Klein, Carrefour, Giordano, Armani, Kappa and China's 361 Degrees, Anta and Youngor Group. The report also said that Marks & Spencer and Disney had responded “but in a perfunctory way.” Two factories in Zhejiang Province suspected of being Marks & Spencer suppliers kept discharging toxic gas and waste water, with a strong smell in rivers drawing a lot of complaints from nearby residents, the Shanghai Daily adds.

Dozens hurt in Hainan township power plant pollution protest

Thousands of residents in the coastal town of Yinggehai, Hainan, demonstrated last week against plans to build a large power plant nearby, with dozens injured and more than 100 detained by police. Officers used tear gas to disperse the crowds, who stormed government buildings and fought back using bricks and stones, witnesses said. The protesters oppose the building of a coal-fired power plant in the town. Tang Fei, a Yinggehai native, said: “Yinggehai is a small place, with only 20,000 people, but we try our best to protect our environment. Most villagers from [the villages of] Heishan and Fengtang, where the plant would be built, went to Sanya to call on the municipal government to hear their concerns.” The Sanya government refused to comment, while Chinese media have remained silent on the protests, the South China Morning Post reports.

Monitoring station to be set up in the Bohai Bay

Three marine monitoring stations will be established in Bohai Bay in a major anti-pollution project following oil spills, said Zhang Qiufeng, Director of the Tianjin Marine Environmental Monitoring Center at the State Oceanic Administration. The stations, the first of which will be built next year, will be sited along coastal areas in Tianjin. “The new stations will monitor the bay, collecting data daily on water temperature, pollution and salt content,” Zhang said. The stations will greatly improve forecasts and help coordinate emergency response measures, such as in case of an oil spill, Zhang said. Tianjin currently has only one marine environment monitoring station, in Tanggu at the mouth of the Haihe River, but nearby development means that its ability to monitor the bay area has been reduced. After a recent series of oil spills from offshore drilling platforms, Zhang said measures are urgently needed to protect the Bohai Bay. The bay once accounted for 40% of the country's fishing output, according to the State Oceanic Administration. The Tianjin Marine Environmental Quality Bulletin said last year that coastal water near Tianjin does not meet standards for marine life or safe human use. Along parts of the shoreline, including Jinzhou Bay, zinc levels have been detected at 2,000 times the recommended safety limits, while lead readings were 300% above acceptable levels, it said. Excessive factory discharge and land reclamation projects were the main reasons for the pollution, it said. 128 of China's 181 off-shore drilling platforms are located in the Bohai Bay and the Yellow Sea. Large reclamation projects and booming offshore oil and gas exploration were devastating the bay environment, said Sun Baocun, Professor of Marine Affairs at Tianjin University, the China Daily reports.

Survey of environmental protection industry launched

A nationwide survey examining China's environmental protection industry was launched, said the Ministry of Environmental Protection (MEP). The survey aims to compile scientific data for the nation's policymakers, and will cover the manufacture and operation of resource recycling and environmentally friendly products in 2011. Wu Xiaoqing, Vice Minister of Environmental Protection, said China's environmental protection industry is working hard to transform itself from a manufacturing industry to a service industry, in line with international trends. Environmental service businesses occupy about 50% to 60% of developed countries' environmental protection industries, but the figure in China is somewhere between 15% to 20%. The industry has been growing fast. About 3 million people are providing 30 million kinds of environmental protection products and services in roughly 30,000 enterprises. The total output value of the whole industry is estimated to reach CNY4.5 trillion by 2015, or 2% of GDP.

- Johnson Controls, which makes batteries and interiors for cars, said it would stop manufacturing lead-acid batteries at its Kangqiao plant in Shanghai, eight months after the municipal government ordered it to do so after the factory was linked to contamination cases that sickened some children. The company said in a statement that it would shift its lead-acid battery manufacturing to other facilities on the mainland, which would continue operations. It also said customers would not be impacted by the interruption in Shanghai.
- Chinese Huaneng Group blew up a fairly new dam on the Jidu river, a tributary of the Lancang river, saying the demolition was to protect fish species that had become threatened by the dam. The 12.6 MW hydropower station was built in 2010. The company also said it had scrapped plans to build three more dams on the river.
- The Beijing Municipal Environmental Monitoring Center has completed a network of monitors that will more accurately measure air quality in the smog-ridden city. An additional 15 monitoring stations began releasing real-time data on small particulates known as PM2.5. Beijing started releasing PM2.5 data in January. It now has 35 monitoring stations set up in central Beijing and its suburbs, including near Tiananmen Square, the Temple of Heaven and the Beijing Botanical Garden. The monitors will run for a three-month trial.
- Beijing's sanitation workers cleared 47 tons of rubbish from Tiananmen Square during the October 1 eight-day national holiday, up 24.8% from the holiday week last year. Countless piles of rubbish were left behind by holidaymakers at scenic spots and highways across the country, sparking debate online about how to deal with the problem.
- An effort to reduce the occurrence of northern China sandstorms – which occasionally hit Tianjin and Beijing – will be extended starting next year, at a total cost of about CNY87.7 million over the next decade. A similar 10-year undertaking was conducted from 2000 to 2010, but it focused on just 75 counties in the affected regions. The next effort will target 138 counties in Beijing, Tianjin, Shanxi, Hebei, Shaanxi and Inner Mongolia.

