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General Energy Issues

China enlarges bio-ethanol fuel coverage

April 1 (Xinhua)--NANNING --South China's Guangxi Zhuang Autonomous Region became the 10th Chinese locality to have replaced gasoline and diesel oil with bio-ethanol fuel on Tuesday out of environmental and energy efficiency concerns.

Petrol stations in all the 14 cities of Guangxi began to sell bio-ethanol fuel on Tuesday and in two weeks, traditional petrol and diesel oil will be phased out, said Fu Jian, an official in charge of transport with the regional government.

Fu said about 350,000 motor vehicles and more than 3 million motorbikes will have their tanks cleaned up for the fuel change.

Presently nine other Chinese provinces are using ethanol fuel including Jilin, Liaoning and Heilongjiang provinces in the northeast, Henan and Hebei provinces in the north, Anhui, Shandong and Jiangsu provinces in the east and the central Hubei Province.

Guangxi is the first Chinese locality to commercially produce ethanol fuel with cassava instead of grain. The region produces 7.8 million tonnes of cassava a year, more than 60 percent of China's total.

It is home to China's first bio-ethanol fuel production base that went into operation in December in the coastal city of Beihai. The base is designed to produce 200,000 tonnes of biofuel annually out of about 1.5 million tonnes of cassava.

China banned the use of grain for ethanol production last year to ensure sufficient food supplies, and biofuel manufacturers have since turned to sweet potatoes, sorghum and straw stalks instead.

Ethanol fuel is believed to help ease China's energy supply bottleneck. Customs statistics say China's net crude oil import climbed at least 12 percent year on year to reach 160 million tonnes in 2007, and the country's reliance on crude oil import is at least 46 percent.

It is also believed to help cut carbon monoxide and carbon dioxide emissions, by around 30 percent and 10 percent respectively.

Chinese officials said the country's ethanol fuel sales will reach 30 million tonnes in 2010 to make up half of the total gasoline supplies

Energy conservation

April 2 (China Daily) -- With the new law on energy conservation taking effect yesterday, China has put into legal practice a basic national policy underpinning its sustainable economic and social development.

Expectations are high. The new law has been enacted with a view to promoting energy conservation throughout the country. After three decades of fast but extensive economic growth, China is keenly aware of the urgency to enhance energy efficiency and protect the environment.

However, while the new law gives a vital legal boost to the national drive to cut energy intensity and pollutants, many other measures to encourage energy conservation have yet to be put into place.

If the new law is to work in the favor of those who are trying to make the most of limited energy resources, skewed incentives that abet irresponsible energy consumption must be nullified as soon as possible.

A new chapter on incentive measures has been one of the most important improvements that distinguish this energy conservation law from its predecessor adopted a decade ago.

Such an emphasis on incentives addresses legislators' concerns about the actual effect of the new law.

It is relatively easy to persuade consumers and producers to embrace the idea of going green. But it is another thing to push them into acts that back their words.

On one hand, high up-front costs often blind consumers to the greater cost-efficiency of energy-saving products in the long run. On the other hand, tight government control over key energy prices is in fact subsidizing drivers of oil-

guzzling cars and enterprises that are dragging their feet on improving energy efficiency.

The new law provides some useful therapies like tax and fiscal support for promoting production and use of energy-saving products. These incentives should be widely extended to tilt the market in favor of energy-efficient options.

Meanwhile, legislators and policymakers should also give a long, hard look at those pricing policies that still go against the grain of the market. Such disincentives for energy conservation will not only fuel excessive consumption of certain energy resources but also undermine the overall national effort to raise energy efficiency.

The new law will hopefully boost the country's energy-saving drive if the authorities can fix skewed incentives in line with it.

Zhejiang promotes energy-saving tech trading

April 1 (China Daily)-- The nation's first specialty market for trading energy-saving and environment-friendly technology opened yesterday in Jiaxing, Zhejiang province.

The China Energy-saving and Environment-friendly Trade Space covers 250,000sq m and is backed by the Zhejiang Zhongcheng Industrial Group.

It offers green services ranging from technology transfer, research, training and product marketing.

More than 40,000 businesses are involved in the country's environment industry. Analysts expect the Jiaxing market to grow quickly in the next three to five years, with the Energy Efficiency Law set to take effect today.

The construction industry is a key energy user, but around 20 percent of new buildings fail to meet energy-efficient criteria, Wang Youwei, director of the green buildings and energy efficiency committee under the Ministry of Housing and Rural-Urban Construction, said.

"With the new legislation in place, environment-friendly building criteria will be clearer and businesses legally bound," Wang said.

Meanwhile, the World Energy Efficiency Alliance, an industry partnership between the World Green Building Council and several Chinese companies, was also launched as part of the Jiaxing market.

"China's growing appetite for environment-friendly technology will boost the industry and the alliance will help fuel the development of this sector," Kevin Hydes, chairman of the World Green Building Council, said.

No hunger for bioenergy

April 24 (China Daily) -- China will strictly control bioenergy development at the cost of grain and oil crop shortage, declared Agriculture Minister Sun Zhengcai, on April 21 in a talk with the Danish Minister for Food, Agriculture and Fisheries Eva Kjer Hansen, in China on a visit.

As crude oil prices have continuously broken new highs in reaching the current level of \$110 per barrel, developing bioenergies is heating up around the world. Some 40.5 million tons of fuel ethanol and 5.4 million tons of bio-diesel were produced worldwide in 2006, increasing two and three fold respectively from the figures in 2001.

However, around 12 percent of corn in the world and 20 percent in the United States is used for producing fuel ethanol, and 20 percent of rap oil in the world and 65 percent in the European Union, as well as 30 percent of Southeast Asia's palm oil is used for producing bio-diesel, and has contributed the current global grain and edible oil prices.

Both the Organization for Economic Cooperation and Development and International Monetary Fund have expressed their concerns that roaring demand for biofuels would pressure farm produce prices globally in the long-run.

In this case, China should mainly utilize agricultural wastes, such as wheat straws and corn stalks, animal feces, as well as rotten leaves, and non-grain farm produces, like cassava, sweet potato, sweet sorghum, sugar beet, and jerusalem artichoke, as its own

approach to develop bioenergies, rather than at the expense of grains that already short in supply, said Sun.

China has about 100 million hectares of mountains, shoals, and saline or alkaline lands which are not suitable for growing grains but energy plants.

Sun said roughly 26 million Chinese families in rural areas had started making use of self-produced methane last year, and five million more are expected to join in this year.

According to the Renewable Energy Development Plan for the 11th Five-Year period released last month by the National Development and Reform Commission, by the year of 2010 renewable energies will account for 10 percent of the national energy consumption structure, and electricity generated by biological materials will reach an installed capacity of 5.5 million kW.

Meanwhile, some 2.2 million tons more of fuel ethanol produced by non-grain materials are set forth for the 11th Five-Year period, and annual bio-diesel consumption will reach 200 thousand tons by 2010.

New energy consumption standards released

April 18 (China Daily) -- China released 46 national standards on energy consumption issues ranging from coal-fired power to household induction cookers Friday, as part of efforts to promote energy conservation throughout the country.

The standards will improve implementation of China's energy conservation law, which took effect at the beginning of this month, guaranteeing a reduction in energy intensity and pollutants for enterprises and the supervision work of government departments, said Liu Pingjun, chief of the National Standardization Management Commission.

Liu told reporters that China currently had 46 standards on energy consumption issues, including 37 newly formulated and nine revised standards, of which 36 were mandatory. Most of the standards will go into effect on June 1 and

the others are scheduled to take effect sometime on or before November 1.

