



The Auto Project on Energy and Climate Change
汽车能源与气候变化—中国项目

MONTHLY NEWS BRIEFING

<http://www.autoproject.org.cn>

AUTO/ENERGY/POLLUTION

Volume III, Issue 4, April. 2006

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General Energy Issues

Nation pins high hopes on green alternatives

April 27 (China Daily) -- Renewable and alternative energy sources are now being used widely throughout some of China's most remote areas.

Until last year, E'erdun Batu, an ordinary herdsman in the Inner Mongolia Autonomous Region, had to use a tallow oil lamp for lighting and burn cattle manure for cooking or indoor heating.

That was his way of life and that of his neighbours who have been living in the region's Xilin Gol League in Inner Mongolia for generations.

However, their lives were radically changed when a new way of energy came to them with the use of electricity by wind power.

Today, small-scale wind-driven generators, part of China's efforts to promote the use of such renewable energy, are now dotted throughout the open land of the league.

So far this new form of alternative energy using wind power has helped put more than 130,000 sets of small-scale generators into operation in pastures throughout Inner Mongolia with electricity supply secured for more than 600,000 herdsman.

And now Inner Mongolia can boast being at the front ranks for renewable energy in China and has the biggest output for this form of energy in the nation.

Renewable energy experts are now stressing that because of China's growing economy, the country can now reduce its heavy dependence on energies based on fossil fuels such as oil and coal through developing various renewable energies on a large scale.

Projects such as the one in Inner Mongolia, they maintain, will help ease China's growing

shortage of power supply and boost the environment by curbing pollution.

With China's rapid economic growth, more and more local authorities and enterprises are attaching great importance to the exploitation of "green energies" including wind, solar, biomass, geothermal and ocean powers.

Within 30 years stocks of China's renewable energies will equal 800 million tons of standard coal, or half of China's existing annual output of standard coal, experts predict.

Local government authorities believe this would provide enormous potential energy for China to tap into for its development in the years ahead.

China is rich in wind power resources. Reserves of the energy have been estimated at 3.2 billion kilowatts with about one-third of this power available for an installed capacity of 253 million kilowatts.

China's wind power reserves and available capacity have been ranked the first of its type in the world.

The country's existing installed capacity of wind power totals 760,000 kilowatts, statistics show.

With the development of wind power supply in some areas, the use of solar energy has progressed in some other provinces of China.

The annual radiant energy China gets from the sun is equivalent to power supplied by burning 2.4 trillion tons of standard coal, statistics indicate.

At present, about 800 solar power stations have been built across the country with an installed capacity of 19,600 kilowatts.

Meanwhile, marsh gas tanks used across China's rural areas have also benefited 13 million residents.

Last year China pooled 1 billion yuan (US\$123.3 million) worth of national debt as investment into further promotion of biogas projects throughout its rural areas.

The use of biomass for energy supplies in rural areas, mostly biogas power generation, has already exceeded 250 million tons of standard coal or about half of the total consumed energy of rural residents in their daily life.

In Jinzhong and Jincheng prefectures of North China's Shanxi Province, marsh gas has become a key energy source of indoor winter heating.

China is also using tidal energy and geohat in its eastern coastal areas and southwest provinces including Yunnan, Sichuan and Guizhou.

Report reveals Asia-Pacific region's ecological footprint

April 25 (china daily) -- Over the past 40 years, the Asia-Pacific region has trebled its consumption of natural resources due to a rapidly growing population and massive economic development. The region now contributes to 40 per cent of the world's use of resources such as food, fibre, energy and water.

The World Wildlife Fund (WWF) report called Asia Pacific 2005 Ecological Footprint and Ecological Wealth, published last Wednesday in Chinese, shows that people in the region's ecological footprint is 1.7 times higher than the rate at which Asia Pacific's ecosystems can regenerate. This means that, at its current rate of consumption, the region needs more than one and a half times its own land and sea space to support its resource demand.

The ecological footprint measures humanity's demand on nature. The footprint of a country is the total area required to produce the food, fibre and timber that it consumes. It also measures how it absorbs its waste and provides space for its infrastructure.

China has doubled its ecological footprint during the 40 years from 1960 to 2001. In recent years, the footprint has remained relatively constant.

The report says economic development at the expense of continued depletion or degradation of natural resources and the environment is not sustainable. It suggests creating more resource-efficient buildings and transport networks in

major cities and advancing innovation in new energy technologies that would free China from the high cost of fossil fuel imports.

Last year, a campaign on energy conservation from air conditioners became a central government policy and is now being implemented in major cities including Beijing and Shanghai.

In rural communities, infrastructure to generate greener and renewable energy, such as wind and solar power as well as biomass energy, are being developed to reduce the reliance on timber.

The environmental awareness of the public is promoting the development of sustainable business, according to Li Lin, head of conservation strategy with WWF China.

In environment-conscious markets, products without labels of environment-friendly certification could not gain market access, said Li.

Two State-owned tree farms in Heilongjiang and Jilin provinces totalling an area of 4,200 square kilometres received Forest Stewardship Council (FSC) certification last year. Youhao Tree Farm in Heilongjiang is a furniture supplier of IKEA, and Baihe Tree Farm in Jilin is exporting a large volume of wooden flooring and doors to Japan, the United States and Europe.

According to Li, certification requires the two tree farms adhere to environmentally friendly practices, including assuring the rights of forestry workers and local communities, controlling amounts and methods of forest harvesting, and protecting forest ecosystems.

There are also several surveys in China that show that some consumers now have a high level of interest in the environment and "environment-responsible" products are winning their favour.

"China is in a unique position to shape the world's path to sustainable development in the coming decades. If China can get the balance right between natural resource consumption and production, we could see a very different future than the current projections," said Dermot O'Gorman, country representative, WWF China.

UTC supports sustainable business

April 26 (china daily) -- As a strong sustainability advocate, George David, United Technologies Corp (UTC) chairman & CEO, feels he shares the same beliefs as the Chinese Government on the issues of energy conservation and business growth.

The Chinese Government's twin goals of increasing GDP and reducing energy intensity may be a new challenge for companies in China to handle, but it is exactly what UTC wants.

David said he believes the policy changes will create a favourable environment for UTC's products to thrive in, which include Otis elevators, Carrier air conditioners and the Pratt & Whitney's aerospace product.

"Our products overcome two essential forces in the world: gravity and weather," says David.

UTC products account for 2 per cent of the greenhouse gas emissions worldwide every year.

"So we are right on top of the conservation agenda."

The company's history in China dates back to a century ago. Otis installed its first elevator in Hong Kong in 1888, and in Shanghai in 1907. Carrier's first installation was in Shanghai in 1911 and was a dehumidification system in a silk spinning factory.

Since then, China has undergone enormous changes, particularly in the area of economic growth.

In its 11th Five Year Plan (2006-10), there are two priority goals: doubling GDP by 2010 and reducing energy intensity per unit of GDP by 20 per cent over the same period.

"To be able to achieve a marked difference in levels of energy intensity is a great challenge for many companies and I see enormous potential in the future if we can all meet this priority," says David.

For example, a new kind of elevator being developed by UTC fits the goal well. Its physics mean that it will use limited electric power.

Elevators consume electric power when lifting loads. They can also give this power back with descending loads, and UTC have started broadening this capability across its product line in the last three years, David says.

"We won't get all the way to 100 per cent efficiency, or zero energy consumption, but these new regenerative systems use 75 per cent less power than comparable models," he says.

Driven by favourable policies, he expects China will be the company's second largest revenue maker this year.

The company installs more than a quarter of China's elevators annually and 20 per cent of its commercial air conditioners. More than half of the jet engines for the country's large wide-body aircraft are built by its subsidiary, Pratt & Whitney.

While some companies doubt the country's mandate on energy intensity reduction will impact their businesses, David says energy intensity gains within a company's operations are equally achievable and powerful.

The result for UTC has been an 18 per cent absolute reduction in energy consumption, measured in kilowatts and BTU (British Thermal Unit), since 1997. But the company still experienced rapid growth.

This statistic shows what can be done with energy intensity without reducing the company's efficiency or operations worldwide, David says. Financial returns on investments to achieve this have been good.

"Do more with less," he says.

He observes the pressure to conserve energy is great in China for reasons unique to the country.

Greatest among these is the force of urbanization, he adds.

The United Nations concludes that 80 million Chinese have urbanized in the last five years

and that a further 250 million will in the next 20 years.

The consequence for China is a building boom never seen before, with associated energy and capital demands, David says.

"We can certainly confirm this boom from our elevator business, where we estimate the current elevator market in China is approaching a third of the world's total," he says.

Energy-efficiency goal sets many on path of innovation

April 27 (china daily) -- After five years of efforts to promote an energy-saving invention in East China's Anhui Province, Na Xuefang seems close to realizing his dream.

He has found a big client in neighbouring Jiangsu Province for his powder, an additive to coal that helps it burn more efficiently. Na needs his product to be a success because by the end of last year, all the money he put into the project was spent.

Na had to give up his office in Hefei, Anhui's capital, and move into a small room in a suburb for a rent of 100 yuan (US\$12.5) per month, where he continued to promote his invention.

"I hope the newly-released long-term scientific plan, which prioritizes energy-saving technology, will serve as a turning point for my invention," Na said.

A nationwide call to turn China into a resource-saving country has sparked the zeal to make energy-saving technological advances.

But some environmental experts say that innovations alone are not enough and that the government needs to set the proper foundation to take advantage of them through establishing the right laws and policies.

In the National Guideline on the Medium- and Long-Term Programme for Science and Technology Development (2006-20), issued by the State Council in February, developing energy-saving technology is a high priority.

In his report to the National People's Congress last month, Premier Wen Jiabao called on the nation to cut energy use per unit of gross domestic product (GDP) by 20 per cent by 2010 from the 2005 level.

China's high consumption of energy has raised widespread concern. According to a national guideline released in 2004 by the National Development and Reform Commission (NDRC), China's energy consumption was 3.1 times the world's average per unit of GDP in 2002.

To reach the energy-saving goal, policies are being drafted, including establishing an index to evaluate how local governments have cut energy consumption in relation to GDP growth.

The policy to encourage energy saving promotes researchers seeking new approaches. Ceaseless efforts

Na was one of them.

