



ENVIRONMENTAL CHINA

*A weekly update of China's environmental news and analysis from
PACE*



www.pacechina.net

Issue 63, June 11th to June 18th, 2010

By CC Huang and Chris Langer

Now in cooperation with
chinadialogue



Environmental China is now available online, you can view the blog [here](http://environmentalchina.blogspot.com) (environmentalchina.blogspot.com) or subscribe to the RSS feed.

WELCOME to *Environmental China*, PACE's electronic newsletter devoted to giving interested readers a comprehensive update of news concerning China's environment. Any comments, suggestions or questions can be directed to cc.huang2@gmail.com. PACE especially welcomes any input or suggestions for news articles and will give due credit to anyone who contributes to the newsletter. If you know anyone who would like to subscribe, please direct them [here](#).

OPINION

[China: the unappreciated ecosystem entrepreneur?](#) (Ecosystem Marketplace, 6/15/2010) China, today the world's second-largest economy, has quietly seized a leadership role in the evolving field of environmental markets. Its global financial force drives some of the largest public payments and markets for ecosystem services (PES/MES) schemes in the world, particularly with carbon and water markets. China has more than US\$90 billion in existing or planned programs,

hosts 22 percent of registered Clean Development Mechanism (CDM) carbon offset projects and by 2007 had supplied 73 percent of global CDM carbon credits.

PUBLIC SECTOR/NGOs

[Fungus gold rush in Tibetan plateau rebuilding lives after the earthquake](#) (The Guardian, 6/17/2010) Amid the wreckage of the [devastating earthquake](#) that recently ripped through this corner of the Tibetan plateau, local people are rebuilding their livelihoods with one of the world's most ghoulish parasites – the [caterpillar fungus](#).

[ADB program tackles polluted Songhua](#) (UPI, 6/17/2010) The Asian Development Bank announced it would provide equity and loans of up to \$146.6 million to improve the water supply and wastewater treatment for China's polluted Songhua River Basin.

[British-Run climate projects take root in Chinese schools](#) (New York Times, 6/17/2010) China may have emerged from the climate change summit in Copenhagen, Denmark, last December as a target for recrimination over targets, timetables and historic and future responsibilities, but back home the picture is somewhat different.

[GREENGUARD Environmental Institute launches international presence; opens Asia-Pacific headquarters in Beijing, China](#) (PRNewswire, 6/16/2010) In a major move toward global expansion, the [GREENGUARD Environmental Institute](#) (GEI) announced today the successful debut of its overseas operations in Beijing, China—including the launch of its new Chinese Website, www.greenguard.org.cn.

[Vermont Law School helps China to open first public interest law firm](#) (Vermont Digger, 6/15/2010) Aiming to use lawsuits to fight pollution and protect workers, Vermont Law School's U.S.-China Partnership for Environmental Law has received a \$1.5 million federal grant to establish China's first public interest environmental law firm and expand a university-based legal clinic.

[China eyes milk test after melamine deaths](#) (Reuters, 6/15/2010) Researchers in China, where at least six children died in a tainted milk scandal in 2008, have identified seven stable molecules in cow's milk that they hope to use to create a test to identify tainted dairy products.

[China's largest sand area looks to green future](#) (People's Daily, 6/14/2010) It looks like a scene from the fertile rice-growing areas of south China. But the early summer picture of farmer Wang Haiquan working his water buffalos in a paddy field lined with rice seedings is actually in the former sandy area of north China's Inner Mongolia Autonomous Region.

[China floods force more than a million to flee](#) (AP, 6/13/2010) Unusually heavy seasonal flooding in China has killed at least 155 people and forced more than 1 million to flee as water levels in some areas reached their highest point in more than a decade, the government reported Saturday.

CORPORATIONS

[China Forestry Inc. to acquire Chinese Yew Plantation Company](#) (GlobalNewswire, 6/17/2010) China Forestry Inc. (**CHFY 0.02**, 0.00, 0.00%) , a timber investment group in the People's Republic of China, announced today that it has acquired all the equity interest of Hanzhong Hengtai Bio-Tech Limited ("Hengtai"), a China incorporation, by entering into a share exchange agreement dated June 10, 2010 with Financial International (Hong Kong) Holdings Company Limited, ("FIHK"); the shareholders of FIHK; as well as Hengtai.

[A tailwind for Chinese wind turbine makers](#) (Bloomberg, 6/17/2010) Just five years ago, General Electric ([GE](#)), Denmark's Vestas, and other foreign wind turbine makers controlled 71 percent of China's market. But as Beijing has supercharged spending on renewable energy, the Western companies have faced increasingly aggressive local competition. By last year, their share had fallen to 14 percent, although sales are still headed upward. "It's a tough market," says Jesus Zaldua, president of Gamesa China, a subsidiary of Spain's Gamesa that has four wind turbine factories in the northeast city of Tianjin. "Some companies will have to leave China in the next five years."