The standards involve energy consumption norms on 22 products in five high energy consumption industries such as power, steel and building materials, fuel consumption limits on five vehicle types, energy efficiency grades on 11 consumables for end-users such as household induction cookers and water heaters, and eight calculation and measurement principles.

After their implementation, those items that do not meet the standards will be banned for production, sale and use. Ten to 20 percent of high energy-consumption products will fall into disuse, said He Bingguang, an official with the National Development and Reform Commission.

Energy consumption for such industries as power, steel and building materials currently accounts for 40 percent of the country's total energy use, according to He.

However, some experts were not optimistic about the success of the standards. "What if those products which fail to meet the standards are nonetheless produced, sold and used?" said Jin Yuefu, deputy chief engineer of China Automotive Technology & Research Center.

High up-front costs often blind consumers to the greater cost-efficiency of energy-saving products in the long run, according to Jin.

On the other hand, tight government control over key energy prices is in effect subsidizing enterprises that drag their feet in improving energy efficiency.

The new law and standards will hopefully boost the country's energy-saving drive if the authorities also add other administrative measures to encourage energy conservation in coordination, said Jin.

Energy bureau likely to benefit sector

April 9 (China Daily) -- Editor's note: China International Petroleum & Petrochemical Technology & Equipment Exhibition (CIPPE), the nation's largest oil equipment expo, opened

in Beijing on Monday. Over 800 businesses will attend the three-day event.

Recent reform of the nation's energy administration will boost the oil equipment sector, a senior energy official said yesterday.

"The new National Energy Bureau will provide more market-oriented services to the country's oil equipment manufacturers to improve the industry," Zhou Xi'an, director of the Office of the National Energy Leading Group, said.

The country's oil equipment manufacturing has made great strides in recent years, with oil exploiting and drilling equipment now up to the world standard, he said.

The nation's export of oil equipment - including drilling machines, spare parts and steel oil pipe - increased over 50 percent in 2007, compared with a year earlier. Robust exports were buoyed by strong demand worldwide, Customs sources said.

Prevailing price hikes on the global oil market and ensuing big profits have prompted major oil producers to expand their businesses and increase investment, the sources said. Moreover, major oil producers in the Middle East, the US and Russia are upgrading equipment.

China changed from being a net importer to a net exporter of machinery in 2006. Machinery exports grew 40.74 percent in 2007, or 20.67 percentage points faster than the rate of increase for imports.

Oil majors PetroChina, Sinopec and CNOOC have all said they will focus on equipment manufacturing. CNOOC plans to invest 15 billion yuan (\$2.14 billion) to develop deep-sea oil equipment as it plans to increase exploration and development of deep-sea oil resources.

Cities such as Daqing in Heilongjiang and Dongying in Shandong have said they are working hard to become key oil equipment manufacturers.

Oil and gas pipeline products are becoming a big part of the machinery sector. The government plans to extend its oil and gas pipelines nearly 60 percent by 2010 to meet

rising demand for energy, according to PetroChina, the nation's top pipeline builder.

China's oil and gas pipeline industry has increased an average 14 percent since 1996. Between 2000 and 2005, China has built more pipelines than it did in the preceding years, Tang Yali from PetroChina's natural gas and pipeline company said.

This February, work began on the second west-to-east natural gas pipeline, which will mainly carry natural gas from Turkmenistan and China's Xinjiang Uygur autonomous region to the Yangtze and Pearl river delta areas.

Construction of the 9,102-km gas pipeline, which consists of a main line and eight sub-lines, will cost 142.2 billion yuan.

The nation's machinery industry output rose about 32 percent in 2007 to a record level of more than 7 trillion yuan, according to the China Machinery Industry Federation. It was the fifth consecutive year in which the annual growth rate exceeded 20 percent.

The government put the equipment manufacturing industry on its agenda for the current 2006-10 period, including developing large-scale oil equipment.

Energy: Official urges joint efforts in sustainable energy development

April 23 (Xinhua) -- To realise sustainable energy development needs the common efforts of countries around the world, a senior Chinese official said here Tuesday.

Sun Qin, vice director general of the state energy bureau under the National Development and Reform Commission, made the remarks while addressing the 11th International Energy Forum.

Most of the countries around the world could not safeguard energy security without international cooperation, as it is an international issue, said Sun, who leads a Chinese delegation attending the forum.

In order to do this, developed countries, which have already accomplished industrialization, should shoulder more responsibilities as they were and still are the major consumers of global energy and resources, Sun said.

Developed countries should lead the way in energy conservation to reduce the per capita energy consumption and increase its input in researching and developing advanced energy-saving technologies, as well as helping developing countries to make more efficient use of energy, Sun said.

China has attached great importance to the issue and made environmental protection an important part of its energy policy, Sun said, adding that the Chinese government is willing to join hands with other countries to make a contribution to the sustainable development of energy.

Automobile and Transportation

Electric vehicle an option for China

April 14 (Xinhua) -- As soon as the driver hits the accelerator, you are thrown back against the seat. The car climbs from 0 to 100 km per hour in about four seconds, as advertised. But unlike a Porsche or Ferrari, there are no fumes or gear changes and not much noise.

The 2008 Tesla Roadster, totally powered by electricity and unveiled in March in California, produces only one-tenth of the pollution of a normal gasoline-powered car. It is six times as energy efficient as the best sports car and produces zero tailpipe emission. More than just a commuter car, it easily achieves 450 km per charge.

"The electric sports car will fundamentally change the way we drive," predicts Tesla Motors CEO Martin Eberhard.

Ditlev Engel, president and CEO of Vestas Wind Systems A/S, says in Beijing that the Tesla Roadster provides a "marvelous, clean and renewable solution" to traditional transport. The Denmark-based company knows green power. To date, it has installed more than 32,500 wind power turbines in more than 60 countries worldwide.

"Vestas has booked a Tesla Roadster to a showcase of our business," he adds.

As oil becomes more difficult to access, techniques to create liquid fuels from coal are now being vigorously pursued in the US, China, India, Australia and South Africa.

Vehicles should be subject to similar energy labeling and efficiency improvement requirements as other energy-consuming appliances.

Figures showed that by 2006, China was home to approximately twenty-two million private motor vehicles. Around 6.4 million passenger cars were sold in 2007, with a further 2.5 million commercial vehicles, making a rise of 22 percent on the previous year.

At this staggering rate of growth, the total fleet could increase more than ten-fold to 250 million by 2030.

But the country is seeking its solution.

In Tianjin, a port city some 125 km to the east of Beijing, an electric vehicle factory is currently under construction, which will boast a capacity of 20,000 units per year.

When completed, the Tianjin-Qingyuan Electric Vehicle Company will be the largest electric vehicle manufacturer in the world by some distance, and it will be a Chinese company using Chinese technology, with plans to export half of its annual production to the US and Europe.

In the same city, Vestas has operated seven factories to provide wind turbine equipment for both domestic and international market.

Built at total investment of 624 million yuan, factories produce generators, nacelles and blades, all important components in wind turbines.

And for the coming 2008 Olympic Games, Beijing has commissioned 50 buses powered by Li-ion batteries to ferry athletes and officials between venues.

The country or region will include anyone who is a net importer of crude oil, wishes to use indigenous energy resources as efficiently as possible, has a large or fast growing road transport sector, has a large or fast growing

automotive industry, possesses or intends to invest in widespread electricity infrastructure, and is committed to tackle rising greenhouse gas emissions.