Since 1991, Na, who was trained in chemistry, has been engaged in developing a way to make coal burn more efficiently.

"I often saw after burning that much unburnt coal was left. This was a great waste," Na said.

"In coal mining areas of Henan Province, people pour salt onto high-sulphur coal to make it burn more fully. That caused me to think about finding other chemical additives."

In nine years of experiments, Na found that some chemicals would lower the temperature for coal to start burning, and that others produce oxygen in the stove. The two chemicals, when combined, resulted in more efficient burning. He also mixed some chemicals into his additive to dissolve sulphur dioxide, a major pollutant from high-sulphur coal.

In the late 1990s, Na eventually succeeded in making the additive. According to Tang Hanyong, deputy director of the government-backed Anhui Technological Promotion Centre, Na's powder can make coal burn up to 20 per cent more efficiently and reduce the emission of sulphur dioxide, sulphur trioxide and carbon monoxide. It obtained an invention patent from the State Intellectual Property Office in 2000.

"Considering the price of the additive, coal users will still save at least 12 per cent on their coal costs," Na said.

However, he used up much of his money and could not get his invention into production. "Many investors are interested in my project, but all of them set conditions unacceptable to me," Na said.

Returning to his hometown, Wuwei County in Anhui, in late 2000, Na hoped his product could win the favour of power stations and other major coal users in his hometown.

But not one company in Anhui has committed to use Na's powder so far.

"Once Na had earned some money, he spent it to have samples of his powder made and then took it to electricity generation factories or major coal users for a demonstration," Tang said.

"Each time the expected effect was achieved, but still no one would use it."

Na said the next step should be taken by the government. "Although State policy has stressed energy-saving, no punitive taxes have been waived to encourage people to truly reduce energy use," he said.

"For private entrepreneurs, it makes sense even if the powder can reduce just 5 per cent of their costs."

Solar-heated water

Wu Lin, of Jiangsu-based Huihuang Solar Energy Co Ltd, is much luckier. The engineer of a solar energy water heater, Wu has long been puzzled by the heater's inherent problem: not enough hot water on cloudy or rainy days.

The technology to store the captured solar energy within the heater has been developed, but the result is still far from ideal.

"One day, we suddenly thought of storing the energy outside the heater," Wu said.

Through thousands of experiments, Wu and his colleagues developed an energy collection system, which consists of a water-collecting plate and heat storage and transfer equipment

below the floor of the bathroom and a link from the cold water pipeline to the heat transfer equipment.

Used hot bath water, then, will raise the temperature of the cold water below the floor, and the newly heated water will then connect with the tap water for continuing bathing and/or washing hands or clothes.

For a 100-square-metre flat that uses an electric or a gas water heater, the 1,900-yuan (US\$236) equipment could save up to 1,500 kilowatt-hours of electricity worth 700 yuan (US\$87) per year, Wu said.

Wu's company has launched the equipment and plans to promote it among real estate developers. The Ministry of Construction requires that by 2010, the per capita energy consumption of China's buildings should be reduced by 50 per cent. "Our invention alone can contribute 13 per cent to that goal," Wu said. In a separate move, researchers in Harbin, capital of Northeast China's Heilongjiang Province, developed last year a cheap way to keep residents warm in winter using untreated sewage.

The device extracts heat from sewage that is temporarily diverted on its way to the processing plant. "The device can reduce the cost of heating systems by 20 per cent," said lead researcher Sun Dexing, a professor in the environmental science department at Harbin Institute of Technology.

Chinese scientists are pushing other basic research, as well. The Shanghai Institute of Ceramics, part of the Chinese Academy of Sciences, has been developing a solid oxide fuel cell (SOFC) inside which a chemical reaction produces high efficient and clean energy. "With the decreasing costs of the fuel cells, the application can be used more widely, and its highly efficiency will help us save a significant amount of fossil fuels," said Luo Hongjie, director of the ceramics institute.

Low-carbon initiatives

Other researchers have proposed measures to turn China into a country that uses less carbon. At a recent workshop on the development of low-carbon methods by the Research Centre for Sustainable Development under the Chinese Academy of Social Sciences, Chen Ying, the

centre's deputy director, said that to reach this goal, China needed to launch various initiatives, like the UK-based Carbon Trust, that link government policies to industrial strategies.

According to Michael Grubb, director of policy of the Carbon Trust, the non-profit organization that receives funding from the government but is operated by private entrepreneurs has been committed to offering long-term, low-interest loans to industry to reduce energy consumption, and to providing grants to institutes and companies for their energy-saving research.

"The government has given big money for developing energy-saving technology to institutes or major enterprises, but because many institutes lack a sense of what market demands are, a lot of resulting inventions can hardly be applied," Chen said.

She also advocated establishing a network consisting of public and private funds, consulting firms to offer energy-saving solutions for enterprises, and contracting research organizations to do specific energy-saving research.

But she also put the ball in the government's court.

"The network has to be supported by clear policies, such as imposing a high-energy consumption tax and reducing taxes for energy savers," Chen said.

Alternative energies a hot topic

April 24 (xinhua) -- SOARING oil prices have become a driving force behind the development of alternative energies, said leading energy experts at the Boao Forum for Asia's annual conference on Saturday in Hainan Province.

The closing price of crude oil on the New York Mercantile Exchange skyrocketed to a record of over US\$75 per barrel on Friday.

Zhang Guobao, vice minister in charge of the National Development and Reform Commission, said that high oil prices bring about not only challenges, but also opportunities.

It will not only promote investment in world oil

exploration and production, but also in alternative energies and energy saving, he said.

Utz-Hellmuth Felcht, chairman and CEO of Degussa AG, agreed with Zhang. He said major international chemical companies including his own are searching for alternatives to relieve the pressure on consumers.

The Energy Policy Act of the United States issued in 2005 aims to increase the annual consumption of fuel alcohol or bio-fuel to 7.5 billion gallons by 2012.

Energy per GDP

Jiro Nemoto, Honorary Chairman of NYK Line, said that as the world's top oil importer, Japan has developed the highest energy consumption efficiency in the world.

Citing the International Energy Agency, Nemoto said if the energy consumption of Japan for producing one unit of GDP is denoted as one, then that of the European Union is 1.6, the United States 2.7, South Korea 3.3 and China 9.

There is still a lot of inefficiency in China's industrial structure and the energy consumption for producing one unit of GDP is off the charts when compared with developed countries, said Zhang Guobao.

But looking at it another way, he said, it also leaves ample room for China to improve its energy structure and efficiency.

China has made great efforts in developing alternative energies, said Zhang. According to him, China's experiments of alcohol-mixed gasoline in northeast and central China have progressed. The NDRC now plans to expand it to other regions.

And the project to refine coal into oil by Shenhua Group Corporation Limited, one of China's largest coal producers, will be completed next year, he said.

Speaking at a meeting on energy development on Thursday, Premier Wen Jiabao called for effective measures to ensure the implementation of the government's energy saving and renewable development policies.

Renewable energy

The meeting also asked major state-owned energy companies to develop renewable energies, said Zhang.

The current oil price has far exceeded its real value, therefore governments and enterprises need to work together to tackle this issue, Zhang said.

"The current price is much higher than it should be, since there is no real crude oil shortage in the world," Zhang said.

The price of crude oil is "likely to climb a little higher" amid concerns about Iran's nuclear ambitions, Zhang said.

Elsewhere, finance leaders from the Group of Seven nations on Friday expressed concerns over soaring oil prices and called on more investment in the production of oil and oil products.

In a joint statement after a closed-door meeting of G7 finance ministers and central bankers, it said strong global economic expansion continues into its fourth year and the outlook remains favorable. But "risks remain from oil market developments, global imbalances and growing protectionism."

"We are strengthening the dialogue between oil producers and consumers to further improve market transparency through the release of more complete and timely data on production, consumption and inventories, and for clear reporting of oil reserves," the statement said.

G7 countries "urge investment in exploration, production, energy infrastructure and refinery capacity" and "remain committed to greater energy efficiency, conservation and diversification, which will improve the balance between supply and demand."

The finance officials also called for more flexible exchange rates to help redress global economic imbalances.

"We reaffirm that exchange rates should reflect economic fundamentals" and "excess volatility and disorderly movement in exchange rates are undesirable for economic growth," the statement said.

"Greater exchange rate flexibility is desirable in emerging economies with large current account surpluses, especially China, for necessary adjustments to occur," it said.

Saudi may set up strategic oil reserve in China

April 24 (Agencies) -- Chinese President Hu Jintao discussed a proposal to set up a Saudi-fed strategic oil reserve in China during a visit to the kingdom which has seen the signing of energy and defense deals, a Chinese official said.

The plan was raised during Hu's talks with King Abdullah on Saturday and both sides want to see it through, the official said, requesting anonymity.

The reserve would be on top of the oil supplies Saudi Arabia exports to China for its daily needs, and which reached some 22.18 million tons last year, he said Sunday.

The reserve would be set up in a coastal city in southeast China, to be used by Beijing in case of emergency.

The official did not say how much oil would eventually be stored in the reserve. But he said Riyadh and Beijing were discussing the feasibility of the plan and ways of cooperating to carry it out.

Hu toured the headquarters of state oil conglomerate Saudi Aramco in the eastern oil hub of Dhahran on Sunday.

China's Sinopec is building a refinery with Aramco in the southeastern Chinese province of Fujian. Another joint refinery venture is planned in Qingdao city.

Saudi Oil Minister Ali al-Nuaimi has been accompanying Hu during his meetings.

The Chinese leader arrived in the oil-rich kingdom Saturday. Hu and Abdullah on Saturday presided over the signing of a series of agreements, including one between Sinopec and Aramco.

The agreement provides for strengthened cooperation in gas exploration and possible cooperation in oil exploration, a Chinese official said.

An Aramco statement said the agreement provides for an integrated refining and ethylene project in Fujian to begin production by early 2009.

It also stipulates that the two sides will further efforts to agree on terms for Aramco's participation in the Qingdao refinery project, which is planned to go on stream in 2008.

The Chinese leader discussed a proposed 5.2-billion-dollar energy venture in China with officials of Saudi petrochemical giant SABIC.

Hu also held meetings with Saudi businessmen, including one with billionaire entrepreneur Prince Alwaleed bin Talal, who said afterwards he had been urged to increase his investments in China, where he is involved in the hotel and banking sectors.

