

# CHINA ENVIRODATA WEEKLY

The 5th issue

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## Welcome to the China EnviroData Weekly!

For now, China EnviroData Weekly has received enthusiastic feedbacks from many of our readers. We are very grateful for these valuable comments and supportive responses. Our subscribers or readers at home and abroad have increased to 200.

Based on the readers' feedback, we adjust part of the contents, increase the data, and add the comprehensive analysis contributed by the experts. In the column of "Special Report" we will continue inviting experts to discuss the four issues – the water resources, climate change, transgene food safety and the "green barriers" for the trade of agricultural products.

We aim to become the best channel and bridge for you to understand the interactive dynamics of environment and development by providing you weekly updated information.

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## ■ China's environmental policies

### *Two new emission standards issued*

SEPA and the State Bureau of Quality and Technological Supervision recently released two national pollutant emission standards. One is the standard for the tail gas emission by agricultural vehicles and monitoring instruments (GB18322-2002). The other is the standard to limit the noise made by accelerating vehicles and the monitoring instrument

(GB1495-2002). In the former one, the standard for existing models of vehicles will be put into effect as of July 1, 2002 and the one for the new models will effect as of October 1, 2002. The latter one will be enforced as of October 1, 2002 too. The existing standards will be expired upon the effecting of the new ones..

### *Policy and measure to promote urban water price reform*

**HOT!**

On the April 9, the State Development Planning Commission, the ministries of Finance, Construction and Water Resources, and SEPA jointly issued a document on further urban water price reform. The document includes the following:

A. The new water price will be enforced for all urban residents in all provincial municipalities or cities of higher administrative level by 2003 and in other cities by 2005. The fee will be calculated at different prices according to the consumption. The regulation on the lowest water consumption fee will be cancelled. The higher prices will be practiced for the

consumption beyond the domestic use.

- B. Seasonal water price will be used for all cities according to their own characters.
- C. Recycled water will be priced much lower than the running water.
- D. By the end of 2003, all cities of China will begin to collect sewage processing fee. At present, in cities that began to collect such fee, China will increase fees to ensure a balance between cost and profit. In cities short of water resources, industrial structure must be adjusted and projects with high water consumption will be banned and limited.

## ■ Dynamics

### *Second strong sandstorm hit North China*

Starting from April 6, sandstorms hit the entire North China. This is the second time for this region to suffer from strong floating dusts in wider area and longer time this year.

From the early morning of April 7, floating dusts swept Liaoning, Jilin, Inner Mongolia, Gansu, Shaanxi, Shanxi, Hebei, Beijing and Tianjin. Dust floating

attacked almost all Liaoning and Jilin provinces and stretched over nearly 30 square kilometers of Inner Mongolia Autonomous Region. Sandstorm and strong sandstorm hit Liaoning's Shenyang and Jinzhou, and Chifeng and Tongliao of Inner Mongolia. Temperature of Xilin Gol dropped at the maximum of 20degrees Celsius.

### *Red-crowned cranes become homeless in Zhalong's fire*

The fire recently attacked again Zhalong Natural Reserve of Heilongjiang Province, the largest habitat of wild red-crowned cranes in China. The first fire happened in last October. The two fires depleted the life in an area of 200 square kilometers.

Located in the Songnen Plain in the west of the province, Zhalong Natural Reserve covers totally 2100 square kilometers and dwell 6 of the world 15 species of cranes. Of them the number of wild red-crowned

cranes occupies 1/6 of that in the world. In recent years, the drought climate gradually is shrinking the wetland. Permanent water area has been decreasing to less than 130 square kilometers there. Because of this, the province decided to urgently pump 300 million cubic meters of water into the natural reserve.

### *Heavier plant diseases and pests in Hebei*

This year, Hebei Province will suffer a variety of plant diseases and pests. It forecasts that the diseases and pests will occur to 1.333 million hectares, including 400,000 hectares of cotton field, will be hit by cotton bollworms. Aphids will attack 30,000 hectares of

cotton seedlings. In addition, locusts will be found in 266,667 hectares of farmland and beet webworms estimate to hit 466,667 hectares of farmland. Moreover, vegetables and fruits will suffer from moderate or heavier diseases and pests.

### *1077 aftershocks attacked Taiwan after the earthquake on March 31*

From the afternoon of March 31 to 10 o'clock in the morning of April 8 after the earthquake on March 31, Taiwan Province occurred 1077 aftershocks, including

27 sensitive earthquakes. The epicenter mostly is in the outer sea of Hualian and Yilan. At present, no casualty is reported.