Another boom auto year in China forecast

April 22 (Agencies) -- Automobile industry executives at Beijing's bi-annual auto show forecast another boom year in China in 2008, with sales in the world's No 2 car market rising and production ramping up to take advantage of lower costs.

Global automakers such as Volkswagen AG, General Motors Corp and Toyota Motor Corp are increasingly relying on emerging markets such as China to take up the slack as US and European consumers feel the pinch from slowing economies and rising prices.

"I say this internally all the time, but the company that gets China right is going to be the dominant player for the next 25 years," GM chief executive Rick Wagoner said at the Beijing Auto Show.

GM's China sales lagged in the first quarter due to winter storms that disrupted shipments, but the company ranked No 2 by production in China last year is forecasting a recovery.

"We still expect a very good year and to grow in line with the market," GM's president and managing director Kevin Wale said.

GM expects total China car sales to rise 16 percent in 2008, after climbing to 6.3 million in 2007. Most executives predicated the whole auto market, including trucks and buses, to reach 10 million units this year.

As big as the Chinese car market has become, just 44 out of every 1,000 people owns a vehicle, compared with an average 600 for the developed world and some 800 for the United States.

The number of vehicles on Chinese roads last year reached 47 million, parts maker Magna International said, a level equivalent to where the US was in 1947.

"All the fundamentals are really, really good (for China to keep growing)," said Magna International Asia Pacific executive vice-president Frank O'Brien.

Carlos Ghosn, chief executive officer of Nissan Motor Co and Renault SA, agreed.

"If China is going to become the world's second-biggest economy – if not the biggest – you can expect the (per capita sales) number to reach at least 600," he told reporters at the auto show.

"You can imagine the growth prospects."

Automakers wage war over Chinese market

April 18 (China Daily)-- Athletes from around the world will contend for gold this August during the Beijing Olympic Games, but before the sports gala begins, automakers are already locked in an intense competition of their own to see which will catch the most Chinese buyers.

It promises to be a long match, however, with no immediate winners likely in the world's second-biggest and fastest-growing vehicle market.

Global auto giants and local carmakers are in top gear to parade their products through the 2008 Beijing International Automotive Exhibition, which opened on Sunday at an all-new venue.

There are 890 vehicles on display in a total area of more than 180,000 sq m - the largest in Asia - with seven foreign models making their global premieres, 24 Asian debuts and more than 100 China maiden appearances.

The nine-day auto pageant is expected to attract more than 600,000 visitors, according to organizers of the biennial event.

Vehicle sales in China jumped by 21.4 percent year-on-year to 2.58 million units in the first quarter of this year. Full-year sales are predicted

to hit 10 million units, up from 8.79 million in 2007.

US carmaker Ford Motor Co, together with its Japanese unit Mazda and other affiliate brands, is showing 55 vehicles - including six concept models and one making Asian premiere - in a combined booth of 5,500 sq m, which makes it the biggest exhibitor.

Ford is also putting its new powertrain technology, EcoBoost, on show. The turbocharged direct-injection technology provides 15 percent improvement in emissions and up to 20 percent better fuel economy, as well as improved performance.

Bob Graziano, Ford's newly appointed China CEO, says "Ford will be introducing EcoBoost-based products starting in 2009, beginning in North America and then on to other parts of the world, including China".

Ford's group China sales rocketed by 47 percent to 90,791 vehicles in the first quarter.

General Motors and its Chinese joint ventures are displaying 42 models with the Buick Invicta making its global debut.

Rick Wagoner, the group's chairman and CEO, said China may surpass the United States as the world's biggest vehicle market within a decade.

China is to account for more than 40 percent of global auto sales growth during the period, Wagoner predicted.

GM is the top player in China's vehicle market with local sales last year exceeding \$1 million units.

Wagoner said GM and its joint ventures will continue to invest an average of 1 billion annually in China.

He said GM is also looking to source more parts from China for its global operations, taking advantage of the emerging high-quality and low-cost supply base in the country.

Yet he cautioned that "energy for automobiles is one of the core energy and environmental challenges facing our world today with a market that shows no signs of slowing, China is being impacted more than most".

On Saturday, GM opened an automotive energy research center in Beijing jointly with its partner SAIC and Tsinghua University.

Wagoner said the goal of the center is to develop an automotive energy strategy that will drive China away from its reliance on petroleum-based fuels and toward sustainable transportation.

GM will bring three of its fuel-cell hydrogen-powered cars into China in the second half of this year for testing in this market, he said.

A third of petroleum consumed in China is used for automobiles. It is estimated that the nation will need over 250 million tons of oil for transportation by 2020.

Fredrik Arp, CEO of Swedish premium car producer Volvo Cars Corp, predicted China is expected to be among its top 10 markets in the future thanks to a strong demand in the country.

To meet with the constantly growing demand for premium cars in China, Volvo is planning local production of the S80 sedan, its flagship model. Sources from the company said a modified version of the S80 will be made in China next year. Volvo started assembling its S40 compact sedan in China in 2006.

"The already successful S40 production, together with the modified S80 in the future, means that our Chinese production base is the most important outside Europe," Arp said.

He said that after it starts local production of the S80, Volvo will evaluate if the parts and components sourced in China also can be used on the cars it produces in Europe.

German carmaker Volkswagen is displaying 31 new models at the Beijing auto show with two locally developed compact models making their global debuts.

The two models will be put into production at Volkswagen two joint ventures in China this year.

Winfried Vahland, Volkswagen's China chief, said the group aims to sell more than 1 million cars in the country this year, up from 910,491 units in 2007.

As the sole official automotive partner of the Beijing Olympic Games, Volkswagen will provide 5,000 vehicles to serve the sports event.

At the same time, Chinese carmakers are competing for limelight.

Chery, the top indigenous passenger car brand, is flaunting a record 29 new models at a record area of 2,500 sq m in a same exhibition hall with Japan's Toyota, which offers 50 vehicles.

Chery's cars on display include five powered by diesel, hybrid petrol-electricity, fuel cell and other new energy resources.

It aims to move 480,000 vehicles this year, up from 381,000 units in 2007.

Great Wall Motors, the emerging SUV and pickup producer listed in Hong Kong, is displaying 16 models in a booth of 1,800 sq m at the auto show.

Beijing auto show to kick off

April 20 (Xinhua) -- The world's auto makers are to unveil their latest models at a special media opening of the 2008 Beijing International Automotive Exhibition on Sunday.

A record 9,000 journalists, including 1,000 from abroad, will be given a preview of seven models making their global debuts at the tenth Beijing auto show, which opens to the public from April 22 to 28.

Organizers expect around 600,000 visitors, including 30,000 from overseas, to the exhibition.

Foreign auto makers are hoping the booming China market will offset sales slumps elsewhere in the world.

Big global names, such as Ford, Volkswagen and BMW, saw their sales growth far outpace the industry average in China, where total passenger car sales rose 20 percent to 1.85 million in the first quarter.

In contrast, new vehicle sales in the United States hit a 15-year low as consumers held back amid concerns about soaring oil prices and the spreading credit crisis.

The biennial auto show will be held at the enlarged China International Exhibition Center, which reopened late last month at a new site on the northeast outskirts of Beijing.

The exhibition is organized by the country's industry associations and the State-owned enterprises, including the China Machinery Industry Federation, the China National Machinery Industry Corporation, the China Council for the Promotion of International Trade, and the China Association of Automobile Manufacturers.