In a speech Sunday before the Shura Council, an appointed Saudi advisory body, Hu urged the enhancement of dialogue and cooperation among all civilizations in a bid to build a harmonious world.

Efforts should be made to enhance cooperation among all civilizations and ethnic groups to promote the great cause of mankind's peace and development, Hu said.

"In order to build a harmonious world, we should endeavor to preserve the diversity of civilizations and courses of development, adhere to dialogue and exchange of views between civilizations, uphold the spirit of inclusiveness, allow cultures to complement one another through competition and develop together by seeking common ground while shelving differences," the Chinese president said.

Hu said all countries should acknowledge the differences in cultural traditions, social systems, values and courses of development of other countries.

In no way should we use these differences as a pretext to point a finger at other countries' internal affairs, nor should we blame any

civilization, nationality or religion for the world's existing disputes and conflicts, the president stressed.

Hu was only the second foreign leader to address the Shura Council after French President Jacques Chirac, who gave a speech to the all-male body in March.

The Chinese president, who came from the United States, is due to leave for Morocco on Monday and go on to Nigeria and Kenya.

Firms told to cut energy use to meet state goal

April 20 (shanghai daily) -- CHINA has asked more than 1,000 major industrial manufacturers in the country to cut combined energy use equivalent to 100 million tons of standard coal in the next five years.

The savings will help realize the government's target to trim the amount of energy used to produce each unit of gross domestic product by 20 percent by 2010.

According to the National Bureau of Statistics, China's energy consumption for every 10,000 yuan (US\$1,250) of GDP was 1.43 tons of standard coal based on revised GDP figures in 2005. That compares with 0.93 ton for Shanghai.

According to media reports, China uses six times more energy than Japan and 3.5 times more energy than the United States to produce one unit of GDP.

In a statement posted on its portal this week, the National Development and Reform Commission ordered 1,008 firms - mostly in power, petrochemical, coal, steelmaking and paper industries - to submit their energy usage assessment and conservation plan for approval within half a year.

Among them, 14 companies are based in Shanghai, including Baoshan Iron & Steel Co, Sinopec Shanghai Petrochemical Co and Shanghai Electric Power Co.

Baoshan Steel said its energy consumption per ton of steel produced was 686 kilograms last year, matching the global level.

These companies' already higher production efficiency makes Shanghai's energy consumption rate a third lower than the national average.

Still, the commission required the reports by the 1,000 companies to include their current energy consuming efficiency and concrete measures on their energy saving plans. Those who failed to get approval would have to resubmit within three months.

The commission said these companies, which consumed energy equivalent to 670 million tons of coal in 2004, or a third of the nation's total energy consumption, must invest in energy conservation technology.

The top planning agency also said details of these companies' energy consumption will be published in select official newspapers every April.

Shanxi to auction off coal mines

April 18 (china daily) -- Shanxi, the Chinese province that produces more coal than any other, will sell three coal mines with combined reserves of up to 300 million tons by June.

Each of the three mines has a reserve of between 50-100 million tons, according to an official with the trading centre of Shanxi Land and Resource Bureau.

Two of the mines are located in the counties of Lanxian and Xiangfen. The location of the third has not been disclosed.

The resource-rich province will sell the mining rights through a competitive bidding process, the official said.

"We have received approval from the provincial government," the official said.

According to industry regulations, coalmines with reserves of more than 100 million tons have to obtain national-level approval before they can be sold.

Those with less than 100 million tons of reserves can be sold with approval from the provincial government.

The government official yesterday refused to reveal how long the mining rights would last for, how much they wanted for them and whether foreign investors would be allowed to be involved.

Huang Teng, a senior industry consultant, who previously worked with China Coal, the country's second-biggest coal producer, said government policies do not block foreign control of coalmines, except for coking coal that is scarcer.

A researcher with the Ministry of Land and Resources, who declined to be identified, yesterday said the government was cautious about approving foreign ownership of China's energy resources.

China is the world's largest coal producer and consumer. Last year, the country produced 2.1 billion tons of coal to drive its fast-growing economy, a quarter of which came from Shanxi Province.

Wu Chenghou, executive director of China Coal Sales and Transportation Association, earlier said coal production this year is expected to be 2.26 billion tons, while demand could be 2.25 billion tons.

China, the world's second-largest energy consumer after the United States, depends on coal for about 70 per cent of its energy needs.

The fuel will continue to be the country's primary energy source for the coming decades, industry analysts have said.

Meanwhile, the Chinese Government has invited bids to build three wind farms, which have a total capacity of 700 MW (megawatts), the nation's top economic planning body said.

The cost of building these farms could reach 7 billion yuan (US\$863 million), an industry analyst predicted, saying costs could be up to 10,000 yuan (US\$1,233) per kilowatt.

A wind power plant of 300 MW will be built in the Inner Mongolia Autonomous Region in North China.

Another farm with a capacity of 200 MW will be based elsewhere in the autonomous region, the last will be in Hebei Province, the National

Development and Reform Commission (NDRC) said yesterday said on its website.

This is the fourth round of competitive bidding that the NDRC has conducted for wind farm construction in China since 2003.

By the end of last year, China had built wind farms with a total capacity of 1,260 MW.

That figure is scheduled to increase to 30,000 MW by the year 2020, the NDRC has said.

National wind power facility manufacturers are being told to participate in this bidding process.

Shi Pengfei, vice-president of the Chinese Wind Energy Association, said yesterday this would help increase domestic companies' involvement in wind farms.

The government says that at least 70 per cent of generation facilities must be manufactured domestically.

And price will not be the only determining factor.

"Prices now count for only 30 per cent towards whether a firm wins a bid, compared with the previous 40 per cent," Shi yesterday told China Daily.

The remaining 70 per cent will be decided by the quality of equipment, and a company's operation and management, he added.

Shenhua cooperates with Peabody Energy

April 28 (xinhua) -- China's biggest coal producer, China Shenhua Group, and Peabody Energy have signed a memorandum of understanding to pursue business development opportunities of mutual interest, according to Peabody Energy in Beijing Thursday.

The agreement formalizes the parties' mutual interest in working together in coal and coal-related projects and initiatives, Peabody Energy said in a press release.

In coming months, the companies intend to identify specific projects for cooperation, including possible development of coal projects both in and outside of China and the exchange of best practices.

Peabody Energy is the world's largest private-sector coal company, with 2005 sales of 240 million tons of coal and US\$4.6 billion in revenues. Its coal products fuel approximately 10 percent of all United States and 3 percent of worldwide electricity.

"This is a very positive first step in advancing a strategic alliance between the world's largest coal company and the leading coal-based energy company in China," said Peabody President and Chief Executive Officer Gregory H. Boyce.

China seeks responsible energy co-op: FM

April 28 (xinhua) --Chinese Foreign Ministry spokesman Qin Gang said Thursday that China has been seeking energy cooperation with other countries in a responsible way.

"China is a responsible country and China's energy cooperation with other countries has helped improve their standards of living," Qin said when asked to comment on criticism that China rates oil above human rights in seeking energy cooperation.

He said China encouraged peace, cooperation and development on the international stage and its cooperation with other countries was based on the principle of mutual benefit.

"China will never follow the same disastrous road of the western colonists who bloodily plundered and violated human rights," Qin said.

Qin said China had played a positive role in promoting stability and peace in the Sudan.

"In addition to economic cooperation, China helps local people improve their lives and develop their economy. China also faithfully carries out U.N. resolutions and dispatched peacekeeping forces to Sudan."

Chinese premier stresses energy saving

April 21 (xinhua) --Chinese Premier Wen Jiabao has called for effective measures to ensure the implementation of the government's energy saving policies.

Speaking at a meeting on energy development on Thursday, Wen said energy saving deserves equal attention to that on energy exploitation, and should be regarded as one of the country's foremost tasks.

Great efforts must be made to develop renewable energy, increase energy supply and adjust energy demand, he said.

Though the nationwide energy shortage has been eased since last year, the situation is still tough, and the shortage will continue for a long time, the national energy development leading group said in a circular released after the meeting.

The country must accelerate the adjustment of its economic structure and the transformation of its economic growth mode, the circular noted.

It said industries with high energy cost must give priority to saving measures, and energy-saving technologies must be promoted.

It is also necessary to improve the technological standards of the country's energy industry and to further improve legislation on energy development, the circular said.

The meeting also reviewed the draft national medium and long-term plan for the development of renewable energy.

Automobile and Transportation

Car manufacturer sees turnover surge

April 22 (china daily) -- HONG KONG: Dongfeng Motor Group Co Ltd, the mainland's third largest car manufacturer, saw its turnover surge to 41.7 billion yuan (US\$5.2 billion) in 2005, an increase of 27.5 per cent year- on-year.

The Hubei-based company reported that its sales volume amounted to 595,000 units in 2005, 40.7 per cent up from the previous year.

Its market share in the mainland's car market increased from 8.3 per cent in 2004 to 10.3 per cent in 2005.

The company saw its sales of passenger vehicles amount to 351,219 units in 2005, shooting up by 98.5 per cent from the previous year.

Sales of passenger vehicles produced by its three joint ventures - Dongfeng Nissan, Dongfeng Peugeot Citroen and Dongfeng Honda - grew by 139 per cent, 58 per cent and 151 per cent respectively in 2005.

Dongfeng Motor's net profit also soared by 21.3 per cent to reach 1.6 billion yuan (US\$200 million) in 2005, exceeding its own forecast of not less than 1.5 billion yuan (US\$187.5 billion) announced when it launched its public offering in Hong Kong at the end of 2005.

Xu Ping, chairman of Dongfeng Motor, felt satisfied with the company's results in 2005, describing them as "inspiring ones" that marked a good beginning. The achievements came despite overcapacity and price wars.

The company is expected to launch at least 10 types of passenger vehicles by 2008, with two to three new models annually introduced by Dongfeng Peugeot Citroen and Dongfeng Nissan, and one to two new models from Dongfeng Honda Automobile every year.

Dongfeng Motor will remain keen on developing commercial vehicles such as heavy and light vehicles.

As the largest maker of heavy vehicles and with the second-largest market share for light vehicles on the mainland, Dongfeng Motor is about to introduce a series of new commercial vehicles.

