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General Energy Issues

Green darkness

September 28 (Chinadaily) -- The decision to turn off the lights on Wangfujing Street was intended to remind Beijingers of the need to save energy. It also gives us pause to reflect upon the widespread interest in having a so-called "city with bright lights", says an article in Beijing News. The following is an excerpt:

The lights of Wangfujing, a renowned commercial street in Beijing, are known for shining 365 days a year - that is, until Sunday night, when merchants on the strip took part in a 30-minute voluntary switch-off of their decorative lights. On that day, Beijing joined hands with seven other cities in China to drive home to people the need to save energy.

Given its strong local economy and privileged status as the capital of China, Beijing has long been a carefree place, where residents seldom feel the impact of energy shortages. The life in Beijing makes Beijingers believe the energy crisis does not affect them, so their sense of conservation is limited.

The 30-minute blackout on Wangfujing saved 1,500 kWh of electricity. It would be difficult to say how much electricity Beijing's countless bright lights and numerous outdoor billboards consume. Imagine how much energy we would save if we shut off unnecessary lights in cities across the country.

Although switching off the bright lights on Wangfujing was a small matter, we hope it will have a big impact in terms of cultivating a sense of urgency about the need to save energy. There should be more, similar environmental protection programs to get people to change their habits.

The Wangfujing blackout proved that there is a contradiction between many cities' bright-lights projects and the concept of building an

energy-saving society. City governments nationwide should reflect deeply and adopt a timely plan to reach their energy saving goals.

Reaching for the brighter side of energy consumption

September 24 (Chinadaily) -- For 13-year-old Jia Quan, a middle school student in Beijing, his only impression of solar energy in the past was that it could be converted into electricity and stored in a battery. Some road lamps somewhere in Beijing were the only kind of application of solar energy he encountered.

It amazed him that solar energy could do much more than he ever expected. The teenager learned of this potential as he listened to a report on solar energy utilization presented by Signe Antvorskov, an engineer from Denmark working on household energy efficiency. According to Antvorskov, who appeared at the International Solar Energy Society's Solar World Congress in Beijing, held between September 18-21, solar cells can help indoor heating, ventilation, and even cooling.

In the house pictures she displayed, the roof shingles are coated with photovoltaic cells made of amorphous silicon and look much like ordinary roofing shingles. The electricity generated from the roof can basically satisfy a household's daily need.

Nowadays, solar energy technology offers an exciting potential for development of sustainable and eco-friendly energy systems.

Besides electricity generation, another important utilization of solar energy so far is for heating purpose, according to Yin Zhiqiang, professor of Department of Electronic Engineering of Tsinghua University.

Owing to a high cost of electricity generation from solar energy, China has focused on the solar heat potential, accounting for more than half of the world's use for such technology. A major part of thermal utilization in China is for low-temperature hot water in common households. It is expected that a further progress of it, producing higher-temperature water, can

also be applied to industrial and agricultural production.

Compared to a solar cell, which can only utilize approximately 9 to 15 percent of energy from the sun, a solar water heater is more efficient and can convert as high as 50 percent of solar energy.

According to Yin, the invention of the vacuum solar collecting glass tube has made solar energy also available for northern residents in cold winter, as the vacuum tubes have good thermal insulation properties and the water does not freeze.

Due to environmental concerns, more cities are forbidding burning coal for heating. Compared to the high cost of burning oil and gas, solar energy can be a cheaper and clean alternative, Yin believes.

Because a large water tank is usually placed on a building's roof as part of the solar power apparatus, it is not aesthetically pleasing. And while installing a water pump can allow the water tank to be on the ground, it is an expensive exercise. So a compact arrangement of the collector and tank is still widely applied, according to Yin.

A major challenge of using the thermal heater in the cities is applying it on high-rise buildings, because the energy collected cannot satisfy the use of every household, particularly those living in the lower stories.

By the end of 2006, statistics show that 90 million square meters of solar water heating was already in use around the country. That could save more than 10 million tons of standard coal being burned each year. However, it only occupies a tiny part of the total energy consumption in China, which used more than 2 billion tons of coal in 2006. It is estimated that 500 million square meters of solar water heating will be installed by the year of 2020.

Russia gets ready to supply power

September 19 (Chinadaily) -- The first stage of a cooperative program under which Russia

will supply electricity to China as part of the "Year of China" in Russia has begun, Sino-Russian Peace and Friendship Committee Chairman Leonid Drachevsky said yesterday.

Russia has agreed to supply 60 trillion kilowatt-hours of electricity to China annually. At present, it supplies 2-3 trillion kilowatt-hours. "So you could imagine how important this program is," he said.

The program is divided into three phases, and the final timetable will depend on how the first phase progresses, he said.

Russia has an open mind toward all countries, he said, but especially welcomed China to promote investments in cooperative programs to build power stations.

A survey conducted last month shows 21 percent Russians regard China as the best partner for the next 10 to 15 years. The poll was conducted by a Russian research center and covered 153 communities in 46 counties.

"The programs associated with the 'Year of China' in Russia have greatly stimulated the development of Sino-Russian relations not only on energy and the economy, but also on culture and communication," Drachevsky said.

Foreign investors zero in on Chinese coal

September 18 (Chinadaily) -- In view of its huge development potential, more and more foreign companies have been showing a keen interest in entering China's coal industry.

At the China (Taiyuan) International Coal & Energy New Industries Expo 2007, many foreign companies have showcased their projects or objectives in the nation.

Asian American Coal Inc (AACI), comprised of some US energy firms and financial institutions, has set up two joint ventures to develop Shanxi's coalmines.

In July, the Shanxi Provincial Coal Industry Bureau gave a production license to one of AACI's joint ventures, Shanxi Asian American-

Danang Energy Co, to develop the Danang coalmine.

The production license will enable the joint venture to develop the mine, projected to have an annual production capacity of 4 million tons. Total investment in the project is \$230 million.

Michael Cosgrove, CEO of AACI, said the company received approval because of its expertise in the coal industry, as well as its longstanding interest in China's coal sector.

AACI has also set up another joint venture to develop the Gaohe coalmine in Shanxi with an investment of \$300 million. It expects to get a production license in 2009 for an annual output of 6 million tons, said Cosgrove.

Apart from the upstream coal production business, foreign companies have also shown interest in downstream works like the coal-to-chemical business. South Africa-based Sasol, a world leader in producing fuel from coal, has joined hands with Shenhua Group to set up two coal-to-oil plants using the former's technology.

The two coal liquefaction projects, one in Yulin in Northwest China's Shaanxi Province and another in Northwest China's Ningxia Hui Autonomous Region, will each produce 3.6 million tons of oil a year.

The total investment in the two projects will be between \$10 billion and \$14 billion. Construction will likely begin in 2013.

The technique of coal liquefaction has drawn increasing attention in recent years as international oil prices have shot up. The Shenhua project is thus of great importance to China both in terms of energy safety and economic development, according to Chen Liming, executive vice-president of Sasol China.

China's increased emphasis on energy conservation and environmental protection provides many foreign companies with the opportunity to bring their advanced technologies and solutions to the nation, said William Mark Hart, president of the Canada-based West Hawk, at the expo.

Bo: Energy saving a key State policy

September 18 (Chinadaily) -- TAIYUAN: Energy saving and emission reduction, like population control, has become a key State policy, Minister of Commerce Bo Xilai said yesterday.

The development model adopted since the late 1970s is causing more strains than the country can bear, he said at the China (Taiyuan) International Coal & Energy New Industry Expo 2007 in the capital of Shanxi Province.

There must be a clear change in the development model so that economic growth is sustainable, he said.

Energy saving and emission controls are "of strategic importance" for China, the world's second-largest energy consumer, and to help maintain stability in the global energy market, Bo said.

The central government has set the target of cutting energy consumption per unit of GDP by 20 percent and pollutant discharges by 10 percent from 2006 to 2010.