Altogether 892 vehicles, including 55 concept cars, will be on show in an exhibition area of 180,000 square meters, and nearly a third of them are homegrown models, the organizers said.

Homegrown models currently have 60 percent of China's new vehicle market, but only 26 percent of the fastest-growing sedan market dominated by foreign brands.

Chinese customers will be able to see almost 100 new cars for the first time during the show. Twenty-four models will make their debuts in Asia.

All the world's major auto makers, including General Motors, BMW, Toyota and Honda, will exhibit at the show, the organizers said.

Germany's Volkswagen AG, German luxury car maker Mercedes-Benz, and Toyota from Japan said the Beijing show was the most important event outside of their home countries.

About 225 overseas manufacturers and more than 1,800 domestic producers will participate in the show.

Many auto makers will present their environment-friendly models, including those run on alternative fuels, hybrid and electric cars, said the organizers.

Mercedes-Benz will display a particularly clean diesel hybrid model, while Ford will show off its latest engine technology called EcoBoost that will deliver up to 20 percent better fuel economy on 500,000 Ford, Lincoln and Mercury vehicles annually in North America during the next five years.

Some energy-saving technologies still in development will be demonstrated at the Beijing show following their appearance at other overseas shows like that in Detroit in January.

Luxury brands such as Bentley, Lamborghini, Bugatti, Ferrari, Maserati, Aston Martin, Porsche, Rolls-Royce and Spyker will also exhibit.

Almost 100 overseas media organizations will cover the event, including the Associated Press, the Washington-based United Press International, Bloomberg, Reuters, AFP, ZDF from Germany, the Asahi Shimbun from Japan.

Among about 8,000 Chinese reporters, most are from outside Beijing.

"More individuals are buying cars in Xuzhou, though a second-tier city, so the readership is rapidly expanding," said a female reporter from a newspaper in Xuzhou city, in East China's Jiangsu Province.

The show will open exclusively to journalists on Sunday and Monday and to the public from Tuesday.

The biennial exhibition is one of the three major auto shows in China. The other two are staged in Shanghai once every two years since 1989 and annually in Guangzhou.

Auto balance

February 25 (China Daily) -- Rules governing auto sales in China should be enhanced to establish a more efficient and transparent system and better protect distributors and customers, according to industry experts.

Luo Lei, deputy secretary-general of the China Automobile Dealers Association in Beijing, says adjustments under consideration should better balance the interests of auto manufacturers and distributors.

Experts point out that current sales approaches place too much authority in the hands of automakers and put distributors in a weak position.

"With the control of franchising rights, international automakers established numerous sales outlets in China, which brought disordered

competition among domestic distributors of the same auto brand," says Luo. "The market is lacking in an efficient mechanism to check the power of automakers and protect the sellers' interests."

The current management environment increases sellers' management costs and dilutes profits of distributors, he says.

Customers and distributors applaud the proposed changes as an important step forward for the entire auto distribution system in China.

Along with increasing demands from customers and distributors to revise the current measures, experts say greater efforts should first be made to enforce current rules.

Zhang Boshun, secretary general of China Association of Automobile Manufacturers, says the establishment of an efficient and transparent auto distribution system not only calls for fair governing measures but also needs such rules to be enforced.

"It is still open for discussion whether the current rules should be revised or reserved," says Zhang. "But market participants who fail to comply with current rules are disturbing the industry operation."

First introduced in 2005, current regulations were designed to standardize auto sales, promote healthy development of the market and protect the rights of consumers.

But since the measures took effect three years ago, stakeholders have been calling for better protection of interests among suppliers, sellers and customers. Industrial insiders say implementation of the rules is a problem.

Under current measures, auto dealers defer to companies authorized by auto suppliers for sales, service and dealerships in a particular brand. Auto suppliers then have the authority to develop sales plans and service networks, which includes forecasts of operations, plans for outlet distribution, establishment of a dealership network and outlet construction and standards for after-sales services.

The current rules require that auto suppliers should strengthen management over their networks, standardize sales and after-sales services, and publish the names of enterprises

that are authorized - and not authorized - to sell its cars. They are prohibited from interfering in the construction of dealerships, the purchase of equipment and operations of distributors. They are also not allowed to impose sales quotas or force combined sales of brands onto the distributors.

Yet dealers say many suppliers set unrealistic sales quotas. They are now urging a limit be set on suppliers' authority.

Industry insiders say further efforts should be made to require suppliers to better administer operations. They believe the sound development of the distribution system requires supervision over auto suppliers.

"It is time to set necessary limitations on automakers' authority in the distribution system," says Luo. "The new specifications will be complementary to current measures and well balance the interests of automakers, sellers and customers."

According to Luo, one of the members drafting the new measures, the latest version will not change current rules entirely, but aims to specify auto suppliers' responsibilities and provide more guidance to sellers.

He says the draft specifications are in the process of soliciting comments and suggestions from experts and are likely to be introduced this year.

Passenger car sales rise 24% in March

April 9 (Xinhua) -- China passenger car sales rose 23.6 percent in March compared with the same period a year earlier, the biggest monthly rise in seven months, as the market recovered rapidly after the freak winter weather, an industry group said.

Sales reached 700,500 cars last month, up 43.3 percent from February, according to the semi-official China Association of Automobile Manufacturers.

First-quarter sales rose 20.4 percent to 1.85 million, including 1.37 million sedans, 55,300 minivans and 101,800 sport-utility vehicles.

Volkswagen AG's two Chinese ventures - FAW Volkswagen and Shanghai Volkswagen - topped the sales list in the first three months, as the German company, Europe's largest car maker, boosted China sales by 32.5 percent to 268,200 vehicles. Shanghai GM, the Detroit-based car maker's venture with Shanghai Automotive Industry Corp, sold the third largest amount of cars.

Domestic vehicle production and sales both surged more than 20 percent to a record 8.8 million units last year, in contrast to weakening sales worldwide.

China, the world's second largest car market, produced 6.38 million passenger cars and sold 6.3 million units last year.

Olympic traffic lanes to open in July

April 25 (China Daily) -- Beijing will rope off 264 km of traffic lanes in late July so that vehicles carrying athletes and other figures connected to the Olympic Games can move freely through the city and from venue to venue, The Beijing News reported this week.

Vehicles will be able to travel at least 60 kph on these lanes, it said.

They will operate around-the-clock for 63 days from July 25 to Sept 25. This covers the period starting 14 days before the Beijing Games opening ceremony and ends eight days after the closing ceremony of the follow-on Paralympic Games.

The lanes will be on Beijing's Second, Fourth and Fifth Ring Roads, and some freeways connecting Beijing to the popular Badaling section of the Great Wall, the Capital International Airport, and Chengde, a summer resort in neighboring Hebei province.

Bearing the colorful logo of the Olympic rings, all the designated lanes lead to Olympic venues, athletes' residential areas and Olympic reception hotels.

Separating Olympic officials from others on the road is an effective way of overcoming the city's chronic congestion, as was the case at previous Games in Sydney and Athens, said Liu Jingmin,

vice-mayor of Beijing and also executive vice-president of the Beijing Organizing Committee of the Olympic Games (BOCOG).

"The average vehicle speed of Olympic lanes will be no less than 60 kph during the Beijing Games. This compares to 20 kph for ordinary roads and 35 kph for urban expressways," Xue Jiandong, commissioner of the Beijing Municipal Committee of Communications, said at the Beijing Transport Information-Service Forum on Monday.