"We will further strengthen our heavy and light vehicle segments in the next three years by introducing more new models into the local market," Hu Xindong, a managing director of the company told China Daily.

Hu said to sustain the company's expansion, Dongfeng's capital expenditure for 2006, 2007 and 2008 would amount to a total of 20 billion yuan (US\$2.5 billion).

As for development in 2006, Xu expected his company's growth rate to be quicker than the average growth rate of China's car market.

Xu indicated that there would be no big price cuts in 2006 and that a weakening steel price would help the company to further extend its profit margin.

Tongji inks hybrid deal with Italy

April 21 (shanghai daily) -- TONGJI University will team up with several Italian auto manufacturers to research hybrid motorcycles that are expected to significantly reduce emissions and save energy, Tongji officials revealed yesterday.

Tongji signed an agreement with the Italian Ministry for Environment and Territory yesterday to set up a Sino-Italian Sustainable Urban Mobility Research Center in the city.

Tongji researchers have already done some theoretical work on the hybrid motorcycle, but have yet to build a prototype. The motor will be designed to use multiple fuels - mainly electricity plus gasoline or natural gas.

It will be able to switch between the two power systems depending on the situations. If the motorcycle is waiting at a red light or running at a very low speed, the motor will shut off the gasoline engine and rely simply on electrical power.

That is expected to ease environmental pollution by reducing emissions by about 30 percent, Tongji officials said.

During the acceleration process, the electric engine is also able to help the gasoline engine reach a high speed within a short period. That is expected to reduce power consumption and improve engine efficiency by 30 percent, researchers said.

The Italian government will put up 1 million

euros (US\$1.23 million) to build 10 prototypes over the next 18 months.

China putting brake on auto investment

April 27 (AP) -- China is moving to slow investments in the auto industry, officials said Thursday, one of several steps being taken to cool growth in sectors whose growth is outstripping demand.

Senior officials at China's main economic planning agency said measures to prevent excess investments in the auto industry would be implemented soon.

Those steps follow control measures for other industries such as ferrous alloy, aluminum, coke and cement, He Yanli, vice director of the National Development and Reform Commission's industry department told Dow Jones Newswires while attending a conference in Beijing.

Both foreign and domestic auto companies have been pouring billions of dollars in new investments into new vehicle factories. In March, China's Cabinet warned against overcapacity problems and said the government would limit its approvals for new auto companies.

Robust investments, sometimes in redundant capacity, are helping to keep economic growth at unsustainable levels, the government has warned. In the first quarter of this year the economy grew 10.2 percent year-on-year, the fastest pace in more than a year and well above government targets for bringing growth down to 8 percent or below.

First quarter investment in construction and factory equipment, known as fixed asset investment, rose 29.8 percent over the same period in 2005, also well above expectations.

China's car sales in the first three months this year rose 74 percent from the same period a year earlier to 890,000 units, the official Xinhua News Agency reported in early April, citing data from the China Association of Automobile Manufacturers.

The local auto industry began to pick up last year after slowing significantly since mid-2004 when the government took measures to curb bank lending to various sectors that it viewed as being in danger of overheating, including the auto industry.

Meanwhile, the government said it will shut small coke production facilities by the end of 2009 to help reduce overcapacity in that industry.

The move follows the setting of lower output capacity targets for the ferro-alloy, cement and aluminum industries earlier this week.

Domestic prices for coking coal, used to make steel, have been falling as demand lags behind supply, causing losses.

Coke producers must close coking units with a height of less than 4.3 meters (14 feet) in eastern China by 2007 and in the west by 2009, the National Development and Reform Commission said in a statement posted on its Web site Thursday.

Taxi-fare hikes get green light at hearing

April 27 (china daily) -- Beijing seems set to raise taxi fares from 1.6 yuan (20 US cents) to 2 yuan (25 US cents) per kilometre.

At a public hearing yesterday, 56 per cent of attendees agreed to the pricing plan, which aims to offset the impact of up-to-50 per cent hikes in fuel prices since 2000.

The plan was submitted by the Beijing Municipal Transportation Bureau to the city's pricing regulator earlier this month.

"We are trying to find a solution so that taxi companies, drivers and passengers share the rising costs," said Ding Baosheng, director of the transportation bureau.

Organized by the Beijing Municipal Commission of Development and Reform, the hearing invited 25 representatives from business operators, drivers, consumers and experts. Ten city residents attended the hearing as observers.

To reduce the impact of higher costs, taxi companies and the government have been subsidizing drivers since 2000, said Hu Yongxin, manager of Xianglong Taxi Company.

The subsidies range from 500 yuan (US\$63) to 670 yuan (US\$84) each month. But when the new fares come into force, the subsidies will be lowered as drivers are expected to benefit from the rising fares.

But according to Wang Qianhu from the China Consumers' Association, this means "transferring the rising cost directly to consumers."

He criticized some companies for seeking compensation while conveniently ignoring falling car prices, which have considerably reduced their operating costs from a decade ago.

For example, a Jetta is sold at about 80,000 yuan (US\$10,000), less than half the price 10 years ago.

"I hope the pricing regulator takes all cost-related factors into account so that the new pricing plan can be reasonable and acceptable to all sides," Wang added.

Li Yong, a member of the municipal political consultative conference, said raising taxi fares is not the only solution; the government should also consider other energy-saving measures such as restricting the number of cruising taxis and encouraging call taxis.

Many taxi drivers are reportedly opposed to the new pricing plan for fear the rising fares will turn more customers away to unlicensed cabs, estimated at 72,000, compared to 66,000 licensed ones.

At a similar public hearing held in Shanghai this month, most participants supported fare hikes.

But many suggested that local taxi companies shoulder more of the costs rather than passing them on to passengers.

Fares have not been raised in Shanghai since 1998, but operation costs have risen by up to 38 per cent, mostly because of soaring oil prices. The flag-down fare is now 10 yuan (US\$1.2)

while the price per kilometre beyond 3 kilometres is 2 yuan.

Ford to add 2,000 jobs in China as 1st-qr sales doubled

April 22 (Bloomberg) -- Ford Motor Co., which reported its biggest quarterly loss in more than four years yesterday, said it plans to add 2,000 employees for its ventures in China, where sales more than doubled in the first quarter.

The world's third largest carmaker's sales in China rose about 120 percent, led by a 147 percent increase in Focus compact cars, Mondeos and Fiestas to about 27,000 units, Ford Motor China Ltd.'s Chief Executive Officer Cheng Meiwei said.

"We're hiring because we're in a growth mode," Cheng said in an interview at Boao Forum for Asia in southern China's Hainan island yesterday. He declined to give profit or other performance figures.

Ford's growth in the world's second-biggest automotive market comes as its global revenue fell 9 percent to \$41.1 billion in the first quarter.

The Dearborn, Michigan-based company posted a \$1.19 billion loss with costs of \$1.65 billion related to 30,000 job cuts and 14 plant closings for North America by 2012.

Ford, which announced a \$1.5 billion China investment plan in 2003 to take on General Motors Corp. and Volkswagen AG, had about 1.5 percent of China's vehicle market last year, compared with Volkswagen's 17.3 percent and General Motors Corp.'s 11 percent.

"Our long-term goal is to become one of the top three automobile manufacturers in China," Cheng said, adding that that would require a 10 percent market share.

Ford's sedan venture with Chongqing Changan Automobile Co., is raising the production capacity at its plant in southwest China's Chongqing city by 33 percent to 200,000 units by May and plans to open a new factory in eastern China's Nanjing city next year.

The 2,000 new employees, to be hired over three years, will mostly be for the Nanjing plant. Ford currently has about 12,000 employees at Changan Ford and at its 30 percent owned Jiangling Motors Corp. in Nanchang, eastern China, which makes Transit vans.

Van sales rose 57 percent to about 6,000 units in the first quarter, Cheng said.

Hyundai starts building 2nd China plant

April 18 (AP) -- Hyundai Motor Co., South Korea's top vehicle maker, said Tuesday it began construction on its second auto plant in China, a project involving a total investment of \$1 billion.

The Beijing plant, which will also include a new research center, will have an annual capacity of 300,000 vehicles as Hyundai expands its presence in the world's fastest-growing auto market, the Seoul-based company said in a statement.

"Through continuing growth in China, which is an important center of our global strategy, we will establish our firm position as a global auto maker," Hyundai Chairman Chung Mong-Koo said in the statement.

Once construction is completed in 2007, Beijing Hyundai Motor Co., a 50-50 joint venture with between Hyundai and Beijing Automobile Investment, will have an annual production capacity of 600,000 vehicles a year from 2008, the statement said.

Hyundai Motor already has a plant in Beijing with an annual capacity of around 300,000 vehicles.

The new plant will create about 3,200 jobs and will add five new models in China, on top of five models that are currently being produced at Hyundai's existing plant.

Beijing Hyundai Motor sold 66,814 vehicles this year through March from a 2006 sales target of 300,000 vehicles. In 2005, Beijing Hyundai sold 233,668 vehicles.

Hyundai, along with its affiliate Kia Motors Corp., aims to become the world's sixth-largest carmaker by 2010 and is aggressively expanding overseas production to meet the goal.

Last month, Hyundai announced that it will build a plant in the Czech Republic, while Kia will build a plant in the U.S. state of Georgia.

Hyundai currently has four overseas production bases in China, India, Turkey and the U.S.

GM will bump up Chevrolet's China sales

April 13 (china daily) -- General Motors Corp, which had record sales in China last year, said it will boost sales of its Chevrolet-brand cars by at least 50 per cent this year in China helped by rising demand for cars with small engines.

Detroit-based GM may increase sales to 155,000 units this year from 105,000 units last year, said Dale Sullivan, the Chevrolet brand director at GM China Group. The maker of Aveo and Sail compact cars also plans to introduce one more new Chevrolet model around November this year while doubling the number of its dealers to about 200.

"We will have at least a 50 per cent increase in 2006," Sullivan said on Tuesday. "It may be even better than that depending how the market is going."

GM, Honda Motor Co and other automakers are rolling out more compact cars in China to tap rising demand for small and medium-sized vehicles that are equipped with engines between 1 and 1.6 litres. Sales of cars in the range accounted for half of the total car sales in China last year, according to China Association of Automobile Manufacturers. The Chevrolet brand accounts for about a third of GM's sales in China.