Shanxi, as the largest energy base of the nation, can be "an ideal test ground" for innovations in saving energy and cutting emissions, Bo added.

The province, which locals proudly call "China's Middle East" for its coal production, will provide a huge market for foreign investment in energy-efficient and environmentally-friendly technologies, Bo said, adding that the central government will strongly support the import of such technologies.

Shanxi accounts for a third of the country's total coal output, and a quarter of its exports.

In the next five years, the mining industry will become more consolidated with the establishment of a few mining groups able to turn out more than 100 million tons in annual output in the northern and eastern parts of the province, said Meng Xuenong, acting governor.

The province will also make efforts to develop other coal-related businesses, such as the coal-to-oil and coal-to-chemical industries.

At the same time, Ling Zhengce, director of the provincial development and reform commission, told China Daily that Shanxi has decided to stop focusing on output alone.

It will seek only 3-5 percent annual increase in coal output, compared with an average annual growth rate of 10-20 percent in the early 2000s,

What is of "vital importance" is to phase out small and private coal mines that lack adequate safety facilities, he said.

The province is ready to close all coal mines with a yearly capacity below 90,000 tons; and by 2010, it will close all mines with an annual capacity below 300,000 tons, Ling said.

Coal-based chemical sector to grow rapidly

September 18 (Chinadaily) -- International Coal & Energy New Industry Expo yesterday. Guo Yingguang

"Our land is China's Middle East. We have heaven's blessings," said Ling Zhengce, director of the Development and Reform Commission of Shanxi Province, China's largest coal-mining base.

In an interview with China Daily during the seminar session of China (Taiyuan) International Coal & Energy New Industry Expo 2007, the province's leading economic planner said Shanxi will continue to serve as China's major energy supplier for the next 30 or more years.

Shanxi Province yields 580 million tons of coal every year, or 75 percent of China's cross-province shipments of coal.

But that, Ling pointed out, refers to the yield from no more than 70 percent of Shanxi's land. Around 30 percent of the province is yet to undergo extensive geological surveying.

Even when the price of crude oil was around \$10 per barrel, Ling said he was convinced that the day was not far when coal would gain more importance.

Now, when crude oil price has edged towards \$80, he thinks Shanxi's hour has come. "The inevitable (as he foresaw in the 1980s) has happened," he said. "Across the globe, the coal-based chemical industry will begin to see some major development - whenever alternative energies are to be developed."

The role that the province can play at this historic juncture, said the Shanxi-born economist, is not just to serve as a supplier of raw energy materials, but more importantly, as an operator of an extended value chain based on its extraordinarily rich coal resources.

Before the end of China's 11th Five-Year Plan (2006-10), Shanxi will witness an important breakthrough in the coal-based chemical industry, especially methanol-based and coke-based value-added processing, Ling said. "Shanxi's economic take-off would be just empty talk without such operations," he declared.

The present development focus will remain primarily confined to that scope, before it stretches beyond methanol to the more profitable industries, he added.

Although Shanxi has made substantial progress in coal mining, environmental protection and in shutting down the privately owned and often hazardous small mining companies, it still has major gaps to close to reach the level of developed countries in coal-based chemical industry, Ling admitted.

Fortunately, it has been a consensus among top provincial officials that changes must happen in that direction, and policies have been formulated to boost those new industries, he said.

Though it has only just been a couple of weeks since Meng Xuenong became the acting provincial governor of Shanxi, he has already exhibited great interest in such ideas as sustainable development for Shanxi's coal-based economy.

"So it is also inevitable that Shanxi will, beginning from this year, be the host of China's top coal industry expo," noted Ling.

Coal-to-oil plant to start production next year

September 17 (Chinadaily) -- China's first direct coal-to-oil plant will start operation next year, with the industry's production capacity rising to 50 million tons in 12 years, the country's largest coal company has said.

The project under Shenhua Group is based in Erdos in North China's Inner Mongolia Autonomous Region. Almost 95 percent of the project is complete, Shenhua Group Corp Vice-President Zhang Yuzhuo said at the ongoing China (Taiyuan) International Coal & Energy New Industry Expo.

The Erdos plant's annual output capacity is 1.08 million tons, and it will consume 3.45 million tons of coal, Zhang said.

Shenhua launched the project in 2004.

Shenhua has joined hands with South Africa-based Sasol, a world leader in coal-to-fuel production, to set up two indirect coal-to-oil plants using Sasol's technology.

Automobile and Transportation

Campaign's green aim

September 19 (Chinadaily) -- The main aim of the "no-car day" is not to curb the sale of cars, but to seek a way to build a faster, more convenient and greener urban public transportation system, says an article in People's Daily. The following is an excerpt.

As many as 108 Chinese cities have joined the first China urban public transportation week and no-car day, which kicked off on Saturday.

During the period, government officials of all the cities will take the lead in participating in various events to encourage residents to take green transportation. The environment and transportation systems will also be monitored.

For China, a country where private cars are becoming more popular, the no-car day is not to curb the sale of cars, but explore ways to build an efficient and environmentally friendly public transportation system. To give priority to the development of public transportation is of great importance. We should also cultivate the idea of a "people-oriented" transportation system.

A good transportation system is key to encouraging the public to use it. But the fact is that the planning and construction of many urban roads in China usually gives priority to private cars.

According to statistics, only 10 to 25 percent of urban residents take public transportation in China's large and medium-sized cities; whereas 40 to 60 percent of urban residents in developed countries take public transportation.

Such shortage of public transportation resources obviously cannot satisfy the demands of the ever-increasing population of cities and their desire to travel.

Even worse, motor vehicles often encroach upon the limited sidewalks and non-motor vehicle roads. During the no-car day, the Ministry of Construction has banned motor vehicles from sidewalks and non-motor vehicle roads. This measure should not be temporary, but instead be made permanent.

\$14.6b boosts public transport system

September 11 (Chinadaily) -- The municipal government is earmarking 110 billion yuan (\$14.6 billion) to improve its public transportation system, reduce the price of tickets and ease congestion.

The initiative aims to lure an extra 5 million people to use public transport by 2009, which will bring the city broadly in line with other major metropolitan areas around the world.

Currently, more than 12 million people use public transport daily in Shanghai, including taking buses, trolley buses, the subway or taxis, according to the city's transportation administration.

This accounts for 24 percent of the total traffic volume, said Huang Xiaoyong, an official with the local traffic administration. Other modes of transport include bicycles, motorcycles and cars.

"The percentage [using public transport] should be raised from the current 24 percent to 33 percent by 2009, nearer to the 36 percent average in developed countries," according to a recent directive on developing the city's public transportation system.

"That means we will have to attract 5 million more people to use public transport every day," Huang said.

Among the 12 million people using public transport, 7.5 million take buses and trolley buses every day, or 61 percent of the public transport load. About 1.8 million passengers use the metro, accounting for 15 percent. There were nearly 3 million rides in taxis daily, or 24 percent.

An increase in public transportation is central to the city's development plan.

While experts applauded the city's decision they also called for the introduction of innovative public transport solutions.

Xia Liqing, a former director of the local urban planning bureau, said improvements in public transportation should be based on improved planning.

"Better urban planning will ensure passengers can quickly transfer from the metro to buses," Xia said.

Xia said bus drivers should be paid more and called for subsidies payable to public transportation companies, which could suffer economic losses if tickets were made cheaper.

Lu Ximing, director of the Institute of Comprehensive Study on Public Transport said: "Among the 60 transport hubs, those in suburban areas are most important. Improving them will increase the average speed of the public transport network covering the whole city."

Fighting climate change the wheel deal

September 8 (Chinadaily) -- Prospective Chinese car buyers will be encouraged to buy more energy efficient vehicles under possible measures to cut pollution and increase the country's energy efficiency.

"We should not simply block the citizens' demand to buy cars," said Zhang Xiaoqiang, vice-minister of the National Development and Reform Commission, at a panel discussion on how to combat climate change at the Summer Davos yesterday.