"During the Games, Beijing residents and tourists can access real-time traffic information six ways - on their mobile phones, on the radio and TV, via GPS devices inside their vehicles, and through roadside traffic information screens.

"Alternatively, they can log on to the center's website, or call its service hotline," said Wang Gang, director of the Beijing Municipal Transportation Information Center.

Oil and gas

China's oil consumption to hit 563M tons in 2020

April 8 (Xinhua) -- BEIJING -- China is expected to consume 62.5 percent more oil in 2020 compared with 2006 as fast economic growth will continue to fuel domestic oil demand, says a government think tank.

China's oil consumption would rise from 346.6 million tons in 2006 to 407 million tons in 2010 and 563 million tons in 2020, the Chinese Academy of Social Sciences forecast in a new report.

Oil demand would grow by an annual average of 4.5 percent from 2007 to 2010 and an annual average of 3.3 percent from 2010 to 2020, it said.

The rise in refined oil demand would outpace total demand over the next 13 years, with gasoline demand up 5.7 percent annually, helped by a booming automotive industry. Kerosene demand would grow by 5 percent annually and diesel oil 4.2 percent.

Vehicle sales would continue to expand at double-digit rates this year to 10 million in the world's second largest car market, according to the China Association of Automobile Manufacturers.

Refined oil would account for 54.1 percent of the total demand in 2010 and 59.5 percent in 2020, compared with 47.1 percent in 2006.

China's rising oil consumption was mainly fueled by "increased interrelations between its GDP and oil consumption and a fast growing transport industry", the report said.

China became a net importer of oil during the 1990s, and now 47 percent of the country's consumption relies on imports.

China's crude oil output was 186.7 million tons last year, up 1.6 percent from 2006, while imports surged 12.4 percent to 160 million tons.

The country's oil producers planned to find 10 new oilfields with reserves of more than 100 million tons each by 2010 in an effort to boost domestic supply, the Ministry of Land and Resources said in a document on its website on April 3.

Last year saw China's biggest oil field discovery in four decades, with reserves of up to 1 billion tons, in the northern Bohai Bay.

CNOOC first-quarter sales jump 62% on high crude prices

April 29 (China Daily) -- CNOOC Ltd, China's biggest offshore oil producer, said its first-quarter sales rose 62 percent as oil prices surged and crude production increased.

Revenue in the three months ending March 31 climbed to 24 billion yuan (\$3.4 billion), the Beijing-based company said in a statement on its website yesterday. Crude production gained 3.7 percent to 392,722 barrels a day.

Benchmark oil prices in New York have gained 82 percent in the past year and touched a record \$119.93 a barrel yesterday. CNOOC plans to increase capital spending 44 percent this year to expand oil and gas production by as much as 18 percent and benefit from rising energy demand in the world's fastest-growing major economy.

"CNOOC's first quarter was characterized by steady production growth, strong revenue growth and exciting exploration discoveries," Chairman Fu Chengyu said in the statement. "Such impressive results reveal a good start for the year 2008."

CNOOC rose 5 percent to close at HK\$13.92 in Hong Kong trading. The stock has gained 4.8 percent this year, compared with a 7.7 percent drop in the benchmark Hang Seng Index.

The price CNOOC received for its crude oil surged 69 percent to \$88.76 a barrel in the first quarter from a year earlier. The price of its natural gas climbed 14 percent to \$3.65 every 1,000 cubic feet.

Oil, gas output Crude oil and gas production from fields including overseas areas rose 5 percent to the equivalent of 496,753 barrels of oil a day, CNOOC said. Gas output gained 9.3 percent to 601 million cubic feet a day.

CNOOC's crude and gas production from offshore fields within China gained 6.3 percent. Overseas oil production fell 19 percent to 20,593 barrels a day in the first quarter from a year earlier. Gas output from fields outside China jumped 6 percent to 188 million cubic feet a day, CNOOC said.

The decline in overseas output is mainly because of a drop in its Indonesian production, Yang said. CNOOC operates and owns 65.5 percent of a field in Southeast Sumatra, whose crude production may fall 12 percent this year as the field matures, Dody Hidayat, deputy of production at Indonesia's oil and gas regulator BPMigas, said in January.

Windfall tax CNOOC is also in talks with the authorities on revisions to the windfall tax, which producers pay on crude sold at above \$40 a barrel, Chief Financial Officer Yang Hua told reporters yesterday, without giving details.

Its windfall tax payments in the first quarter will be higher than a year earlier under the current formula, he said.

China Petroleum & Chemical Corp, Asia's biggest refiner, said yesterday that taxes increased sixfold on crude sold at more than \$40 a barrel in the first three months as the price of oil rose to a record.

CNOOC's capital expenditure in the first quarter was little changed at 6.1 billion yuan from 6.3 billion yuan a year earlier, CNOOC said. Exploration spending rose 42 percent to 1.37 billion yuan from 958.9 million yuan.

The company's costs will rise because of surging raw material and labor charges, Yang said.

Costs rise net income rose 1.3 percent in 2007 to 31.3 billion yuan, the slowest pace since 2002, because of rising costs and flat production growth, CNOOC said last month.

The company aims to produce the equivalent of between 195 million and 199 million barrels of oil this year, CNOOC said in January. Output in 2007 reached the equivalent of 171 million barrels of oil.

The company is "confident" of meeting this year's output target, Yang said. Most of its projects are due to start operating beginning this quarter, he said.

The oil explorer plans to more than double production at the Bohai Bay field in Northeast China to more than 27 million metric tons a year, or about 542,000 barrels a day, in five to six years, Vice-President Chen Bi said on Oct 12.

CNOOC had said in its annual report that the acquisition cost of an oil field in Nigeria may be revised based on the final results of a tax audit conducted by the African country's authorities.

The tax office in Nigeria last year conducted an audit on South Atlantic Petroleum Ltd, which sold CNOOC a 45 percent stake in the OML 130 field, and disagreed with the filings made for the transaction, CNOOC said.

The Hong Kong-listed oil producer is "confident" of settling the dispute, Yang said, without giving details.

CNPC to raise gas production

April 24 (China Daily) -- China National Petroleum Corporation (CNPC), the country's largest oil and gas producer, has said it plans to increase its natural gas output at the Xinjiang oilfield to 5 billion cu m annually by 2010.

After 2010, the company will double the natural gas output at the field in three to five years, CNPC said on its website yesterday.

In the first quarter of this year, natural gas output at the Xinjiang oilfield was 861 million cu m, surpassing the full-year target, said CNPC.

"CNPC last year increased its natural gas output by 10 billion cu m," said Li Runsheng, the company's assistant president in March. "A total of 429.4 billion cu m of new natural gas geological reserves were found last year."

The company has put more emphasis on the development of natural gas in recent years, which is in line with the government's efforts to use cleaner energy. Natural gas production has thus seen 20 percent growth in three consecutive years, said Li.

CNPC had earlier said it increased gas output from the Tarim field in Xinjiang by more than 50 percent in 2007.

The Tarim field has become the nation's largest gas production base in less than 20 years of development, said the company.

In Xinjiang, the company also plans to invest 12 billion yuan this year in its Dushanzi refinery, the largest petrochemical project in the western region.

The company has invested 18.6 billion yuan in the Dushanzi refinery and petrochemicals complex, and will accelerate the project's pace this year, CNPC had earlier said.

China has set a target of raising the proportion of natural gas in its total energy consumption to 5.3 percent in 2010 from 2.8 percent in 2005. The targeted output of the fuel in 2010 is 90 billion cu m.