GM had US\$10.6 billion in losses last year. The most profitable region of the world for the carmaker was Asia-Pacific, where it had earnings of US\$524 million, driven by higher sales in China.

Automakers in China are competing for first-time buyers as rising individual incomes in the country make cars more affordable. Average

wages for urban residents almost doubled over the past five years, according to government data. Per capita disposable incomes in urban areas home to two-fifths of the nation's 1.3 billion people rose 9.6 per cent in real terms last year.

The number of automobiles in China rose 21 per cent to 43 million units last year with the number of privately owned vehicles increasing 22 per cent to 2.37 million units, according to the National Bureau of Statistics.

GM, which has four manufacturing ventures in China, currently makes five Chevrolet models in China including the Spark, Sail, Lova and Aveo compact cars.

China's auto sales to hit 4 mln

April 10 (xinhua) -- China's passenger vehicle sales may hit 4 million units this year, making it the second largest auto consumer in the world after the United States, the China Business News reported on Monday.

According to figures from the China Association of Automobile Manufacturers, China's passenger vehicle sales soared to an all-time high of nearly 1 million units in the first three months this year.

Most of the automakers saw their sales surging by over 60 percent in the first quarter.

Shanghai General Motors sold 89,513 cars in the first three months, followed by Shanghai Volkswagen's 86,474 units.

Chinese brand Cherry ranked the third selling 70,438 cars.

The report attributes the remarkable growth to strong market demand reinforced by the new tax regime that encourages the consumption of small cars.

China's passenger vehicle sales exceeded 3 million units for the first time in 2005. The report predicts that the sales of this year may hit 4 million units.

If that happens, China could overtake Japan to become the second largest motor consumer in the world, the report says.

China's sedan sale hits record high of 890,000

April 7 (xinhua) -- China's booming sedan sale hit a record high of 890,000 units in the first quarter, about one third of the total sale in 2005, the China Association of Automobile Manufacturers said here Friday.

Jetta, manufactured by Faw Volkswagen, ranked the top in the first quarter with a total sale of 17,500, an increase of 79.57 percent year-on-year. Elantra of Beijing Hyundai followed with a sale of 14,000, up 21.7 percent over last month.

The home-brand Chery also saw a rise of its major models in March, due to its price cuts of auto parts last month. The sale of QQ, one of its flagship autos, hit 1,1700 in March.

In the sector of medium and top grade sedans, Lingyu, a new series of Passat of Shanghai Volkswagen, the joint venture of Germany's Volkswagen in China General Motors, topped with a sale of 10,600, followed by Hongda of Guangzhou Honda Automobile Corporation and Corolla of Faw Toyota Motor.

Experts said that the sedan sale is expected to moderate in the second quarter due to the rise of oil price.

China's growing middle class is expected to make the mainland the world's third largest automobile market by 2008, surpassing France and Germany.

The association also released the sale information of sport-utility vehicles and multi-purpose vehicles last month, which witnessed a cheering rise compared with that of February.

The association attributed the rising sale of SUV and MPV to China's new tax on luxury cars, taking effect on April 1, as well as the anticipative climbing prices of luxury cars.

China has taken various measures to prompt the development of environment-friendly cars nationwide, including new tax on luxury cars and the release of restrictions on cars with low emissions in some large cities.

VW launches new model for China

April 9 (AP) -- German automaker Volkswagen AG's China unit launched its comeback model, the Sagitar, on Sunday, saying it is confident it can arrest a decline in its market share by focusing on specific types of car buyers.

The Sagitar, pronounced "saw-gee-tar," is aimed at highly educated, fashionable buyers in their mid-thirties who want speed and excitement, said Weiming Soh, VW Group China's executive president for sales and marketing.

Soh said pricing for the Sagitar, known as the Jetta in Europe, would be announced later. The new flagship vehicle for VW in China, the mid-sized sedan is "the best example of Germany engineering and quality brought to China," he said.

VW units in China reported a 40 percent rise in sales in the first quarter of this year over the same period of 2005, with a market share of 17.6 percent.

The company entered China 21 years ago, before its biggest competitors, and long dominated the market with its Santana and Audi models. In the 1990s, it claimed a market share of over 50 percent.

However, recent years have seen a slew of new competitors begin production in China and the German company has appeared slow to respond with more choices and better prices, quality and service.

VW saw sales at its 20-year-old joint venture with Shanghai Automobile Industrial Corp. plunge 60 percent early in 2005 as demand shifted toward individual car buyers and away from corporate and government fleets.

The company is now shifting to a more "customer focused" strategy, Soh said.

"We think that if we continue to do what we're doing we will be able to defend what we have now," he said.

VW announced earlier that it plans to introduce up to 12 new models in China by 2009 while

cutting costs and improving service in hopes of regaining its eroding market share.

The company's new "Olympic plan" is so named because it emphasizes teamwork and finishes in 2008, the year of the Beijing Summer Games. It is aimed at increasing product differentiation even as it boosts cooperation to reduce costs between its two Chinese joint venture partners.

The plan includes boosting use of locally produced components and centralizing parts purchasing and power train development to lower local material costs.

PSA plans new car plant for vehicle joint venture

April 4 (China Daily) -- French car maker PSA Peugeot Citroen plans to build a new car plant and launch a slew of new models in China to boost sales in the world's third-biggest and fastest-growing car market.

Yves Boutin, chief representative of PSA Peugeot Citroen in China, yesterday said the group would build a new manufacturing base with its Chinese partner Dongfeng Motor Corp.

The new plant will be a part of PSA Peugeot Citroen's existing joint venture with Dongfeng. The venture is based in Wuhan, capital of Central China's Hubei Province.

Boutin said details such as location, annual production capacity and investment size of the new plant would be revealed in July.

The French carmaker will introduce nine new models into the joint venture or Dongfeng Peugeot Citroen from 2006 to 2009, Boutin said.

The new plant and product plans seem to rule out the possibility of PSA Peugeot Citroen seeking a new Chinese partner in the near-term.

Last year, the French carmaker was reportedly in talks with Hafei Automobile Co Ltd Mitsubishi Motors' partner in Northeast China's Heilongjiang Province and Jinhua Youngman Group, a small privately-owned manufacturer of trucks and buses in Zhejiang Province.

Boutin said that annual sales of Dongfeng Peugeot Citroen would reach 300,000 cars in 2008.

The venture sold 140,000 cars in 2005, surging by 57.5 per cent year-on-year. This represented a sharp rebound from a 14-per cent tumble in 2004.

Dongfeng Peugeot Citroen announced earlier this year that it aimed to increase sales to more than 200,000 cars this year.

The venture now has an annual production capacity of 220,000 cars, expected to grow to 300,000 units at the end of this year.

In 2005, it reported 360 million yuan (US\$44.8 million) in losses due to hot price wars in the Chinese car market and high costs.

Executives with the venture said that it would regain profit this year due to robust sales growth and cost-cutting efforts.

Boutin said the joint venture will make high-end cars by 2010.

Currently, the joint venture assembles the Citroen Fukang, Elysee, Picasso, Xsara and Triomphe as well as Peugeot 307 and 206, which are small and middle-range vehicles. The Triomphe and 206 were launched earlier this year as part of PSA Peugeot Citroen's new China product lines from 2006 to 2009.

"China's car market is expanding steadily and we are very confident about our new products," Boutin said.

PSA Peugeot Citroen recently set up a wholly-owned affiliate in Beijing with an investment of 50 million yuan (US\$6.2 million). It will be mainly responsible for its imported car business in China, he said.

The subsidiary Peugeot Citroen (China) Automobile Trade Co Ltd will also be in charge of exporting Chinese-made spare car parts to other countries, he said.

The French carmaker's current imported products in China include Citroen C5 and C4, and Peugeot 407, 607, 206CC and 307CC.

Last year, PSA Peugeot Citroen's imported car sales in China amounted to 1,300 units, Boutin said.

He also said that the group would start to provide loans to Chinese car buyers at the end of June.

This will be through a three-party car financing joint venture with Dongfeng Peugeot Citroen and the Bank of China one of the nation's four biggest State-owned lenders.

The French carmaker, which kicked off production in China in 1992, lags behind a lot of rivals such as General Motors, Volkswagen, Honda and Hyundai.

Last year, General Motors and Volkswagen, the current market leaders, sold 665,390 and 571,000 vehicles in China respectively.

Total vehicle demand in China is forecast to grow by around 15 per cent this year from 2005.

Last year, demand rose by 14 per cent to 5.7 million units, including 3.1 million passenger cars.

Oil and Gas

Sinopec gas find may ease China shortage

April 4 (Reuters) --Sinopec Corp.'s major natural gas discovery in southwestern China may help quickly ease shortages of the cleaner fuel in the world's second-biggest energy user, analysts said on Tuesday.

Sinopec Corp, China's second-largest oil and gas producer, said on Monday that its new Puguang field in the land-locked Sichuan province had proven recoverable reserves of 250 billion cubic metres (bcm), making it one of the five biggest in China.

Commercial production is targetted for 2008 with annual output of 4 bcm, equivalent to about 8

percent of China's current gas production. That would be expandable to 8 bcm by 2010.

Sinopec Chairman Chen Tonghai said Sinopec would invest 36 to 38 billion yuan (\$4.5-\$4.7 billion) by 2010 to bring the field on stream, including the construction of a 1,600 kilometre pipeline from Sichuan province to Jinan city in eastern Shandong.

The gas will be marketed in Sichuan and Chongqing city as well as Henan and Shandong provinces, where demand is very strong, he said. The field will boost China's proven natural gas reserves by about a tenth, according to BP's Statistical Review from 2004.

The new supplies should help sate would-be industrial consumers who have been left short after oil companies and state planners underestimated growth in demand, threatening Beijing's goal to boost usage and forcing an increased reliance on dirtier coal and pricey oil. Strong demand in central China and greater needs in Beijing -- coupled with a lack of pipeline capacity and sluggish production efforts -- have drained supplies that were promised to customers on the east coast, industry sources have said.

But the new Puguang field could address some of those needs more quickly than imported liquefied natural gas (LNG), which analysts say is in short supply until after 2010, or promised gas from Russia.

"If the Sinopec project can feed some of the users along the West-East pipeline, that would mean more gas would reach the Shanghai area," said Zhang Chi of Cambridge Energy Research Associates.