Zhang acknowledged that the fast-growing Chinese demand of private cars showed no signs of withering, yet he said the government was likely to develop a market-based strategy to encourage the purchase of cars that use less energy.

"We can set up a framework to encourage people to use smaller, more energy-efficient cars, perhaps by using different tax rates," he said.

"I think we're at an early stage, and in the future we will try to do this much more effectively."

By June this year, China had registered more than 53 million vehicles, and more than 60 percent were for private use.

And the number of private cars continues to increase by about 20 percent each year, much faster than economic growth.

Cars in Dalian during the three-day meeting are allowed on the roads on alternate days according to their odd and even license plates, to prevent possible traffic congestion and improve air quality. The same measure was practiced in Beijing last month for a four-day air quality exercise.

Earlier this month, the Ministry of Construction proposed an urban public transportation week to enhance public awareness of the benefits of public transportation and 108 cities have agreed to take part. The event will culminate with a "car-free" day on September 22, from 7 am to 7 pm. Some cities will ban cars on certain roads, while others on all roads.

While motor vehicle use remained a major issue, so too is getting provincial governments to fall in line, and implement the central government's energy conservation strategies.

Zhang admitted the actual implementation of central government goals on the environment sometimes fell short in practice.

Zhang said local officials had become more aware of the need to increase energy efficiency, but he also understood the difficulty in trying to balance the need for energy conservation with strong economic growth.

Also, the start-up costs of energy-saving projects may appear high to some provincial governments. To deal with the issue, he said, the central government "must set up a framework to provide incentives to use energy saving and clean technology".

"If we use incentives, a combination of high tariffs and low taxes (for wasteful versus energy-efficient practices), then more people will be mobilized to develop this kind of business," he said.

As for generating cleaner energy, he said the top priority is how to develop clean coal technology and use it on a large scale, while hydropower and nuclear power are also promising as a means of producing cleaner energy in the future.

Ford opens Nanjing plant

September 25 (Nanjing daily) -- Ford Motor Co, a relative latecomer in China, yesterday opened a 160,000-unit car plant in this eastern city as part of its catch-up plan in the world's second-biggest and fast-growing vehicle market.

The second factory of the Detroit carmaker's joint venture with its Japanese unit Mazda Motor Co and Chang'an Motor Corp, the No 4 Chinese auto group, will start to assemble a Mazda2 subcompact next month and a Ford small-sized model next year.

The move comes five months after the three parties opened a 350,000-unit engine plant in Nanjing to mainly feed domestic car production.

Alan Mulally, Ford's president and CEO, said annual production capacity at the new plant could be raised to 300,000 units swiftly to meet mounting demand in China.

Total investment in the plant will reach 3.84 billion yuan, said a Ford press release.

The tripartite car venture, in which Chang'an, Ford and Mazda hold a 50, 35 and 15 percent stake respectively, is making the new Ford Mondeo and Focus, Mazda3 and Volvo S40 at a 250,000-unit facility in the western municipality of Chongqing.

Ford began car production in Chongqing in 2003. Its sales in China are growing rapidly but still lag far behind current market leaders Volkswagen and General Motors.

In the first eight months of this year, retail sales of Ford and its affiliate brands - Volvo, Jaguar, Land Rover and Lincoln - surged 29 percent year-on-year to 126,918 units.

Meanwhile, overall vehicle sales in China rose by a quarter to 5.69 million units.

Asked if Ford will export China-made small cars to other markets, Mulally said: "We will continue to look into that."

But he stressed the group's current priority is to satisfy demand in China, where there will be "tremendous market growth".

Chrysler in July reached an agreement with another Chinese carmaker, Chery Automobile, to make small cars in China under badges from the US company for American and European markets, a move aimed at taking advantage of low costs in China.

More use of public transport encouraged

September 1 (chinadaily) -- At least for one day this month people, rather than cars, will dominate the streets.

For the first time, a national urban public transportation week will be held from September 16-22 nationwide.

The Ministry of Construction proposed such an event last year, and 108 cities have now agreed to take part.

With the theme "green transportation and health," various events will be held to enhance public awareness of the benefits of public transportation.

The event will culminate with a "car-free" day on September 22, from 7 am to 7 pm. Some cities will ban cars on certain roads, while others on all roads.

Local municipal officials will spearhead the activities to encourage residents to make more use of public transportation.

Local environment watchdogs will monitor air quality indices during the week to see to what affect it has on the reduction of pollution.

"The once kingdom of bicycle is losing its appeal," Qiu Baoxing, vice-minister of construction, said at a meeting to present representatives from the 108 cities.

"Fast urbanization, the concentration of people in certain areas, and an increase in the number of cars has seen bicycles lanes being reduced or completely eliminated," he said. "The event is not only a move to cut vehicle emissions but also a test of the capabilities of local governments to encourage more people to participate in such programs."

Qiu said the car-free day is expected to save 33 million liters of petrol and reduce about 3,000 tons of harmful gases.

"Public awareness raising activities are good for sustainable development," Magnus Gislev, in charge of environmental affairs of the delegation of the European Commission to China, said.

By June this year, the country had registered more than 53 million vehicles, more than 60 percent were for private use, Qiu said.

And the number of private cars continues to increase by about 20 percent each year, much faster than the economic growth.

"Our huge population and limited land resources means we cannot meet urban traffic demands by building more roads," Qiu said.

"We need a strict policy on land use and adopt an urban transport strategy led by more use of public transportation."

Increasing traffic congestion and air pollution has led many cities in China to impose more restrictive policies on vehicle-ownership.

Shanghai has been implementing an auction policy for the registration of license plate numbers, Shenzhen increased parking fees last year and Beijing has just concluded a four-day trial to limit the number of private cars on the roads in preparation for the Olympic Games.

Special Supplement: Tianjin firm makes small car with big impact

September 14 (Chinadaily) — "Tianjin FAW is on its way to becoming the best subcompact carmaker in China," asserted Wang Gang, general manager of the company.

Ever since the launch of the Xiali, China's first self-owned sedan brand, 21 years ago, Tianjin FAW Xiali Automobile Co Ltd has been following the course of independent innovation and autonomous development, with the result that it has acquired the capability to develop economy vehicles wholly on its own.

"The past 21 years saw a road to development that was full of twists and turns, but we managed to survive and achieve initial success," said Wang, who takes this experience to be invaluable for the enterprise.

"Now I have full confidence in our company's prosperous future, and our goal in the 11th Five-Year Plan (2006-10) is to roll out 400,000 cars a year," he added.

Xiali, the first economy car introduced to China, was for a long time the only model produced by Tianjin FAW. But it has been a market favorite in the country for a long time.

Statistics show that it ranked fifth in the most popular car list in 2006 with annual sales of 161,900 units. Up to the third quarter of 2007, the accumulated output and sales of Xiali have reached 1.5 million units, with a market possession of 1.2 million.

The success of Xiali can be largely ascribed to Tianjin FAW's commitment to an autonomous development strategy of "introducing, assimilating and innovating". By assimilating the technology introduced from Japan, Xiali managed to develop a complete auto parts supply system and accumulate technical resources necessary for the entire manufacturing process.

As a result, Tianjin FAW, which was reorganized in 2002, successfully unveiled the Xiali A and B series the very same year. The Xiali fleet has already been expanded from the original 1.0L version to include the 1.1L, 1.3L and 1.4L as well, with more than 30 models.

According to Wang, there are new Xiali products in the pipeline that should appear on the market in the near future.

By the end of 2010, First Automotive Works (FAW), the parent company of Tianjin FAW, is expected to see yearly output and sales of self-owned brands reach 1 million units, with the Tianjin branch's products accounting for 40 percent of the total.

"Within five years, we must double our annual production volume, which is 200,000 units currently. So it's far from enough to merely rely on the Xiali brand to achieve this goal," said Wang, pointing out the necessity of updating the product portfolio.