Analysts said China's natural gas demand is projected to reach 140 billion cu m in 2010, when the country will import around 20 billion cu m of natural gas.

CNPC started constructing the second west-east natural gas pipeline in February. It will mainly carry natural gas from Turkmenistan and the Xinjiang Uygur autonomous region to the Yangtze and Pearl River deltas.

CNPC started LNG project in Dalian

April 18 (China Daily) -- China National Petroleum Corporation (CNPC) Friday started the construction of a liquefied natural gas (LNG) project in the port city of Northeast China's Liaoning province.

"The total investment of the project exceeds 10 billion yuan (\$1.43 billion). After completion, the annual sales revenue will be over 25.3 billion yuan," said Wang Lixin, general manager of the project.

As CNPC's first LNG project in Northeast China domestically designed and constructed, the project comprises a terminal, a receiving station and gas pipelines. The terminal can accommodate LNG vessels with the carrying capacity ranging from 140,000 to 270,000 cubic meters.

The receiving station covers 24 hectares. It is to be constructed in two phases. The first phase is expected to be put into use at the beginning of 2011. It will supply 4.2 billion cubic meters of natural gas annually.

"The second phase will be started according to the real requirements," said Wang, "Its annual receiving and supplying capacity can reach 7.8 million tons and 10.5 billion cubic meters respectively."

The pipelines are composed of a 389-kilometer-trunk line to Shenyang, a branch line to Dalian, and a branch line to Fushun, all in Liaoning.

According to Wang, the project mainly serves the consumers in Liaoning province by providing natural gas as a clean substitute of coal gas and fuel oil.

"Dalian LNG Project is CNPC's first major LNG project that receives LNG resources from other countries like Qatar and Australia," said Liao Yongyuan, vice general manager of CNPC.

Liao commented that it is of great importance in strengthening China's ability of energy support and energy safety.

"The project will improve the energy consuming structure of our province, which is now mainly a coal consumer," said Liu Guoqiang, vice governor of Liaoning province.

"With the rapid development, we are absorbing more and more energy from other provinces. It is expected that we will need 18 billion cubic meters of natural gas in 2010. Eight billion must be imported from outside," said Liu.

"The project will also accelerate Dalian's progress in building an international shipping center of Northeast Asia, said Xia Deren, mayor of Dalian.

Chinese, Qatari firms ink gas deals

April 11 (China Daily) -- China's two largest owners of liquefied natural gas (LNG) terminals Thursday inked deals with Qatargas Operating Co for LNG importation - the first such deal between China and the world's top LNG exporter.

Qatargas will sell 2 million tons of LNG a year to China National Offshore Oil Corp (CNOOC), currently China's sole LNG importer, starting from next year, according to the agreement.

Qatargas and its partner Royal Dutch Shell will sell 3 million tons of LNG a year to PetroChina from 2011.

CNOOC, China's third-largest oil company, also announced Thursday it will open 17 offshore blocks for joint oil exploration with foreign companies this year.

The two agreements were signed between the companies' chairmen at the Great Hall of the People Thursday, in the presence of Premier Wen Jiabao and visiting Qatari Prime Minister Shaikh Hamad bin Jassim bin Jabr Al-Thani.

The two countries also inked three memoranda of understanding to enhance energy cooperation between the two governments and relevant companies, and expand bilateral cultural cooperation between now and 2010.

During a one-hour talk ahead of the signing ceremony, Wen said energy cooperation between the two nations has made encouraging breakthroughs recently.

He expressed hopes that the two sides can expand cooperation on energy, infrastructure

construction and other fields, including culture, education, media, aviation and tourism.

Qatar attaches great importance to Sino-Qatari relations, resolutely adheres to the One-China policy and wished Beijing a successful Olympics, Jabr Al-Thani said.

"China has held many large-scale activities splendidly before. I believe the Beijing Olympics will be as outstanding as the previous ones here," he said.

With this year marking the 20th anniversary of the establishment of bilateral ties, Jabr Al-Thani said Qatar would like to join hands with China to expand bilateral relations.

The Qatari prime minister arrived in Shanghai on Sunday for a weeklong official visit - the highest-level one by a Qatari leader in seven years.

He was scheduled to travel to Hainan province this morning to meet President Hu Jintao and other foreign heads of state, and deliver a speech at the opening ceremony of the Boao Forum for Asia on Saturday afternoon.

China to crack down on petrol racketeers

April 22 (Xinhua) -- China's oil industry regulators are to launch a nationwide crackdown on wholesalers who sell to illegal filling stations and dealers in the wake of supply shortages.

The State Administration for Industry and Commerce (SAIC) announced on Monday that the seven-month campaign, starting from May, was aimed at improving oil quality sold on the market and preventing illegal hoarding and profiteering.

A statement posted on the SAIC website said local bureaus would set up a long-term monitoring mechanism for the refined oil market, which would cover companies involved in wholesale, storage and retail.

With high international oil prices, major Chinese cities, including Shanghai, Guangzhou and cities in Guangxi, Yunnan and Zhejiang, suffered fuel shortages last month.

Illegal dealers and filling stations are believed to have aggravated the situation by hoarding oil and jacking up prices to drivers wanting to avoid the long queues at licensed stations.

The supply tension eased a little as both the government and oil companies boosted market supply.

Oil refiners suffered heavy losses as the gap widened between steep crude prices on the international market and the government-controlled oil prices on domestic market.

China Petroleum and Chemical Corp (Sinopec) and PetroChina Co said they would receive "appropriate" monthly subsidies for losses retroactive to April 1.

Meanwhile, the government announced last week tax rebates on some of PetroChina and Sinopec's imported oil products in the second quarter.

China, Europe together in Kyoto action

April 23 (China Daily) --China and the EU are strategic partners. It is important to reiterate this and to convey this simple and strong message to our respective public opinions.

This means that our relations are based on a deep understanding of our long-term mutual interests, that we favor dialogue as a means to sort out our differences when they occur.

Indeed, when we consider the range of issues we are both confronted with - world peace and stability, world trade and investments, energy, macroeconomic imbalances and resurgence of inflation, food supply, the environment, climate change, and so on - there is not one single issue which does not call for increased cooperation between China and Europe not only for our mutual benefit but also for the benefit of the entire world.

When the President of the European Commission, Jos Manuel Barroso, visits China tomorrow and on Friday along with a group of nine members of the commission, climate change and sustainable development are going to be among the main issues he will raise with the Chinese leaders.

The Kyoto Protocol that came into force in 2005 stipulates that the European Union shall reduce greenhouse gas emissions by 8 percent by 2012 over the 1990 levels. EU emissions are now very close to this target and through a series of new policies introduced in the EU we are set to meet the target.

A part of this reduction has been achieved by making use of the Clean Development Mechanism (CDM) under the Kyoto Protocol.

This instrument allows countries and companies that have emission caps to offset emissions by buying credits from countries, such as China, that do not have any emission caps but are nevertheless parties to the Kyoto Protocol. Their main interest in doing this comes from the fact that emission reductions in China can be achieved at lower costs than in Europe.

Europe and China are the leading players in the fast-growing business of CDM. The EU is buying more than 80 percent of all emission credits globally and China's share of the market as seller is more than 50 percent.

Only in 2007, European companies subject to emission caps as well as European states facing hard-to-reach targets have provided finance that has made it possible for China to reduce greenhouse gas emissions through some 650 projects implemented in various parts of the country.

The total value of these projects, in terms of emission rights trading, is estimated at 40-50 billion yuan. This shows the scope of financial and technological transfers from the EU to China that is taking place under the CDM.