He was referring to the country's flagship 4,000-km, 12 bcm per year pipeline linking big gas fields in the remote central Asian region of Xinjiang to the financial hub Shanghai.

Beijing is aiming to more than double the share of natural gas in China's energy mix to 8 percent by the end of the decade in a bid to limit pollution, a target that has been put in doubt by the soaring cost of LNG and by domestic supply constraints.

Efforts to import more natural gas from Russia moved forward last month after Gazprom signed a preliminary deal to build two massive pipelines

from the north, although a lack of details on pricing has tempered hopes for quick supplies.

Gas output set to shoot up faster than crude

April 18 (shanghai daily) -- TO meet rising energy demand, natural gas output is slated to increase at a faster pace than that of crude oil in China, but a supply shortage of the gas will last a long period, an industry forum was told yesterday.

"Rapidly growing reserves and pipeline construction will help natural gas output grow faster in China," said Chen Yongwu, advisory center chief of China National Petroleum Corp, the country's largest oil and gas producer.

Chen said last year's gas output reached around 1.7 trillion cubic feet in China and he estimated it can be somewhere between 2.8 and 3.5 trillion cubic feet in 2010 and 4.2 trillion and 5.3 trillion cubic feet in 2020 as more fields are discovered.

"Domestic crude output will rise steadily while gas output will grow very fast," Chen said, adding overseas expansion by major Chinese firms will also contribute to more gas resources.

PetroChina Co, the listed unit of CNPC, said yesterday its natural gas output jumped 36 percent to 360.2 billion cubic feet in the first quarter from a year earlier.

However, it posted an almost flat crude output of 207.7 million barrels for the three months as severe snow storms slowed production at some fields and output slowed in the Daqing field, China's biggest and oldest.

Another energy giant, China National Offshore Oil Corp, the country's dominant offshore oil and gas producer, also said it will develop liquefied natural gas as its core business in the future.

Chen Weijie, head of the company's planning department, said yesterday CNOOC will become the country's biggest LNG supplier and distributor by 2010 as it will build terminals in coastal and inland areas.

However, high prices and freight costs may place hurdles in gas development though the government is encouraging the use of clean energy to reduce reliance on oil and coal.

Some companies are reluctant to start gas-powered projects because they cannot pass the costs to end users freely and also on concern of unstable gas supply.

A gas shortage has already shut about 40 percent of China's total gas-fired power plant capacity, or 4 gigawatts of power, this year, according to media reports.

CNPC's Chen said China will still have to import about a quarter of the gas it needs in 2010 as demand will outpace output.

First round China-OPEC energy dialogue held in Vienna

April 28 (xinhua) -- The first round of China-OPEC (the Organization of Petroleum Exporting Countries) dialogue was held on Thursday at the OPEC Secretariat in Vienna.

The Chinese delegation, headed by Xu Dingming, director of the Energy Bureau of the National Development and Reform Commission (NDRC), was officially welcomed at the OPEC Secretariat.

The Chinese delegation frankly exchanged views with Mohammed S. Barkindo, acting OPEC secretary general, and other representatives from the OPEC member countries.

"How to boost the China-OPEC cooperation in the area of energy resource was the main topic of the talks," said Liu Deshun, a section chief from the Energy Bureau of the NDRC, in an interview with Xinhua.

"The two sides reached consensus that promoting the dialogues between China and OPEC is of great importance," he said.

The two-day meeting was held within the framework of China-OPEC regular energy dialogue system, which was created by the two sides during the visit of former OPEC rotating president, Kuwait's Oil Minister Sheikh Ahmad Fahd al-Sabah, in China last December.

The second round dialogue will be held in China in 2007.

Brazil, China sign gas pipeline deal

April 18 (AP) -- Brazil's state-run oil company Petroleo Brasileiro SA, or Petrobras, and China's Petroleum & Chemical Corp., or Sinopec, signed a contract to build part of a natural gas pipeline between southeastern and northeastern Brazil, Petrobras said.

The US\$239 million (euro197.62 million) Engineering, Procurement and Construction contract signed on Monday calls for the construction of a stretch from the nation's oil and gas center of Macae in Rio de Janeiro state to Vitoria, the state capital of Espirito Santo, just north of Rio de Janeiro.

From Vitoria, the pipeline is slated to continue north and pass by a gas treatment unit in Cacimbas in Espirito Santo, and from there to Catu, near Salvador, capital of the northeastern state of Bahia.

Construction of the entire 1,365-kilometer-long (846-mile-long) pipeline, dubbed Gasene, has been delayed for months while Petrobras tries to rein in construction costs.

Skyrocketing prices for steel and service providers have nearly doubled the estimated cost to build the entire pipeline to US\$2.3 billion (euro1.9 billion), according to Brazilian press reports.

Titan plans to expand in China

April 17 (shanghai daily) -- OIL trader Titan Petrochemicals Group Ltd said it plans to expand into oil product distribution on China's mainland in 2007, after posting a 24 percent drop in 2005 net profit due to high marine fuel oil costs and falling tanker rates.

The Hong Kong-based firm plans in 2006 to boost its carrying capacity of oil products, such as fuel oil and gasoline, given the mainland's robust demand for petrochemical products, Chief Executive Barry Cheung told Dow Jones Newswires in a recent interview.

Titan Petrochemicals announced last week that its 2005 net profit totaled HK\$303 million (US\$39 million), down from HK\$400 million in 2004. Revenue, however, surged to HK\$10.46

billion from HK\$3.49 billion, thanks to a 42 percent rise in its fleeting capacity.

The group, which derived 87 percent of its 2005 total earnings from shipping crude and oil products into the mainland, is now building its first oil storage facility in southern province of Guangdong, where energy demand has been strong due to the region's rapid economic development.

"I expect we can start with selling fuel oil next year. ... We are targeting industrial and commercial users, such as power plants, ships and some small refineries in the region" Cheung said. He said the company hasn't locked in any sales contracts for the fuel oil, but the firm "is confident about the strategy because demand for energy is so strong."

Adrian Lowe, an analyst at CLSA, said in a research note: "Beginning 2007, the oil storage business will provide a more reliable earnings stream." The crude and petrochemical storage, which will have a total capacity of one million cubic meters, is located in the Nansha Development Zone on Xiaohu Island in Guangdong Province.

The first phase, which has a capacity of 370,000 cubic meters, is scheduled to begin operating in mid-2006. "In the next two years, we will build our own sales network through building small storage facilities around the major ones. ... You will see significant revenue contribution from storage and downstream product sales starting 2007," he said.

The company is also developing two other storage facilities in the southeastern province of Fujian and Shanghai. The Fujian facility, which can store 90,000 cubic meters of chemicals in its first phase, is already under construction and will come onstream by the end of this year.

Work will begin on the Shanghai facility, its third, later this year. "We may add one or two more storage facilities in other locations," Cheung said.

Oil output stable at PetroChina

April 18 (china daily) -- PetroChina Co, the nation's biggest oil company, said first-quarter crude output was almost unchanged, as production at China's largest field was curbed to

extend its life. Natural gas output jumped 36 per cent.

Oil production rose to 207.7 million barrels from 207.6 million barrels, a gain of just 0.04 per cent from a year earlier.

Natural gas output increased to 360.2 billion cubic feet from 265.7 billion cubic feet, the Beijing-based company said in a statement on its Website yesterday.

PetroChina has slowed oil production growth since the record quarterly increase of 3.6 per cent set a year ago, to manage its reserves.

The amount of oil left to pump from the Daqing field, the nation's biggest and oldest, is dwindling, prompting the company to expand its search for oil overseas to match demand in the world's fastest-growing major economy.

"It's hard for PetroChina to have a rapid increase in oil output," said Scott Weaver, an oil and chemicals analyst at Macquarie Securities Ltd in Taipei.

"The expectation is for them to keep oil output from declining and to have a slight increase."

The company sold its crude oil for 47 per cent more than a year earlier, securing an average price of US\$55.14 a barrel in the first quarter, the company said.

Its gas sold for 23 per cent more, the price rising to US\$2.43 a thousand cubic feet.

Output of oil and gas rose 6.3 per cent to the equivalent of 267.7 million barrels of oil during the first three months.

PetroChina's natural gas production is rising as China encourages the use of the fuel as a cleaner burning alternative to oil and coal, which is used to produce two-thirds of the nation's power.

"PetroChina maintained stable crude oil production and rapid growth in natural gas output upon careful and systematic planning," the company said in a statement.

Unusually severe snow storms at some oilfields slowed production, it said.

In the first quarter, PetroChina added 11.7 million barrels of oil output and 9.79 billion cubic feet of natural gas production from shared production overseas, according to the statement.

PetroChina in the first quarter completed welding 392 kilometres (244 miles) of the 475-kilometre Huaiyang-Wuhan gas pipeline, a link to its West-East pipeline that transports gas 4,000 kilometres from Xinjiang in the northwest to the commercial centre of Shanghai in the east.

PetroChina's oil pipeline linking Alashankou on the China-Kazakhstan border with Dushanzi, a refining and petrochemical production hub in Xinjiang province, is "poised for full operation," it said.

The pipeline will carry Kazakh oil pumped from the city of Atasu in the central Asian republic.

The company processed 196.8 million barrels of oil into fuels in the first quarter, an increase of 2.7 per cent.

Gasoline output rose 1.8 per cent to 5.7 million metric tons and the company sold the fuel at an average price of US\$472.76 a ton, a gain of 24 per cent.

Diesel output during the three months gained 3.5 per cent to 11.1 million tons and the average realized price was US\$469.64 a ton, an increase of 31 per cent from a year earlier.

PetroChina produced 494,000 tons of kerosene in the quarter, an increase of 3.8 per cent from a year earlier, the company said.

China acts to secure oil reserves

April 25 (AFP) -- Beijing's desire for a Saudi-fed strategic oil reserve in China underlines the Asian nation's drive to secure crude supplies amid rocketing energy prices, analysts in London said.

However, they added that any deal between the two nations was unlikely to put pressure on global crude inventories.

Chinese President Hu Jintao discussed a proposal to set up an oil stockpile in China during a weekend visit to Saudi Arabia, a Chinese official said Sunday.

China plans to fill the first of its strategic oil reserve facilities by the year end, a senior planning official said in March, adding that three other reserves would be ready in 2007-2008.