During the process of developing Xiali, Tianjin FAW has revamped its production lines to roll out the Vizi, Vela, and Weizhi models. The accumulated sales of the three high-end subcompact models soared 200 percent year-on-year to reach nearly 40,000 units last year, making up 18 percent of the company's total.

The Weizhi was developed after three years of effort by Tianjin FAW's over 200 research and development (R&D) staff, with an investment of 300 million yuan. The model,

for which the company owns full intellectual property rights, witnessed sales of 7,151 units within just 70 days of its release. The sales goal for it is 60,000 units this year.

During the 11th Five-Year Plan period, Tianjin FAW plans to launch two new models every year to enable its product line to fully cover the below-100,000-yuan economy car market.

Focus on innovation

"Our purpose is to develop, make and sell high-quality economy cars with the most economical approach," the general manager said, adding that the concept of "economy" makes up the nucleus of the economy car, which requires both cutting-edge technology and refined management.

Tianjin FAW has always attached great importance to an effective organization and management system. Its outstanding low-cost manufacturing capability gives the carmaker a distinct edge in the increasingly competitive market.

The concept of object cost control has been introduced to the R&D process, while all workers are encouraged to contribute their ideas to improve the production process.

The suggestion of some frontline workers has helped cut production time on each car by 13 seconds, so that 30 more cars can be rolled out per day. The technical renovation required for putting their suggestion into action cost only 10,000-20,000 yuan.

"For an independent-brand-based enterprise, innovation is as important as efficiency," Wang commented.

Tianjin FAW has set up a strong sales and service network with 290 dealers and 427 service providers nationwide. The J.D. Power and Associates Sales Satisfaction Index Study last year placed the company at the No. 4 position, ahead of other independent-brand-based enterprises.

It also beat all the other property-brand-based companies in the Customer Satisfaction Index Study.

Its competitive edge in marketing has been sharpened by the Total Distribution System, an innovative marketing management mechanism developed in collaboration with Changchun FAW Qiming Information Technology Co Ltd. The system secures smooth information flow between the sales company, storage area, dealers and service stations.

It can also monitor the whole process, from a car rolling off the production line and entering storage to being sold and delivered to the consumer, on a real time basis, so as to provide reliable data for formulating output and sales plans.

Vehicle sales up by 25%

September 12 (chinadaily) -- Vehicle sales in China, the world's second-biggest auto market, climbed by a quarter in the first eight months, boosted by a fast-growing economy and carmakers' new product offerings and price incentives, an industry body said yesterday.

January-August sales of domestically made vehicles stood at 5.69 million units, gaining 24.95 percent from a year ago, according to data from the China Association of Automobile Manufacturers.

Sales in August, a relatively slack month, even rose by 26.77 percent year-on-year to 671,600 vehicles.

Encouraged by the strong performance, Zhang Xiaoyu, vice-chairman of the China Machinery Industry Federation, predicted that full-year sales would exceed 9 million vehicles, up from 7.22 million units in 2006.

China's economy grew 11.9 percent in the first half. The full-year pace is widely forecast to hit 11 percent although the government is taking measures to cool the economy.

Many people buy cars to realize their dream of individual mobility as they clean up in the booming domestic stock market. The Shanghai Composite Index has rocketed by almost 90 percent this year.

Carmakers are also launching new products and cutting prices to woo clients, most of whom are first-time buyers.

A total of 52 all-new and upgraded models in the passenger car sector, including sedans, sport utility vehicles (SUVs) and multi-purpose vehicles (MPVs), will be produced in China this year, according to CSM Worldwide (Shanghai) Ltd, a US industry consultancy.

South Korean carmaker Hyundai Motor Co's joint venture with Beijing Automotive Industry Corp last week slashed prices of subcompact Accent, compact Elantra and mid-sized Sonata by 5,000-16,000 yuan, or 6-14 percent.

The move is expected to trigger a new bout of price wars in the domestic car market.

In the first eight months, sedan sales jumped 26.31 percent to 3.01 million units, in which 28 percent came from Chinese brands, such as Chery, Geely and Brilliance.

Sales of SUVs surged by half to 217,200 units; MPV sales reached 143,500 units, up 20.48 percent. Sales of commercial vehicles - trucks and buses - surged by 27.08 percent to 1.66 million units in the period.

Oil and Gas

Top coal province looks to hi-tech industries

September 21 (Chinadaily) -- North China's Shanxi Province, which accounts for one-third of the nation's total coal output, has achieved rapid economic growth over the past four years as it develops its traditional industries and branches out into new areas.

Investment in the province's key industries, including coal, coke, metallurgical and power, has increased 40 percent annually since 2003. Other industries in the province, such as chemicals, pharmaceuticals and construction machinery, have also seen increases of over 30 percent in investment, according to the National Bureau of Statistics (NBS).

Shanxi is also developing its coal industry in the coal-to-oil and coal-to-chemical sectors, according to the local government. And the province will continue to close small coal mines using outdated technology.

The province plans to develop other industries, especially those that use advanced technologies and environmentally friendly solutions, said the local government.

It has kicked off a number of projects since the 16th National Congress of the Communist Party of China convened in 2002, said the NBS. From 2003 to 2006, the province has developed 105 projects involving investments of over 1 billion yuan each. Total investment in these projects is 256.18 billion yuan, and 49 of them have been completed.

In the past four years, the fixed-assets investment of the province has increased from 83.83 billion yuan to 232.15 billion yuan. In the first half of the year, fixed-assets investment was 90.08 billion yuan, an increase of 24.9 percent on the previous year, said the NBS.

The province has also seen active foreign investment in the past four years.

West 'hypocritical' on China-Sudan ties

September 8 (Chinadaily) -- Western countries' attitude is "hypocritical" when it comes to China's oil trade with Sudan, said Sha Zukang, Undersecretary-General of the UN Department of Social and Economic Affairs on Friday.

China's friendship and economic exchanges with Sudan have developed smoothly for years.

Sudan's oil reserves were discovered many years ago, but China has been importing it from the country for just the last few years, said Sha during the ongoing World Economic Forum in Dalian, Northeast China's Liaoning Province.

"Somebody said the Chinese went to Sudan just to seek oil, that is the biggest lie I have ever heard," China News Service quoted Sha as saying.

On Thursday, China's special envoy on Darfur Liu Guijin, too, criticized some Western countries for their irresponsible comments, indicating that they had been carrying out explorations for oil in the world's most oil-rich regions for years.

"You have eaten all the meat and left us only with some soup," Liu said at the Chinese embassy in the US. And "simply because we take a little bit of the soup, we are severely condemned".

"Is that fair?" he said.

Liu said that of all the amount of oil that Africa exported last year, only 8.7 percent came to China, while 33 percent was shipped to the US and 36 percent to Europe.

Liu is on a visit to the US and the UN from September 3 to 12. During the trip, he will hold talks with US government officials, congressmen, scholars and the media on the Darfur issue.

Dai Yan, former councilor at the Chinese embassy in Ghana, said he shared Liu's sentiments. "Some Western countries have got resources from Africa, plundering them in the past and controlling the oil price and market at present," Dai said.

China never denies it needs resources to develop, he said. "We cooperate with Sudan and other countries on the basis of equality and mutual benefit. What is wrong with that?"

"China's foreign policy has consistently adhered to the principle of non-interference in the internal affairs of other countries, including Sudan," said Dai, who has worked as a diplomat in Africa for years.

On this basis, China has been trying to resolve the Darfur issue peacefully by "sending a special envoy to the region and advocating dialogue and negotiations to resolve the problem."

Oil rivalry heats up in Sichuan Province

September 7 (Chinadaily) -- One of the main arenas for competition between China's two major onshore oil companies is Southwest China's Sichuan Province.

A land of rugged mountains and winding torrents, noisy village fairs and spicy food, the southwestern province now appears to hold major underground oil and gas reserves.

It seems every week, if not daily, PetroChina and Sinopec - the two State-owned and globally listed oil and energy conglomerates - send out competing announcements of their new finds in Sichuan, with rumors spreading about "still bigger" discoveries in the pipeline.