Business cooperation under the CDM is providing vital support to China's transition to a low carbon economy, by financing real emission reductions in sectors such as energy generation (through hydropower, windpower, high efficiency coal plants and fossil fuel switch), coal mining and chemical industry.

This source of finance adds to policy support, institutional capacity building and research cooperation under the EU-China Climate Change Partnership established in 2005 and to financing by EU development banks, including the China Climate Change Framework Loan of 500 million euros that the European Investment

Bank has made available to the Ministry of Finance of China.

The European Union has played an important role in creating the conditions for the CDM market to thrive here in China.

The EU has done this first by strictly implementing the commitments that its member states have taken under the Kyoto Protocol, and by ensuring that the companies in the European emissions trading system are given strict emission caps.

Secondly, it has been done by helping China set up the necessary infrastructures for CDM - for example, we are currently teaching Chinese verifiers how to check that CDM proposals meet the requirements laid down under the Kyoto Protocol.

This joint action on CDM goes hand in hand with many cooperation projects between the EU and China in the field of Energy, environment and climate change, the latest being the creation in Beijing of a "EU-China clean energy technology center" in order to foster exchanges of technologies between our respective research centers, industries and business.

The European Union has started to channel investment spending into cleaner, low-emission technologies. We look forward to intensifying our dialogue with the Chinese government with a view to reaching a new international agreement for which, I hope, future generations will thank us.

Climate Change and Air Pollution

Green technology forum concluded in Beijing

April 25 (Xinhua)-- Beijing - A high-level International Forum on Climate Change Science & Technology Innovation was concluded today in Beijing, bringing together world leaders and experts in the area of green technology to discuss the challenge of climate change and the opportunities for innovative solutions.

More than 600 participants from 30 countries and over 10 international organizations attended the Forum, including senior state officials,

renowned experts, and representatives of enterprises and non-governmental organizations.

The forum was aimed to leverage global knowledge and expertise in the fight against climate change by exploring the role of new technologies for increasing energy efficiency, alternative and renewable energy and adapting to climate change.

"The United Nations in China commend our Chinese partners in showing the leadership to initiate this forum and chart the course for future actions in the area of science and technology to combat climate change," said Khalid Malik, UN Resident Coordinator and UNDP Resident Representative in China, during the press conference to conclude the International Forum. "The challenge now is to set a solid foundation for practical actions towards the goal of a lower-carbon economy, through innovations in technology and new finance mechanisms."

To support actions in follow-up to the conference, UNDP and the entire UN system in China will soon launch a new UN Climate Change Partnership Framework involving nine UN agencies and over a dozen national partners to establish a common framework for policy and action, bringing force to the recently endorsed Bali Roadmap and a strong emphasis on technology and finance solutions.

"The role of UNDP and the UN in China is to leverage our global networks and create the space for collective thinking, research, design and testing of new technology and finance solutions," said Malik.

Rise in funding pledged to tackle climate change

April 24 (China Daily) -- The government has largely boosted funding for research on carbon emission reduction to tackle climate change but technology transfers from developed nations have been slow, a top official said on Wednesday.

Talking to China Daily, Minister of Science and Technology Wan Gang urged developed nations to fulfil the promises of technology transfers for tackling global warming.

He made the remarks on the eve of a two-day Forum on Climate Change and Science & Technology Innovation, which opens today. More than 600 delegates from over 30 countries and regions are attending the event.

The country has launched more than 100 projects on climate change since 2006 as part of the National Key Technology Research and Development (R&D) Program, the 863 Program for upgrading industry, and the 973 Program for basic research, he said.

Some \$1 billion has been spent on these projects and more will follow, he said. The focus of research is on the technologies to save energy, reduce coal burning emissions, and use of natural gas, coal-bed methane and nuclear power.

"We expect low-carbon technologies to help create low-carbon industries and change China's current mode of development which relies heavily on coal," the minister said.

The process of technology transfers from developed nations, as set out by the United Nations Framework Convention on Climate Change and the Kyoto Protocol, has been "very slow", he noted.

"Actually, there has been little progress in negotiations about technology transfers," he said.

According to the UN convention, which was signed by more than 150 countries and regions in 1992, developed nations have the responsibility to transfer appropriate technologies at a favorable price to developing countries.

Besides technologies for carbon emission reduction, China also needs technologies that can help it adapt to climate change, he added.

Wang also said Chinese scientists are conducting research on the possible influence of climate change on ecologically vulnerable areas, especially the Three Gorges Project and the South-North Water Diversion Project.

China takes responsible attitude to climate change

April 13 (Xinhua)-- BOAO - China is taking a responsible attitude towards climate change and some measures taken by the country are even more pro-active than some developed countries, Richard Yorke, HSBC China chief executive officer, told Xinhua at the Boao Forum for Asia (BFA) in the country's southern Hainan Province.

The Shanghai-based banker said there was a clear-cut regulation that air-conditioning units in the city should be set no lower than 26 degrees Celsius in summer, adding that China's banking industry watchdog was launching a "green credit" program.

The temperature of all the country's air-conditioned public rooms should be kept at no lower than 26 degrees Celsius in summer and no higher than 20 degrees Celsius in winter, stipulated last summer by the State Council, China's Cabinet, in effort to save energy.

China's top five banks offered a total of 106.3 billion yuan in loans (US\$ 15.18 billion) last year to help enterprises cut emissions and save energy, according to the China Banking Regulatory Commission (CBRC).

The CBRC also said in February that some 30 energy-intensive, high-polluting enterprises were denied credit from the top five banks last year after being blacklisted by the environmental authorities.

Rob Morrison, Credit Lyonnais Securities Asia (CLSA) chairman, said China's recent move of promoting the State Environmental Protection Administration to a full ministry known as the Ministry of Environmental Protection, could facilitate environmental protection endeavors.

In recent years, China has enhanced macro-control and stepped up its industrial upgrading in effort to make industrial structures, modes of growth and consumption patterns more conducive to conserving resources and the environment.

Rajendra Pachauri, the UN Intergovernmental Panel on Climate Change (IPCC) chairman, said on Sunday it was not easy for China to solve many problems as the country had a 1.3 billion population. The government, however, had endeavored to make the economic development mode shift in the right direction. The Indian economist added he was deeply moved by the Chinese efforts made in this regard.

The country launched a national program in June to address climate change and to reduce greenhouse gas emissions in an all round way.

Under the National Climate Change Program, the first by a developing country, China pledged to restructure its economy, promoting clean technologies and improving energy efficiency.

China has set goals of reducing energy consumption per unit of gross domestic product (GDP) by 20 percent, and cutting total emissions of major pollutants by 10 percent by 2010.

Dr. John Rutledge, an economic advisor to the administration of former US President Ronald Reagan, described this as a "responsible plan".

In 2007, emissions of sulfur dioxide and chemical oxygen demand (COD) in China decreased by 4.66 percent and 3.14 percent, respectively, year on year.

The government is currently carrying out the "Top 1,000 Enterprise Energy Efficiency Action Plan" and is implementing 10 major energy-saving projects. These included enhancing the efficiency of low-efficiency industrial boilers and improved energy-saving programs for oil refining, iron and steel companies.

Due to the government's efforts, China saw a 3.27 percent year-on-year drop in energy intensity in 2007 for each unit of GDP, equal to saving up to 89.8 million tons of standard coal.

To protect the environment and save energy, China shut down 29.4 million tons of outdated iron smelting capacity and 15.21 million tons of outdated steel smelting capacity as of November.