[China's wind power has faulty connection](#) (Asia Times, 6/16/2010) China, the world's second-largest consumer of energy with more than 11% of global energy production, is turning to renewable sources, notably wind power, as it seeks to reduce its dependence on thermal energy derived from coal and other fossil fuels.

[Clean energy: Why is China ahead of the US?](#) (ABC, 6/16/2010) His company, [Natcore Technology](#), based in Red Bank, N.J., holds the license to technology that makes [solar panels](#) cheaper, more efficient and less toxic to the environment. He said he tried to commercialize the technology domestically, but while bureaucracy and red tape stalled talks with state and federal officials, conversations with Chinese officials sped ahead.

[China moving ahead on coal-to-olefins projects](#) (Plastics News, 6/15/2010) Three Chinese factories making olefins are slated to start-up this year, part of a serious look that Beijing is taking at using its large coal reserves to reduce its heavy dependence on imported polyolefins.

[Chinese sweatshop model challenged, but rulers strike back \(In These Times, 6/15/2010\)](#) China has become known as the world's factory, or more properly, the world's sweatshop. It has epitomized corporate globalization at its worst, a nightmarish model of 21st century slavery, combining cutting-edge technology with razor-edged brutality. Perversely, these features have made China a stunningly profitable employer paradise.

[China nuclear plant's 'very small leakage' contained](#) (Bloomberg, 6/15/2010) China's Daya Bay nuclear power plant had a "very small leakage" from a fuel rod last month that has been contained, CLP Holdings Ltd., Hong Kong's biggest electricity supplier, said in a statement.

[Who wants Afghanistan's lithium: China's electric vehicle players \(Earth2Tech, 6/14/2010\)](#) Even though [we've tried to help kill the phrase](#) "the Saudi Arabia of [insert industry here]," we're going to bring it back one last time. According to an article in the [New York Times this weekend](#), Afghanistan could be the new "Saudi Arabia of lithium," after analysis from the Pentagon has emerged that suggests that Afghanistan could have lithium deposits as big as those of Bolivia, which [currently has the world's largest](#).

GOVERNMENT

[Shanghai builds to the skies](#) (Asia Times, 6/18/2010) Anyone wanting the clearest vision of Shanghai in 2020 should take the lift to the third floor of the city's dramatic Urban Planning Exhibition Hall. A vast megalopolis in miniature decorates the floor, showing how 25 million-plus inhabitants could be living in harmony and prosperity. A Utopian dream or effective blueprint for orderly development, the next decade will judge the city's real-life experiment in urban growth.

[China mulls crackdown on big energy consumers](#) (Reuters, 6/17/2010) China will consider forcing energy-guzzling companies to reduce their output or close down completely in order to meet tough energy saving targets for this year, a senior official said on Wednesday.

[Pakistan outlines nuclear energy goal, cooperation with China](#) (Radio Free Europe, 6/17/2010) A Pakistani Foreign Ministry official says his country hopes to generate substantial amounts of electricity from nuclear energy by 2030 based on existing cooperation with China, RFE/RL's Radio Mashaal reports.

[China official newspaper calls for worker's pay rises](#) (BBC, 6/17/2010) One of China's most influential newspapers, the official People's Daily, has called for workers' incomes to be raised. The paper says wages need to rise to protect stability and transform society. It warns that what it calls the "made-in-China" model is facing a turning point. The article did not mention a series of strikes that have been causing problems for foreign businesses.

[Security tops the environment in China's energy plan](#) (New York Times, 6/17/2010) When [President Obama](#) called this week for a "national mission" to expand the use of clean energy and increase American energy independence, Chinese officials might have nodded knowingly. The government here is already far along in drafting energy legislation with similar goals for [China](#), according to Chinese officials and executives.

[China releases plan on drinking-water source pollution](#) (Xinhua, 6/16/2010) The Chinese government has released a plan on the protection of drinking-water sources in urban areas to guarantee the safety of drinking water and protect people's health.

[China, US angle for Mekong uncle](#) (Asia Times, 6/15/2010) The Mekong River is steadily emerging as a testing ground for China's public diplomacy.

Beijing, it appears, wants to reach out to its southern neighbors who share the river more as a friendly giant than an imposing bully.

[China's cabinet approves plan to develop varied regions](#) (People's Daily, 6/14/2010) China's State Council, or Cabinet, approved a program on Saturday to map out specific development strategies for different regions in a bid to boost economic development and, at the same time, ensure the protection of the environment.

[U.S. drops inspector of food in China](#) (New York Times, 6/13/2010) Organic food from China, like tea and frozen broccoli, has increasingly found its way onto American store shelves, typically emblazoned with the green "U.S.D.A. organic" seal also found on food grown in this country.

[Environment watchdog sinks teeth into local governments to curb river pollution](#) (Xinhua, 6/11/2010) With more city governments fined for failing to curb water pollution in a tributary of the Yellow River, China's environmental watchdog has bared its teeth.