PetroChina, the country's largest oil and gas producer, is expected to announce China's largest natural gas discovery in the Sichuan city of Nanchong soon, one of the firm's senior press managers says, on condition of anonymity.

It is likely that the new gas discovery will surpass PetroChina's Sulige Gasfield in Inner Mongolia and Sinopec's Puguang Gasfield in eastern Sichuan in terms of exploitable reserves, according to a retired source from China National Petroleum Corporation (CNPC), PetroChina's parent company.

"As far as I know, the anticipated new PetroChina gasfield, Longgang, may have two to three times the reserves of the Puguang field run by Sinopec. That means our gasfield may hold 700 billion cubic meters of exploitable reserves," says Han Xuegong, a former energy analyst at CNPC.

One billion cubic meters (bcm) of natural gas equals about 900,000 tons of oil equivalent.

A source from Sinopec, Asia's largest refiner and PetroChina's competitor in gas exploration in Sichuan, confirms Han's remarks.

"I have learned that PetroChina is to announce a major gas discovery in Sichuan, which is even richer than our Puguang one," says an anonymous source from Sinopec.

So it is an open secret that PetroChina's Longgang Gasfield will surpass Puguang in reserves. But PetroChina is still working to

determine the final reserve figure, according to Han.

PetroChina plans to produce 4bcm of natural gas from its Longgang discovery before 2010, China Securities Journal reports, without quoting any source.

PetroChina will announce details of Longgang's reserves within the year, Chairman Jiang Jiemin was quoted by Bloomberg News as saying.

Although PetroChina's soon-to-be-unveiled gasfield may exceed Puguang's reserves, Sinopec still has one more card to play.

In addition to Puguang, Asia's largest refiner is busy tapping other gasfields in Sichuan.

Chen Ge, company secretary of Sinopec, says he is confident that his firm will make more astonishing discoveries that are even richer than Puguang.

"Our exploration work is in full swing in the northeastern part of Sichuan Province. I am confident that something bigger will come out," Chen says.

There were media reports earlier this year saying that the geological reserves at Cangxi of Sichuan Province may reach 5 trillion cubic meters.

Sinopec, operator of the gasfield at Cangxi, refuses to comment on that.

Sinopec's spending on exploration will account for 45 percent of its total 2007 expenditure as it drills in oil- and gas-rich areas, such as Sichuan Province and the Xinjiang Uygur Autonomous Region.

Sinopec's Puguang Gasfield in Dazhou of Sichuan Province has a proven exploitable reserve of 356bcm, the country's second largest, according to the Ministry of Land and Resources.

China's largest current gasfield, Sulige, in the Inner Mongolia Autonomous Region, has proven reserves of 533.6bcm.

Oil price hikes ruled out

September 7 (Chinadaily) -- The country's two biggest oil companies have not asked the

government to raise prices of their refined products as reported by some media, a senior planning official said yesterday.

"We haven't received any application from Sinopec or China National Petroleum Corp to raise prices of finished oil products in response to rising global crude prices," Bi Jingquan, vice-minister of the National Development and Reform Commission, said.

The two refineries had made profits in the January-July period, he told a press conference in Beijing.

Zhang Zhiguo, a senior media manager with Sinopec, told China Daily yesterday that his company began to lose money in June, but the losses have not yet offset the profits made this year through May.

Analysts said that any hikes in refined oil prices would further push up inflation, which has risen largely because of food prices.

Bi said the government will continue to reform the pricing system for oil products.

"China's crude prices have been linked to international markets, and we will reform finished oil product prices based upon that - that is the direction."

Price revisions will take into account international oil prices and affordability of all aspects of society, he said.

The official said the commission had asked the two oil giants to increase production and imports to ensure supply in Fujian and Heilongjiang provinces, which suffered oil shortages last month.

Overall, the country's oil demand and supply is balanced and the market is stable, he said.

Shipping demand drives up fuel oil

September 5 (Chinadaily) --Fuel oil for the first time in two years is rising faster than gasoline, jet fuel and diesel, increasing the cost of ocean freight and electricity.

Demand for the fuel used in marine engines and power plants is accelerating because the world shipping fleet is growing at a record pace. Refiners are selling less fuel oil, the residue from refined crude, as they invest \$20 billion over the next five years in more-profitable products.

"Every new refinery wants to produce more gasoline and diesel and cut back fuel oil," said Simon Neo, a broker with the Singapore unit of Norway-based Wilhelmsen Bunkers SA. "And more ships coming into the market adds up to a supply crunch."

Fuel oil's gains will increase earnings at refiners Valero Corp, ConocoPhillips and Royal Dutch Shell Plc, while costs will rise for shipowner A.P. Moeller-Maersk A/S and Tokyo Electric Power Corp. Utilities may burn more natural gas, increasing demand for North America's second-largest energy source.

The rebound in fuel oil spurred Morgan Stanley, the biggest oil trader on Wall Street, to hire specialists in handling the commodity, the cheapest and dirtiest of liquid fuels. In Singapore, Asia's trading hub, Morgan Stanley competes for cargoes of the fuel with BP Plc, Royal Dutch Shell Plc, Chevron Corp, Glencore International AG, Trafigura AG and Goldman Sachs Group Inc.

The price for US fuel oil tripled in the past decade, while gasoline gained 2.3 times and diesel 2.4 times, according to data from the International Energy Agency in Paris.

Every 42-gallon barrel of West Texas Intermediate crude yields 14 gallons of fuel oil when run through a typical refinery, according to New York-based Energy Intelligence Group. With new equipment, including a so-called coker, fuel oil production can be eliminated from each barrel.

Morgan entered the market in the US with last year's acquisitions of TransMontaigne Inc, an oil-terminal owner in the Midwest, and Heidmar Group, a fuel distributor, said Mark Lake, Morgan's spokesman.

The investment bank started trading fuel oil cargoes in Asia this year, after hiring Alan Kendall, formerly of Chevron, the second-largest US oil company. The bank chartered the Titan Chios, a 2 million-barrel tanker, to anchor in

Malaysian waters for use as storage to support its trading in the region.

Growing scarcity

A scarcity of fuel oil has worsened since October after the Organization of Petroleum Exporting Countries, led by Saudi Arabia, curbed oil production. Members reduced supplies of their lowest-priced crudes, varieties that yield relatively more fuel oil when refined.

"OPEC's cutback has helped fuel oil to power up," said Anthony Nunan, assistant general manager for energy risk management in Tokyo at Mitsubishi Corp, Japan's biggest trading company.

Fuel oil has advanced so fast that the rally threatens to curb demand, particularly from power generators who can turn to natural gas. Natural gas sold for \$5.335 per million British thermal units on the New York Mercantile Exchange at 8:31 am Singapore time yesterday. Fuel oil prices are equal to \$8.77 per million British thermal units on the US Gulf coast, Bloomberg data show.

Customers are paying more on the world's busiest shipping lanes, from Asia to the US.

Fuel surcharges now add about \$500, or 31 percent, to the cost of sending a 20-foot container, currently at about \$1,600.

Japan's price increase

In Japan, utilities are running oil-fired generators after an earthquake shut Kashiwazaki Kariwa, the world's biggest nuclear plant, owned by Tokyo Electric Power.

Electricity prices in Japan, Asia's largest economy, are gaining as power producers pass on rising fuel costs. Tokyo Electric Power, Asia's biggest power producer, plans to charge an average household using 290 kilowatt-hours of power a month 6,417 yen (\$55.13) between October and December this year. This compares with 6,142 yen the average family paid the utility the same period in 2004.

About 37 percent of global fuel oil supply is consumed in Asia, compared with 19 percent

in Europe and 10 percent in North America, according to BP's Annual Statistical Review of World Energy. The rest is burned in Africa and Latin America.

World economic growth is spurring the increase in shipping demand.