- Two more water utilities in the Pudong New Area started to draw cleaner water from the Qingcaosha Reservoir, the Shanghai Water Authority said. With a capacity of 240,000 cubic meters per day at each facility, the Hangtou and Huinan water utilities will provide cleaner drinking water to more than 1.2 million residents, as they switched from sourcing water from local creeks to the reservoir, which is now providing water to more than 13 million Shanghai residents.
- While some garment factories have left China, in raw material processing sectors such as dyeing and printing, which are responsible for more than 80% of the textile industry's pollution discharges, China is still No 1. The export of printing and dyeing products amounted to almost USD17 billion in 2011, an increase of about 31% compared with 2010, while the export of textile products grew by less than 0.5%. The textile industry created almost 2.5 billion cubic meters of sewage in 2010, ranking third among 39 industries.
- Liu Futang, a former forestry official and campaigner against pollution and destruction of forests in Hainan, was charged with "illegal business operation" for self-publishing books on environmental conflicts caused by government-backed projects. The prosecution is aimed at stifling dissent over widespread pollution in China, analysts said. The charges could result in a jail sentence of two to five years.
- More than 20 people were sent to hospital in Honghu, Hubei province, after an ammonia leak from the Deyan Aquaculture food processing plant left 470 people ill and forced more than 1,000 from their homes. The plant used ammonia as a refrigerating agent.
- The Institute of Public and Environmental Affairs' survey of 113 cities found 78, including many provincial capitals and major industrial hubs, had yet to release information on fine airborne particles, such as PM2.5. "This is a reality check," said Director Ma Jun. "We've seen some breakthroughs in Beijing and Guangdong as a result of the stricter pollution limits, but we also clearly see a widening gap between different regions." Beijing, which in January became the first to publish PM2.5 readings, ranked fifth, with a score of 65 out of 100 on the Institute's Air Quality Transparency Index. The average score of all 113 cities was 21.5.
- China's demand for water treatment chemicals is set to grow 10% annually to reach CNY13.7 billion by 2015, a Deloitte report said. Consolidation is expected to emerge in the market, which is now highly fragmented and dominated by domestic private sector players due to the relatively low market entry threshold. The sector is in its "infancy" and the "landscape could change dramatically over the coming years, according to Deloitte.
- The Zhenhai district government in Ningbo, Zhejiang province, assured the public that a petrochemical plant run by Zhenhai Refining & Chemical that it plans to expand meets "the most stringent discharge standards," after local villagers protested over pollution concerns. The new complex is planned to be built in the Ningbo Petrochemical Economic and Technical Development Zone in the district with a combined investment of nearly CNY55.8 billion. The plant produces paraxylene (PX), a carcinogenic petrochemical used in polyester film, packaging resin and fabrics. The Zhenhai government has spent CNY6.4 billion building 13 residential complexes and 10 shelters, totaling 2 million square meters, for relocated villagers. More than 9,800 households have already moved to their new homes.

GREENHOUSE GAS EMISSIONS

Climate Group calls for commission on carbon market to be set up

The Climate Group suggested Chinese policymakers establish a national regulatory commission for the country's fledging carbon market. To drum up the financing needed to combat climate change, seven emissions trading systems are being tested out in China. The National Development and Reform Commission (NDRC) is now in charge of the systems, but an independent national regulatory commission will be needed when the market becomes more developed, said Wu Changhua, Greater China Director of the Climate Group. She called for a third-party supervisor to be established, noting the potential importance of China's carbon market. Alternatively, an existing government supervision agency, such as the China Banking Regulatory Commission (CBRC) could take up the task. The Climate Group also suggested that the Ministry of Finance set up a special budget item for climate change, noting that funds have been dispersed widely among various categories, hindering efforts to concentrate resources on projects dealing with climate change. The central government invested more than CNY220 billion in energy savings, emissions reduction and the development of new energy sources between 2005 and 2010. Wu said climate finance is an issue of international importance and is also essential for China to establish its own climate finance policies and management systems, the China Daily reports.

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