China had planned to begin accumulating oil reserves, which are to be used in the event of an emergency, last year.

However with oil prices soaring to record high points -- New York crude matched its record high of 75.35 dollars per barrel on Monday -- China has been forced to delay its plan by almost two years.

China knows it cannot delay for ever with its energy demand accelerating owing to the country's economic boom. Consumption of oil in China is forecast to jump 6.0 percent this year after consumption of 6.4 million barrels per day in 2005.

"The Chinese authorities are quite familiar with how their domestic production is being outstripped by demand, and that there's always going to be a measure of vulnerability and reliance on foreign production," Global Insight analyst Steven Knell said.

"Having strategic reserves creates a buffer that will allow them to mitigate some of the sharper consequences of that reliance should there be any disruption of supply," he added.

The China-Saudi plan was raised during Hu's talks with King Abdullah on Saturday and both sides want to see it through, the Chinese official told AFP, requesting anonymity.

The reserve would be on top of the oil supplies Saudi Arabia exports to China for its daily needs.

Saudi Arabia is the world's biggest exporter of crude oil and the biggest supplier to China, which imports about 15 percent of its oil from the Arab nation.

Knell said he believed such a tie-up between the two countries would unlikely hurt major oil

consumers such as the United States and Europe.

"Given the volume of this facility, I don't think it's going to make such a difference. It will come as a separate delivery, on top of the current demand, but the scale will not result in major shortages elsewhere or compromise other deliveries," he said.

"The most profound impact will be on the Chinese domestic market. This is another contribution to the reserve capacity that they've thought for some time and they've actually been vulnerable for so long that this makes a very positive step for the stability of their energy balance."

According to the Chinese spokesman, the reserve would be set up in a coastal city in southeast China.

The official did not say how much oil would eventually be stockpiled. But he said Riyadh and Beijing were discussing the feasibility of the plan and ways of cooperating to carry it out.

Calyon analyst Mike Wittner doubted also that there would be any major impact on global supplies, and therefore prices.

"I don't think it has any significance for the short-term market, and perhaps not even for the longer term," he said.

"Saudi Arabia is already a large and growing supplier of Chinese crude oil imports, and this is a logical development and a logical extension of that trend," he said.

G-7 talks focus on oil prices, and China

April 24 (china daily) -- Global finance chiefs wrapped up three days of talks in Washington DC, calling for action against runaway oil prices. They also urged the IMF to tighten its monitoring of national currency policies, a measure promptly rejected by the head of the Chinese central bank.

"Each country is entitled to choose an exchange rate system consistent with its own economic development," People's Bank of China governor

Zhou Xiaochuan told journalists, according to an AFP report.

The gathering of finance ministers and central bank governors backed plans to meet a long-standing demand by emerging market countries for a greater stake in decision-making at the International Monetary Fund (IMF).

Fund policymakers asked IMF chief Rodrigo Rato to develop "concrete proposals" on voting reform in the institution by a September gathering in Singapore. A French official later said China and South Korea could be among the first countries to benefit from an enhanced stake-holding in the IMF.

World Bank policymakers for their part launched a new anti-corruption drive and gave final approval to the cancellation of 37 billion dollars in debt owed the Bank by 17 poor countries, most of them in Africa. The World Bank in addition unveiled a two-year project aimed at promoting the use of clean energy in developing countries.

Energy needs were also very much on the minds of the Group of Seven industrial powers, who on Friday declared that it was "crucial" for oil producing countries to boost infrastructure investment in the face of soaring crude oil prices. While G7 finance leaders -- representing Britain, Canada, France, Germany, Italy, Japan and the United States -- agreed that the global economic outlook remained favorable, they warned that oil prices were a menacing cloud on prospects.

Stepped-up pressure for increased oil production prompted a blunt reminder from the Organization of Petroleum Exporting Countries (OPEC) that oil consuming nations bore a responsibility to build more refineries in order to ease supply constraints.

In talks, the G7 asserted that it was "critical" for China and other Asian economies to pursue greater currency flexibility. For more than a year, Washington has been prodding both its G7 partners and the IMF to take a stronger stand on China's system of managing its currency -- the yuan - to a tightly floated trading regime.

Climate Change and Air Pollution

U.S.-China joint efforts urged in environmental protection

April 13 (xinhua) -- A senior U.S. official here Thursday called for the United States and China to make joint efforts to protect the environment and build a cleaner future.

Steven Johnson, administrator of the U.S. Environmental Protection Agency (EPA), said in a written statement that as major contributors to the global economy, the United States and China share very important responsibilities in maintaining a healthy global environment. He called on the two countries to work together to improve the environment.

Johnson started his week-long China tour last Saturday. He visited Beijing, Lijiang, a city in southwestern China's Yunnan province, and Shanghai.

During his stay here, he met with Zhou Shengxian, head of China's State Environmental Protection Administration (SEPA). The two sides recognized their progress in cooperation on the prevention of water and air pollution, and the management and treatment of hazardous wastes.

Johnson said he shared identical views with Chinese officials on the necessity and significance in fighting global pollution.

The two countries also adopted a cooperation program in environmental protection during Johnson's visit.

The program calls on the two countries to intensify transfers of technical information, personnel exchanges to demonstrate environmental management approaches and technologies.

EPA and SEPA will work together to establish and strengthen environmental regulations for the management of hazardous and solid wastes in China, including medical waste, lead-acid batteries, electronic waste, tires, and sludge generated by industrial and domestic waste water treatment, the strategy said.

China unfairly featured as only polluters: US official

April 14 (xinhua) -- All countries should take their due responsibility for pollution without unfairly characterizing China and India as the only polluters, a senior U.S. official said here Thursday.

Steven Johnson, administrator of the U.S. Environmental Protection Agency (EPA), made the remarks at the U.S. Consulate General in Shanghai, in order to correct a report which misquoted him as blaming China for causing mercury depositions in the United States and exerting a "direct impact on the United States."

A report in the Financial Times on April 11 entitled "Toxic Chinese mercury pollution traveling to U.S." quoted Johnson as saying "the EPA had traced high levels of 'mercury deposition' in the U.S. to China and India" and "that is the most direct impact [of China's pollution] on the United States".

"Unfortunately, I was misquoted and taken out of context, and it's unfair to characterize the pollution coming just from China and India," said Johnson, adding that other countries including the Republic of Korea and the United States all contributed to global air pollution.

Approximately 2,000 tons of mercury were released into the environment globally each year, and the emissions of coal fired power plants in the United States alone amounted to 48 tons, he acknowledged.

"That's why it's critical that we all work together to address the air pollution issues," he said.

Johnson was satisfied with his "productive" China tour, during which a series of agreements and cooperation projects were reached between the environmental protection departments of both countries.

A Sino-U.S. program was launched on Monday to enhance bilateral cooperation on the prevention, management and treatment of hazardous and solid wastes in China, in a bid to reduce their negative impact on human health and ecosystems.

The joint initiative, dubbed the "Strategy for Hazardous and Solid Waste Cooperation", was adopted during a meeting between Zhou Shengxian, head of China's State Environmental Protection Administration (SEPA), and Steven Johnson in Beijing.

The two countries, together with other nations, are preparing a program called the Asia-Pacific partnership on clean technologies and climate change.

Another international project involving China, which aims at high-efficiency coal use with zero emissions, is already underway in the United States.

"Both the United States and China are vital to the health of our environment," said Johnson, vowing that the United States and China should "not only be major contributors to the world economy, but major contributors to improving environmental health".

By collaborative work, "we can make a difference," he said.

Beijing turning to artificial rain to clear air

April 18 (AP) -- BEIJING (AP) _ Beijing was preparing Tuesday to use artificial rain-making to clear the air after a choking dust storm coated China's capital in yellow grit, prompting a health warning to keep children indoors, state media said.

The storm, reportedly the worst in at least five years, hit Beijing overnight Sunday, turning the sky yellow and forcing residents to dust and hose down cars and buildings.

Hospitals reported a jump in cases of breathing problems, state television said on its noon news.

The government was preparing to chemically seed clouds in an effort to produce rain to clear away the airborne dust, state TV said, citing the Central Meteorological Bureau. It didn't give any other details, and the bureau refused to release information.

Such storms hit Beijing every spring, but newspapers said this week's was the heaviest since at least 2001. The Beijing Daily

Messenger said some 300,000 tons of sand and dust was dumped on the city on Monday.

It was "definitely one of the most serious pollution days in Beijing," said Yang Keming, a weather forecaster quoted by the China Daily newspaper. "Small children had better stay at home during such days."

Construction sites, a source of airborne dust most days, were told to cover exposed earth, state television said. It said some companies were fined for failing to obey the order.

The storms are expected to last through at least Wednesday in Beijing, neighboring Tianjin and a swath of north China stretching from Jilin province in the northeast through Inner Mongolia to Xinjiang in the desert northwest, the China Daily and other media said.

That region is home to hundreds of millions of people.

More storms were expected later in the week in Xinjiang and other parts of the northwest, according to news reports.

Windborne dust from China's northern plains often blows as far as South Korea and Japan and sometimes crosses the Pacific Ocean to reach California.

Japan's national Meteorological Agency said the dust has reached the country's north and west and warned of reduced visibility, but didn't say any health effects were expected.

In Beijing, a doctor in the respiratory ward of Chaoyang Hospital, one of the capital's biggest, said the number of patients with breathing problems Monday was two to three times normal. He refused to give his name or any other details.

Commuters wore surgical masks or wrapped their heads in scarves as protection against the dust.

China's government has been replanting "green belts" of trees throughout the north in an effort to trap the dust after decades when the storms worsened amid heavy tree-cutting.

Last week, the western Xinjiang region was hit by its worst sandstorm in decades, which killed one person and left thousands stranded after sand covered railways and high winds smashed train and car windows.

Sandstorms not to dull Beijing's 'Green Olympics'

April 24 (xinhua) -- Despite the frequent sandstorms that have hit Beijing this spring, the Chinese government is still optimistic that the 2008 Olympic Games in Beijing will be "Green Olympics".

"China will intensify afforestation efforts in and around Beijing to create a better environment for the Olympic Games," said Liu Tuo, head of the desertification prevention and treatment department under the State Forestry Administration (SFA) on Thursday.