The International Monetary Fund forecasts a 5.2 percent expansion in 2007, extending the longest period that growth rates have held above 4 percent since the early 1970s.

More than 8,000 vessels are on order for delivery by 2012, compared with the existing global fleet of 10,729, according to London-based Clarkson Plc, the world's largest shipbroker.

Gasoline imports up almost 8,000 percent in August

September 28 (Xinhua) -- BEIJING -- China's imports of gasoline hit a ten-year high in August after the country's economic planner ordered state-owned oil firms to make up shortfalls in supply.

Imports reached 45,000 tons last month, up 7,896 percent from August last year.

Meanwhile, exports shrank to 257,000 tons, down 18.3 percent from August last year and down from 330,000 tons in July and 526,000 tons in June.

China has been a key gasoline exporter in Asia with small amounts of imports. It imported only 13.6 tons of gasoline in July.

Tian Chunrong, an analyst with the China Petrochemical Corporation (Sinopec Group), China's largest oil refiner, said the government order for a guaranteed domestic gasoline supply was the major reason for both the sharp rise in imports and the drastic drop in exports.

The National Development and Reform Commission (NDRC), China's top economic planner, in early August required the China National Petroleum Corporation (CNPC) and the Sinopec Group, the two state-owned oil giants, to increase oil refining volume and reducing

exports of refined oil products to ensure the domestic supply.

Chinese motorists would see no shortage of gasoline and the two oil giants were sending signals that domestic supply could be guaranteed by increasing imports and cutting exports, said Tian.

A supply shortage hit some gas stations in July mainly due to the price hikes of crude oil in the international market.

Rising inflation risks restrained the government from hiking prices of refined oil products, which were still under state control, despite record international oil prices since late June.

Refineries had to reduce output or raise the wholesale price, both contributing to the apparent shortage in the domestic market, said Tian.

Experts predicted that China would be a temporary gasoline importer and its imports could drop when the strong demand diminished after the summer hike.

Another record month for imports is imminent in September, as Sinopec announced earlier that it planned to import 60,000 tons of gasoline at a loss of nearly 30 million yuan to meet domestic supply.

In China, oil prices are controlled by the government, which has subsidized oil companies since 2005. Last year Sinopec received five billion yuan (US\$657.9 million) in subsidies.

More gas firms allowed to sign foreign contracts

September 25 (Chinadaily) -- Domestic gas companies will be allowed to sign more global cooperation deals in a move designed to channel funds and technology into China's gas industry.

The State Council has revised a regulation, allowing more "State-designated" companies

to set up ventures with foreign partners to jointly explore methane trapped in coal seams.

The revised rule, known as the Regulation for Joint Exploration of Onshore Oil, took effect yesterday, it aims to boost clean fuel output.

China United Coal-bed Methane Corp (CUCMC) used to be the only company allowed to enter into such ventures, based on a 2001 version of the regulation.

"The move will be a shot in the arm for coal-bed methane exploration and production in China, because it will usher in more funds and advanced technology," said Huang Shengchu, director of the China Coal Information Institute.

Many mining companies were opposed to CUCMC's monopoly on foreign-funded coal-bed methane extraction, said Huang. "With the deregulation of the market, that segment will develop further," said Huang.

CUCMC, however, will remain the market leader, with a lead over potential competitors.

"The new regulation will not affect our ongoing projects. And we will continue to tap new resources around the country this year," Sun Maoyuan, general manager of CUCMC, told China Daily.

CUCMC will remain the only firm with foreign partners tapping coal-bed methane for the time being, because "it takes time for the State to let in new players", Sun stressed.

"To further tap coal-bed methane, the State will bring a few new players into the field to test the water. But our potential competitors simply do not boast as big reserves as us, and it will take time for them to develop," Sun added.

Asia American Gas Inc and CUCMC recently won government approval to produce 500 million cubic meters of gas annually in Shanxi Province.

According to statistics from the China Coal Information Institute, China boasts a 37 trillion cubic-meter reserve of coal-bed methane, the third largest in the world, next only to Russia and Canada and equivalent to 45 billion tons of standard coal.

More than 600 coal-bed methane wells have been sunk across the country to date, most of them operated by CUCMC and its shareholder China National Petroleum Corporation.

Climate Change and Air Pollution

Climate change issue must be resolved through development

September 29 (Xinhua) -- UNITED NATIONS -- Chinese Foreign Minister Yang Jiechi said here Friday that climate change is ultimately an issue of development and can only be resolved through development.

"Climate change is an environmental issue, but ultimately, it is an issue of development," Yang said in a speech delivered at the general debate of the 62nd session of the United Nations General Assembly. "It has arisen in the course of development and can only be resolved through development."

He said development in the world has brought advanced material progress and caused ecological imbalance and environmental pollution at the time.

"To protect our common homeland is a matter of vital importance for our common future," Yang said.

He stressed that the United Nations Framework Convention on Climate Change and the Kyoto Protocol must be upheld and that the principle of "common but differentiated responsibilities" must be adhered to.

Yang urged both the developed and developing countries to do their part in tackling climate change.

"Developed countries should face up to their responsibility, fulfill their commitment on emission reduction in real earnest and continue to take the lead in emission reduction after 2012," Yang said.

He said China takes climate change seriously and has set a target of cutting energy intensity by about 20 percent and total discharge of major pollutants by 10 percent, and increasing forest coverage to 20 percent for the period between the end of 2005 and 2010.

Yang said China will follow its National Program on Addressing Climate Change and take an active part in international cooperation in climate change and contribute its share to protecting global climate.

Climate change hits China's poor hardest

September 26 (Chinadaily) -- The Sichuan Basin in Southwest China has been called a "cold center" by the Ministry of Science and Technology, even though the Earth's surface temperature has increased about 0.6 degree in the past century.

As the Earth warms, scientists have found "no significant sign" of a temperature increase in the basin, which is about three times the size of the UK and borders the Qinghai-Tibet Plateau.

But that doesn't mean Sichuan Province and neighboring Chongqing Municipality, where more than 110 million people live, are climate-change-free zones. Instead, extreme weather events, a scorching drought last year and devastating flash floods this summer have made climate change a life-or-death matter for residents, especially for millions of poor people and local farmers.

Living at the basin's northeast rim, the 34-year-old newly widowed Zhao Xiuhua witnessed several devastating scenes this summer.

Zhao has survived a flood spilling from a reservoir overhead while trapped between a pipe and a wall for six hours in the poverty-stricken Tongjiang County in Sichuan. Before dawn on July 2, her husband He Qiang, 31, daughter He Qian, 10, and son He Hongxiang, 7, were killed in the flash flood caused by storms roaring through the mountainous county. There is still no sign of her little son's body.

"I lost my family, my home has become debris, and I have no hope of life," sobbed Zhao. Before

the disaster, she and her husband earned their living by peddling local snacks from early morning to late at night on the town's bumpy road.

"It's horrifying and sad," said Wang Yong, the county's disaster relief official, adding that the downpour was the heaviest since the country started to keep weather records in 1959.

Floods have swept away nearly all of Zhao's property and she had to move in with her brother. She didn't realize her losses were linked to climate change and Himalayan glacial melting.

The family of 43-year-old Li Caiqiong was lucky. When the avalanche of falling stones hit her five-room house halfway down a mountain in the county's Yangbai Township, she and her husband were working in Beijing and their kids were in school. Now, Li is back in her hometown to rebuild her house.

"All the property inside was destroyed, and we have to start from scratch," said Li.

Local builders said reconstructing a five-room house in the county costs 50,000 yuan on average. In many rural areas property insurance doesn't cover the cost of rebuilding. The government offers just one-fifth of that in aid. "We have to borrow the rest and work around the clock to pay it off," Li said.

The catastrophe caused massive landslides, which killed at least 20 farmers in a village a dozen kilometers from town. The county has been included in China's list of 592 poorest, out of roughly 2,800 in total.