The country vowed last month to continue eliminating outdated production facilities this year, including small thermal power generating units with a combined capacity of 13 million kilowatts, and facilities with 50 million tons of cement, 6 million tons of steel and 14 million tons of iron.

China also scrapped export tax rebates on hundreds of products to curb energy-consuming and pollutant-discharging industries and exports of key natural resources.

China's central government planned to increase spending on energy efficiency and greenhouse gas emission reduction schemes by 78 percent

this year, with the total expenditure rising to 41.8 billion yuan from 23.5 billion yuan last year.

Speaking at the opening ceremony of the BFA annual conference on Saturday, Australian Prime Minister Kevin Rudd praised China's efforts of increasing its forest coverage.

He added Australia and other countries shared the same responsibility and should make joint efforts in reducing discharges and promoting sustainable development, including the protection of trees and forests.

The BFA was established in 2001 as a platform for high-level interaction between leaders from Asia and the world. The theme of this year's annual conference was "Green Asia: moving toward win-win through changes".

Center will help cut CO2 emissions from farming

April 2 (Agencies) -- New standards and technologies to reduce greenhouse gas (GHG) emissions caused by farming will be adopted with the launch yesterday in Beijing of the Center for Research on Agriculture and Climate Change.

Jointly established by the Chinese Academy of Agricultural Sciences (CAAS) and the Environmental Defense Fund (EDF), a US-based nongovernmental organization, the center will publish a Chinese version of the Duke Standard - a US guide to verifiable and measurable methods for reducing, avoiding and storing GHGs produced by agriculture.

The EDF has already run pilot schemes based on the standard in the Xinjiang Uygur autonomous region. These included promoting non-till farming technology, adopting drip irrigation, turning biogas into fuel and planting tamarisk - a shrub that is good at slowing sand movement.

Carbon credits produced by the pilots were sold on the market for voluntary GHG emissions reduction.

The pilot schemes will help prevent estimated emissions of more than 300,000 tons of carbon dioxide (CO2) equivalent over the next five years.

They also provided additional revenue for farmers who were able to sell the carbon credits.

David Yarnold, executive director of the EDF, said the center will teach farmers about GHG reduction technologies, provide local communities with plans on how to mitigate the effects of climate change and provide verification services as credits to be traded on the international market.

Measures to improve air quality

April 15 (China Daily) -- Work at Beijing construction sites will be suspended in the run-up to, and during, the Olympic and Paralympic Games, the municipal government announced Monday.

The suspension - along with a slew of other initiatives - to be effective from July 20 to September 20, aims to ensure better air quality during the Games, said Du Shaozhong, deputy director of the Beijing environment protection bureau.

Other measures announced yesterday include:

19 heavy-polluting industries have been asked to cut emissions by a further 30 percent.

Gas stations, tanker trucks and oil depots will be closed if they haven't completed "oil vapor recovery" technical upgrades.

Outdoor spray-painting is forbidden throughout the city.

Quarrying operations will be stopped.

The measures will help "fulfill Beijing's commitment to improving air quality during the Beijing Olympics", Du said.

"Enterprises that shut down or reduce production during the period will be exempted from pollution emission charges," he added.

Last month, Beijing announced plans to take as many as half of its 3.3 million vehicles off the roads during the Games period to help cut emissions.

Automobiles, excluding taxis, buses and emergency vehicles, are to stay off roads every

other day in accordance with the even and odd numbers on the license plates, it was announced.

Five provinces and municipalities surrounding Beijing - Tianjin, Hebei, Shanxi and Shandong provinces and the Inner Mongolia autonomous region - will join the efforts to ensure good air quality in the capital. They will announce detailed plans soon.

Du is confident of fulfilling the promise Beijing has made to the world on air pollution prevention.

Other pollution control measures announced earlier include:

From March 20, all earthwork construction projects have been suspended on windy days.

The authorities have implemented new car emission standards since March 1 that match those currently used in the European Union.

Coal-burning industries have been relocated out of built-up areas.

An IOC study released last month said that competition conditions would "not necessarily (be) ideal at every moment," but said Beijing's air quality was better than expected.

Beijing, which is sometimes shrouded in smog, has spent more than \$15 billion over the last decade to clean its air and the improvement is obvious.

The city notched up 67 "blue sky days" from January to the end of March, 12 more than the same period last year and the highest in nine years, according to Du.

Technology transfer proposed against climate change

April 24 (China Daily) -- BEIJING -- A senior Chinese official called on the international community to build a mechanism on technology development and transfer to address climate change problems here on Thursday.

Xie Zhenhua, the National Development and Reform Commission (NDRC) deputy head, said "the core of the mechanism is technology

transfer, including sufficient funds to support the transfer".

Xie made the remarks at a two-day Forum on Climate Change and Science and Technology Innovation opened here Thursday when sharing the Chinese government's ideas and proposals on how to promote international technology transfers on climate change issue.

Science and Technology Minister Wan Gang said China has allocated seven billion yuan to save energy and reduce emission as well as to address climate change during the 11th five-year program (2006 to 2010).

"This fund has helped the country to greatly increase its ability to save energy and reduce emission and enhanced its scientific research on climate change," Wan said.

China has signed 103 scientific cooperation agreements with 97 countries and climate change is the top priority of bilateral cooperation of China with other countries, Wan said.

Joint effort will slow GHGs

April 24 (China Daily) -- China and the EU together account for around 30 percent of global energy consumption and 30 percent of global emissions. We share common interests for deepening collaborative efforts on energy and climate security over the next quarter-century.

The combination of the EU, the world's largest single market, and China, the fastest-growing economy, can provide unprecedented opportunities to generate benefits of scale that will lower the costs of climate-friendly goods and services globally. By working together, we could become the de facto engine of global low-carbon transformation.

This is especially true in the energy sector which offers much room and opportunities for cooperation. It has become over the years a key area of our partnership with China.

Renewable energies, clean coal and energy efficiency in the building sector are among other areas where we may enhance our cooperation.

Last year, China announced in its Renewable Energy Mid-to-Long Term Development Plan, the objective of reaching a level of renewable energy equivalent to 270 million tons of coal by 2010. Such a strong commitment is a very positive signal both for the ongoing Climate Change negotiations but also for the renewable energies market. We witnessed tremendous efforts, through appropriate regulations and rules, to speed up the introduction of these technologies. I am convinced that, thanks to an enhanced cooperation we could even further enhance this process. Difficult access to grids, for instance, prevents the full deployment of wind farms: this is the kind of issue we could address together.

China relies heavily on coal. Given that today's investments in coal generation hardware and infrastructure have a lifespan of 30-40 years, we should - together - imperatively look at all options to reduce greenhouse gas (GHG) emissions already today.

Carbon capture and storage is the fastest developing technology to reduce greenhouse gas emissions. China and EU have much to gain from cooperating together on this developing technology that has bright prospects, not only in China, but all over the world.

I was impressed by the development path of Chinese cities such as Beijing. This expansion of the construction sector is consuming a tremendous amount of energy, but it also offers ample scope for energy savings. I am confident that our future cooperation to improve energy efficiency will produce very rapid and tangible results.

Finally, I look forward to seeing next year the opening of the Euro-China Clean Energy Center in Beijing that will be a key instrument to promote clean sources of energy.

For the first time ever, the European Commission and China's government have gathered at top levels to discuss energy and climate change - this is the most outstanding signal of our commitment to work together and a milestone in our relationship. We have now to build on that.