Liu said China launched an afforestation project in sand-prone areas in Hebei and Shanxi provinces and the Inner Mongolia Autonomous Region in 2001 to tackle sandstorms that had been plaguing Beijing's environment for years.

The coverage of forests and grass in these areas increased by an average 30 percent, said Liu.

The sand control project has improved the air quality in Beijing. The monitoring network of the Beijing Environmental Protection Bureau found a significant drop in major pollutants in the city in 2005, and more than 230 days of the year had good weather, compared with 100 days in 1998.

"It's high time for the forests and grasslands to play their roles in the 2008 Olympic Games. What's more, the Olympic Games is scheduled in August, when sandstorms seldom happen in Beijing," said Liu.

Ten sandstorms have stricken northern China since February this year and Beijing, which neighbors the Inner Mongolia Autonomous Region, a major sand source in China, has

suffered the most serious spring air pollution since 2002.

The strong sandstorm on Sunday alone brought more than 10 tons of sand and dust per square kilometer to the urban area of Beijing, according to the SFA's statistics.

Fifty to sixty percent of the sandstorms which hit Beijing originate from places outside Beijing and even outside China, and the major sand sources in Beijing are the sandy areas in its outskirts and the construction sites in the city, said Yang Weixi, chief engineer of Liu's department.

Higher temperatures and less rainfall in the arid parts of North China, together with frequent cold air flow from Siberia, were to blame for more severe sandstorms, according to Yang.

The drought sucks moisture from the soil and makes sand easier to be picked up by the wind, said Yang.

The Beijing municipal government has invested heavily to improve its environment since it won the right to host the 2008 Olympics. It spent 60 billion yuan (7.5 billion U.S. dollars) on pollution control projects from 2000 to 2005.

"The sandy area in Beijing has thus dropped to 67,000 hectares from 200,000 hectares three years ago, effectively reducing the sand source inside Beijing," said Yang.

It is a long-term and tough task for desertification prevention and treatment in China as there are around 1.74 million square kilometers of desertified land in the country, accounting for 18 percent of China's land area, said Liu.

China would strengthen international cooperation in this field and take measures against overgrazing, over-logging and over collection of fire wood in the desertified area to honor the promise that all the country's desertified land can be repaired by 2050, said Liu.

Caring for Earth gains more backing from concerned public

April 25 (china daily) -- Public participation in environmental protection has gained much attention in the past few years.

One recent highlight was the 2006 Earth Award announced last Friday at the Great Hall of the People.

Ten individuals and three groups were granted the award with 10 other people gaining the nomination award.

Zhao Hong, director of the Daughter of the Earth Environmental Protection Volunteers' Society, collected some 300,000 used batteries at her own cost over the years. She organized about 20,000 people from more than 20 countries and regions to plant 100,000 trees at Hengshui Lake, which is a wetland in North China's Hebei Province.

Chen Fei, a farmer at Zhu'an Village, Yongjia Township of East China's Zhejiang Province, turned his village into the country's first example of banning plastic bags from daily life and agricultural production. He also presented bamboo baskets to residents in Shanghai, Guangzhou and other cities to call for people's awareness of the pollution caused by plastic bags.

About 3,000 students have taken part in the work of the Hand-in-Hand Guards of Dongfeng Elementary School in the city of Yuyao in Zhejiang over the past 15 years. The students thought of many ways to save energy and other aspects of protecting the environment.

The school has created the country's first set of textbooks about environmental education, which have gained national attention.

Initiated in 1997 by the China Environmental Journalists Association, the Earth Award is aimed at acknowledging those who have contributed to the environment.

"Environmental protection is a common cause of the entire nation, and public participation will become an indispensable force," said Pan Yue,

deputy director of the State Environmental Protection Administration (SEPA).

At the sixth national environmental protection meeting, held last Monday and Tuesday, Chinese Premier Wen Jiabao emphasized in his speech the important changes in China's environmental protection work during the 11th Five-Year Plan (2006-2010).

Environmental protection will gain equal importance and develop at the same speed with economic growth, Wen said. He said from mainly relying on administrative measures, environmental protection would gain comprehensive support from legislative, economic, technological and necessary administrative measures.

The efforts of environmental agencies, the common people and the entire society would be needed to realize these changes, said Pan. He added that the level of public participation in environmental protection directly reflected a nation's progress in sustainable development.

However, Pan also acknowledged that the degree and scale of public participation in China was still limited.

On February 22, SEPA issued a set of guidelines on public participation in environmental impact assessment, encouraging direct involvement from the general public in the country's environmental affairs.

"This is the first official document on public involvement in the environmental sector, which will make government decisions in the sector more transparent and democratic," said Pan.

The document stipulates that construction managers and environmental protection departments are obliged to consult public opinion on the potential impacts of a project on the environment.

Public involvement must be carried out in "an open, equal, extensive and convenient way," said the guidelines.

At least 10 days must be left for members of the public to voice their views before a project manager submits its report for approval.

Premier sets goals for environment protection

April 19 (China Daily) -- Premier Wen Jiabao has called on the nation to view environment protection from a strategic perspective while warning of a worsening ecological situation in some regions.

Targets set for economic growth were easily met in the country's 10th Five-Year Plan (2001-05) but major environment protection objectives set for the same period were not achieved, and new problems have emerged, said Wen at a two-day national conference on environmental protection that ended in Beijing yesterday.

It was the highest-level meeting on environment issues and is usually held only once during a premier's five-year term.

Of the 20 environmental goals set for the 10th Five-Year Plan, eight have not been achieved, the State Environmental Protection Agency said last week.

The unfulfilled goals include reducing discharges of sulphur dioxide, carbon dioxide and industrial solid waste, and improving wastewater treatment.

Wen blamed "lack of awareness, insufficient planning, illogical industrial structure and a weak legal framework" for the severe environmental problems in some places.

According to the 11th Five-Year Plan (2006-10), energy consumption per unit of GDP will be cut by 20 per cent, major pollutants reduced by 10 per cent and forest coverage rise to 20 per cent from 18.2 per cent.

To fulfil the targets, the government focus should be put on both environment protection and economic growth, and the latter should not be at the cost of the former.

Wen set priorities for environmental protection strengthening water conservation, controlling atmospheric and soil pollution, enhancing ecological protection, improving the economic structure and boosting the environmental technology and protection industry.

He vowed that environment protection would be a factor in assessing officials' performance.

He asked local governments to release information on energy consumption and pollutant emissions every six months, control emissions and step up environmental assessment of construction projects.

Protective policies on exploitation of resources should be implemented, and legal and supervisory systems should be established, he said.

An editorial published in today's People's Daily hails the conference as a "milestone in China's environmental protection history."

Earth Day 2006: Climate change tops the agenda

The first Earth Day - April 22, 1970 -- is credited with launching the modern environmental movement. It was a day of peaceful, mass demonstrations by millions of people across the United States calling on the government to adopt policies to clean up and protect the environment.

U.S. government officials responded: Congress enacted laws to clean the air and protect drinking water, wildlife habitats, and the ocean. Congress also created the U.S. Environmental Protection Agency, or EPA, to oversee the nation's progress.

EPA administrator Stephen Johnson recalls the first Earth Day in 1970. "Approximately 20 million people across America celebrated the first Earth Day," he said, "It was a day and time when our cities were literally buried under their own smog and polluted rivers caught on fire."

Thirty-five years later, Johnson says, due to the work of the U.S. Environmental Protection Agency and the nation, indeed, our air is cleaner, our water is pure, and our land is better protected.

Johnson says that the EPA is currently spending most of its seven-and-a-half billion dollar yearly budget on research and technology to reduce the threat of climate change -- so-called global warming -- which many scientists blame on our industrial emissions of carbon dioxide.

"Climate change is an important issue," he says. "It's an important issue for the president, for the entire [Bush] Administration. As an Administration, we are devoting about five billion dollars worth of resources to both understand the science...and to focus on the technologies that will ultimately address climate change issues. Clean coal technology is very, very important, both having energy security and also having a clean and healthy environmental energy supply as well."

Today, Earth Day is an international observance, and its concerns are global as well. Climate change is a major focus of Earth Day activities this year -- according to Kathleen Rogers, the president of the Earth Day Network. The grassroots environmental group is coordinating many of the global events -- and, is sounding the alarm.

"Almost all of the developing world stands to lose everything as a result of climate change," she says emphatically. "Everything. Because only the richest countries will survive this disaster. Even the United States can have problems. But the economies of these [poorer] countries are just not going to be able to expand and develop because they'll have energy needs that will not be met. They'll have economic woes as a result of the shrinking market place around climate change. In agricultural countries, because of climate change, they will see both shrinking -- and destroyed, in some cases - domestic markets to feed their own people. But, in addition, they will not be able to participate in the international marketplace."

Rogers says education is a major component of the Earth Day activities her group is coordinating in many parts of the world. In the western African country of Togo, for example, she says, "We're doing training for environmental journalists on climate change. We're doing a training workshop for about 700 teachers about climate change. We're doing radio programs in six different areas of Togo. The focus of 90 percent of this is on creating expertise among the citizenship and journalists on climate change. So our focus is on citizen participation, building a better infrastructure for dealing with climate change, and heading towards a fully informed democratic system for public participation around the environment."

Rogers believes that informed citizens in Togo and other countries will be better able to pressure their governments to adopt environmentally sound policies. "We focus on environmental protection and building free citizens, citizens who have control of their communities and of their governments' agenda," she says. "We've been able to go to countries, either working democracies or aspiring democracies and get environmental protection to be front-and-center as we build active and civically-minded people."

Rogers is confident the magnitude of this year's worldwide Earth Day observances will send a timely message to government officials about the need for environmental policies to put the brakes on climate change. "How many people are going to go out and do something? I'm not kidding: I think it's over a billion people!" she says. "But there's certainly more than that -- finding out about Earth Day and being educated about Earth Day and the issues. At least two-and-a-half billion people! Think about that. It's the biggest secular event in the world by a long shot."

Kathleen Rogers of the Earth Day Network says the tone of this year's Earth Day is different from any other she's been involved in. She says that for many participants, it's not going to be a festive event because they believe the Earth -- and its inhabitants -- are in serious trouble. People, she says, are very serious about climate change, about civic engagement and very serious about Earth Day.