About 1,000 households were severely hit by the downpours, floods and landslides. Many became homeless. "People have become even poorer, and the government's coffers have become even tighter," said official Wang.

Statistics indicate that economic losses in Tongjiang totaled more than 400 million yuan, but aid from the central government was 10 million yuan. "Some families will take years to recover," said Wang.

In Sichuan this summer, thunderstorms and flash floods killed 69. Twenty-three people are still missing and 24 million have been

affected by the disasters. Direct economic loss amounted to 7.8 billion yuan.

Last summer, Sichuan was plagued by its most severe drought since 1951, and its neighbor, Chongqing Municipality, was ravaged by the worst drought in a century, leaving more than 17 million people with drinking water shortages.

This summer, Chongqing has been hit by the worst downpour and flooding in a century. Experts are blaming the freak weather conditions on global warming. The death toll reached 80 by the end of July; one of three residents has been affected by the floods.

Sichuan and Chongqing are not alone. More than 700 people this year have been killed in floods, landslides, mudslides and storms across 24 provinces, and 82.05 million have been affected, according to the Ministry of Civil Affairs.

International organizations and domestic scientists attribute the disasters to climate change mainly caused by human activity. The most evident example is in the Himalayan glacial area, which has shrunk by 20 percent over the past century.

Kerry Brown, an associate fellow with the London-based think tank Chatham House, says China's poor are the least able to protect themselves against the impact of environmental degradation and climate change.

Climate change could cause pesky pests to bug out

September 24 (Chinadaily) -- Global warming could reduce the locust population in China, according to a study published by last week's Proceedings of the National Academy of Sciences.

Researchers analyzed a 1,000-year record of locust plagues in China between AD 957 and 1956 and found a correlation between population size and decadal mean temperature. They found locust population grew larger during cold periods than during warm periods.

China's locust plagues have historically come from marshlands among the tributaries of the lower reaches of the Yellow and Yangtze river systems.

"The cold periods are generally accompanied by higher frequencies of draughts or floods. In a draught or after a flood, the size of habitats conducive to locusts' proliferation would increase as the water receded," says Zhang Zhibin, co-uthor of the research paper and director of Institute of Zoology of the Chinese Academy.

However, previous research showed that a single warm year could assist locust larvae's survival through cold winters and enable larger swarms to form in the coming year. Zhang believes there's an explanation for this paradox.

He points out that locusts' ecological response to temperature changes could be completely different, depending on the length of the cycles researchers analyze.

During a longer period - such that of a decade - the favorable effects warm temperatures have on locust larvae growth could compensate for its adverse effects on locusts' habitat expansion.

"The research into the relationships between climate change and locust plagues throughout history are very important for people to understand the patterns of locust population growth and to help us develop relevant strategies to curb its growth," says Zhang De'er, chief scientist of National Climate Center of China Meteorological Administration.

Since the 1950s, the government had adopted intensive management measures to reduce the size of locusts' breeding habitats and has monitored and recorded the incidence of locust plagues for several decades. However, locusts have again become a serious problem in North China in recent years.

According to Zhang De'er, locust plagues follow a cycle, which is actually affected by such multiple factors as temperature, changes in precipitation and geological shifting.

Climate change to be better monitored

September 12 (Chinadaily) -- The China Meteorological Administration (CMA) Tuesday announced the completion of a national climate observation network to help mitigate global warming.

CMA director Zheng Guo-guang said the network would collect accurate information about climate change.

"Climate change is threatening the environment, state security and economic development," Zheng said.

Responding to a UN plan, China's first climate observation network was set up in 1997. Seven departments - meteorology, water affairs, agriculture, environmental protection, forestry, ocean and scientific research - joined the network.

The network set up 16 key observation areas, Zhang Renhe, director of the Chinese Academy of Meteorological Sciences Director, said.

These are: Atmosphere and land systems in the Qinghai-Tibetan plateau, glacier; water and ecological systems in the Tianshan Mountain area; Xilingol pastures in the Inner Mongolia Autonomous Region; Dunhuang desert in Gansu Province; forests in Northeast China; water circulation systems in Sichuan and Yunnan provinces; agriculture in the Yellow and Huaihe river basins; the lakes of Dongting and Poyang; the atmosphere around Mount Waliguan in Qinghai Province; ecological systems in source regions of the Yangtze, Yellow and Lancang rivers; the economic belt around Beijing; economic development zones in the Yangtze and Pearl river deltas; Sichuan Basin; the land-ocean-atmosphere system around Bohai Sea; air-sea interaction in the South China Sea; and comprehensive oceanic observations.

By observation and data processing, the network should provide data about temperatures, glaciers, frozen soil, accumulated snow, aerosoles, greenhouse gases, ozone, plant and soil.

"This data can help China predict natural disasters, strengthen forecasts of extreme weather events and be more adaptable when it comes to industrial projects," Zheng said.

A National Climate Change Program was released in June, which pledged to cut greenhouse gas emissions, but with no specific goals.

Hu expounds China's stance on climate change

September 9 (Chinadaily) -- SYDNEY - Chinese President Hu Jintao expounded China's stance on tackling climate change on Saturday at the 15th Economic Leaders' Meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

The APEC Economic Leaders' Meeting, which opened on Saturday with the theme of "strengthening our community, building a sustainable future," focused on climate change and other issues at the opening session.

In a speech delivered at the meeting, Hu said the overall stable international environment, accelerating economic globalization and rapid progress in technological innovation have presented mankind with a rare opportunity for development.

"As one of the most dynamic regions with great potentials, the Asia-Pacific region has become an important driving force propelling global economic growth," he said.

On the other hand, the Asia-Pacific region also faces some uncertainties in its development, the Chinese president said.

Global economic imbalances are increasing, trade protectionism is resurfacing, pressure on energy resources is growing, and issues related to ecological environments have become more acute, Hu said.

Climate change, which concerns the development of the Asia-Pacific and the well-being of all the people in the region, has drawn concern from Asia-Pacific countries, he added.

Climate change poses a severe challenge to the Asia-Pacific region, but the region also

has unique strengths in tackling it, the Chinese president said, adding the Asia-Pacific is a region of diversity and strong complementarity.

APEC members have in recent years launched a number of initiatives and measures to tackle climate change, and progress has been made, he said.

"We should build consensus and conduct cooperation on this basis. This will enable us not only to promote sustainable development in our region but also boost the global efforts to address climate change," he told leaders of other APEC member economies.

Four-point Proposal on Climate Change

"We should act in a highly responsible way for both mankind and the future," said Hu. "We should respect history, address current problems, be future-oriented, carry out practical cooperation and coordinate economic development with environmental protection."

The Chinese president put forward four proposals for tackling climate change, including ways of strengthening cooperation, pursuing sustainable development and promoting scientific and technological innovation.

First, cooperation is indispensable to global efforts to tackle climate change, Hu said.

Climate change, being a global issue that concerns the interests of all countries, should be addressed through the joint efforts of all countries, Hu told the economic leaders of other APEC members.

In tackling climate change, helping others is helping oneself, and only cooperation can bring about win-win progress, he added.

Developed countries should face their historical responsibility and their current high per capita emissions, strictly abide by their emission reduction targets set forth in the Kyoto Protocol, and continue to take the lead in reducing emissions after 2012, he said.

Developing countries should, in light of their national conditions, take due measures including introducing and applying advanced clean technologies, to contribute their share to tackling climate change, Hu added.

Second, efforts are needed to pursue sustainable development, as climate change is ultimately a development issue and it can only be addressed in the course of sustainable development, Hu said.

"We should ensure that both production and consumption are compatible with sustainable development. We should optimize the energy structure, promote industrial upgrading, develop low-carbon economy, build a resources-conserving and environment-friendly society and thus address the root cause of climate change," said the Chinese president.

Third, the United Nations Framework Convention on Climate Change should be upheld as the core mechanism for addressing climate change, he said.

The Convention and its Kyoto Protocol constitute the legal basis of international cooperation on climate change and are the most authoritative, universal and comprehensive international framework for the issue, he said.

"The Convention and the Protocol should be upheld as the core mechanism and main channel for addressing climate change, and the principle established in the Convention should be taken as the guiding principle for addressing climate change," he added.

Fourth, efforts should be made to promote scientific and technological innovation, as science and technology are important means for tackling climate change, Hu said.

"We should step up research and development as well as the application of energy efficient technologies, environmental protection technologies and low carbon energy technologies, increase capital investment in these areas, and boost technological cooperation and transfer of technologies," said the Chinese president.

"We should intensify personnel training, improve protection of intellectual property rights, bring into full play the initiatives of all parties and raise our overall capacity to jointly address climate change," he added.

Forest Rehabilitation

The Chinese president proposed the setting up of the Asia-Pacific Network on Forest Rehabilitation and Sustainable Management.

The network will provide a platform for APEC members to share best practices, conduct policy dialogue and carry out personnel training on forest rehabilitation and management, he said.

Hu invited APEC members to join the proposed network to promote forest rehabilitation and expansion, so as to increase carbon sink and mitigate climate change in the Asia Pacific region.

Capacity to Adapt to Climate Change

Hu said China has always taken climate change very seriously and contributed its share to mitigating global greenhouse gas emissions.

"We will fully implement the National Program on Addressing Climate Change and endeavor to mitigate greenhouse gas emissions and strengthen our capacity to adapt to climate change as we pursue economic development," said the Chinese president.

China has set the targets of reducing energy consumption per unit of GDP by 20 percent and discharge of main pollutants by 10 percent and raising forest coverage from 18.2 percent to 20 percent between the end of 2005 and 2010.

Harmonious Asia-Pacific Region

To effectively tackle climate change, China follows the scientific thinking on development and takes resource conservation and environmental protection as a basic state policy, Hu told the gathering.

China is endeavoring to strike a balance among economic growth, population, resources and the environment.

"We are pursuing a sound development strategy that promotes production, makes life better for the people and protects the environment," he added.

"We have taken sustainable development as an important objective for China's economic and social development and incorporated policies to mitigate and adapt to climate change into the national plan for economic and social

development so as to tackle climate change in a coordinated and holistic manner," he said.

China will give full play to the leading and basic role of scientific and technological innovation and will vigorously develop new and renewable energies, energy efficient technologies, carbon absorption technologies and various adaptation technologies, he said.

"We will launch a nation-wide publicity campaign on climate change to raise public awareness of energy efficiency and emission reduction, and encourage everyone to take action to help mitigate and adapt to climate change," said the Chinese president.

Before the start of meeting, the leaders of the APEC member economies posed for a group photo.

Also on Saturday, Hu participated in a dialogue between APEC economic leaders and representatives of the APEC Business Advisory Council (ABAC).

The Chinese president arrived in Sydney from Canberra on Wednesday to attend the annual APEC Economic Leaders' Meeting. He also paid a state visit to Australia.

The two-day Economic Leaders' Meeting is the culmination of this year's annual APEC meetings, which also include a ministerial meeting, a senior officials' meeting and a business summit.

Since its inception in 1989 in response to the growing interdependence among Asia-Pacific economies, APEC has played a vital role in making the Asia-Pacific region a driving force for global economic growth.

APEC currently has 21 members and the chairmanship rotates among its members.

Spending failing to solve pollution problem

September 25 (Xinhua) -- The overall environmental situation remains "serious", with frequent pollution accidents affecting the quality of life for many people, a report

released yesterday by the environment watchdog said.

Investment in pollution control hit a record 256.78 billion yuan (\$34.2 billion) last year, up 7.5 percent on 2005 and about 1.23 percent of the country's annual GDP, the report from the State Environment Protection Administration (SEPA), said.

However, despite the increase, "China is under increasing pressure to cope with environmental pollution", it said.

The report, which provides an overview of the country's environmental status, said 842 pollution accidents were reported last year, including 482 water-related cases, 232 air cases, 45 cases involving solid waste, 10 related to the ocean and six to do with noise and vibration damage.

Discharges of sulfur dioxide reached almost 26 million tons in the year, up 1.5 percent on 2005, the report said.

A total of 53.68 billion tons of wastewater were discharged, up 2.3 percent on the previous year. Discharges of industrial wastewater were down 1.1 percent, but domestic sewage discharges rose 5.8 percent year on year.

Environmental protection efforts intensified

September 6 (Chinadaily) -- It is essential for Liaoning Province of Northeast China to improve its environmental quality in order to enhance overall economic and social development, a top local official noted.

"The final goal of revitalizing the old industrial base is improving people's living standards. Therefore, we will spare no effort to improve environmental quality, to ensure people here drink quality water, breathe fresh air and have safe food," said Li Keqiang, Party secretary of Liaoning Province.

Responsibility system

To this end, the Liaoning Party committee and provincial government have introduced a special

responsibility system, under which the top Party or government officials are responsible for environmental protection issues of certain local cities.

For example, Li recently paid a visit to Anshan to inspect the measures taken by the city for environmental protection.

Meanwhile, Executive Vice-Governor Xu Weiguo and Vice-Governor Li Jia have been assigned to supervise the pollution case at the Shenyang-based Xiyang Steel Company.

A number of mayors and city Party secretaries have also been called upon "to be seriously responsible for industrial pollution cases" that pose a great environmental threat.

The Liaoning Environmental Protection Bureau has so far settled 18 environmental pollution cases after it set up a special group to deal with such issues.

The provincial environmental protection authority has attached great importance to improving people's living conditions, and has thus strengthened its environmental protection efforts in recent years.

It recently issued a special notice, which stipulates that sewage water cannot be discharged to "water source protection areas," to ensure a safe and healthy drinking water environment for locals.

The bureau also worked with other provincial departments to close down 10 companies accused by locals of polluting water sources through sewage discharge.

Increasing investment

At the Huajia Village in Kangping County, a poverty-stricken area gravely affected by pollution, the provincial environmental protection bureau has so far invested up to 400,000 yuan to help residents improve their living conditions.

Last year, the environmental bureau also invested 8 million yuan for the establishment of a sewage treatment plant in the county.

Further, the provincial government has worked with the Tieling city environmental

protection department to invest up to 10 million yuan in digging more than 20 deep wells, which now serve as new water sources for residents.

The move came after the Tiaozi River, a tributary of the Liaohe River, was seriously polluted by industrial waste. The polluted river water has seriously affected even underground water.

In another development, the provincial environmental protection bureau has furthered its efforts in cracking down on small industrial enterprises that threaten the local environment.

Over the last few years, a number of small enterprises, mainly engaged in paper and steel production, have been set up in the province without approval from local environmental protection bureaus.

There are nine such small steel plants in Shaoling Township in Liaoyang County, for instance.

These enterprises, with lower production efficiency and higher energy consumption, usually have no sewage treatment facilities and cause severe damage to the local environment.

In view of this, the provincial environmental protection bureau has ordered small enterprises that are not environmentally friendly to cease production.

Also in Liaoyang County, clearance of strict approval procedures has been made mandatory for all new industrial projects, except for those related to clean-energy and recycled products.

Bureau officials also said that a special campaign will be launched across the province later this year, targeting small industrial enterprises that are unable to meet environmental protection standards.

Liaoning's large corporations have also been asked to pay more attention to environmental protection.

Action taken by firms

The Anshan Mining Company, affiliated to the Anshan Iron and Steel Group Corporation, has been carrying out a greening project around the mining plant since 2002.

So far, more than 6,000 trees have been planted in a 200-hectare area around the plant.

This year, the company plans to invest 41 million yuan in expanding its greening project to its mining bases in Anshan, Dalian, Chaoyang and Liaoyang.

The Fushun Special Steel Co Ltd has also made progress in sewage treatment by introducing new production materials and technology.

This year, the company has planned an investment of up to 36 million yuan to build a sewage water treatment plant, which will recycle all industrial wastewater.