### *Forest pests occurred in Three Gorges Dam again*

Recently forest pests were found again in the Three Gorges Dam and the surrounding areas. A total of 13,333 hectares of forest mainly suffered from massonpine caterpillars and 66,667 hectares of forest was threatened by it. The most important direct reason

is the large number of pests left alive after hitting the forest last year. In addition, the strong lamplight from the construction field lured the moths to move toward this forest area. This is the third year for the area to suffer from large scale of forest insect pests.

### *"Green barriers" for Chinese agricultural products*

At the world market, the strict criterion for the product sanitation and environment becomes new factors affecting the farm product export of China. In the first quarter of this year, the return of shipping farm products increased at bigger margin when compared with the same period last year. The main reasons for returning are:

a. the disqualified production and sanitation conditions in China; b. the imported countries enhance their technological standards; and c. the difference between China's quality examination and quarantine and that of the imported countries or the international authentication.

#### **Number and value of returned farm products:**

	<i>Returned farm products from January to March</i>		
	<i>2002</i>	<i>2001</i>	<i>2002/2001</i>
<i>Tianjin's Dongfang Customs</i>	US \$1.38 million	US \$1.34 million	3%
<i>Qingdao Customs</i>	505.4 tons (Frozen chickens only)	49.54 tons	920%
<i>Dalian Customs</i>	US \$1.59 million	US \$580,000	174%

## ■ Large-scale projects

### *Investment plan on RMB150 billion long-term treasury bonds*

This year, China decided its investment orientations of RMB150 billion long-term treasury bonds. Of this RMB38 billion will be used in the ecological programs in farm, forestry and water conservancy. That includes the strengthening banks of lower and middle streams of Yangtze River, the

protection of natural forest resources and returning farmland to forest. RMB46 billion will be utilized for communication, energy, infrastructure projects and RMB17 billion will be in the construction of environmental protection facilities, urban basic facilities and central reserved grain deposit.

### *RMB180 billion to invest in renovating rural power network*

The first-stage rural power network project took three years and has been completed with an investment of RMB189.3 billion. As a result 25 million rural people or 98% of the households in 1,728 counties have access to the electricity and benefited from it. The power supply reliable rate has reached 95% and the wire damage rate dropped below 12%. The electricity

price for each user has dropped RMB0.13 per kwh. The rural power network transformation greatly enlarged the electricity demand of rural people. In last three years, the power consumption at county level or below increased by 10%, higher than the growth rate of the social power consumption.

### *RMB5 billion of profit to receive from Taihu Flood Prevention Project*

Recently Taihu Lake Flood Prevention Project was completed in construction. This is the first of such project in China for making use of loan from the World Bank. The whole project took 10 years and had an investment loan of US \$558 million provided by the

World Bank. After completion, the project at least will earn an annual profit of RMB5.1 billion. Of them are RMB909 million from the flood prevention benefit and RMB84 million from environmental benefit. That is far beyond the expected result of the early time.

### *Japan invest 1.5 billion yen in helping Ningxia control sands*

With a total investment of 1.5 billion yen, China protective forest project in middle stream of Yellow River was started on April 8, 2002. This is the first ecological project that Japan aids China freely. Its aim is to restore the vegetation and control the water and soil erosion and dust floating volume through afforestation. A technical demonstration is provided

for western China to control the sand and greening. The program plans to complete the construction of ecological protective forest in 2005. 4,281 hectares of deserts in the region will turn into oasis and 1 million farmers in the sandy area will benefit from it. (1 yen  $\approx$  RMB0.062509)

### *Environmental investment in several provinces in 10<sup>th</sup> 5-year plan*

**Zhejiang Province** will invest RMB66 billion in environmental protection. The investment fund is mainly from emission fee, municipal sewage treatment fee, solid waste disposal fee and compensation of ecological environment. Of them are 1/3 or RMB20.3 billion in ecological construction, RMB12.5 billion for urban environmental infrastructure, RMB18.9 billion in treating industrial pollution sources and RMB11.1 billion in environmental comprehensive treatment. The province will draft preferential policy to encourage social and civil investors to invest in environmental protection industry.

**Jiangxi Province** will invest RMB12 billion mainly in the treatment of water and air pollution and solid wastes, and the ecological conservation. The province will add urban centralized sewage and wastewater treatment capacity of 800,000 tons daily, the solid waste innocuous disposal capacity of 1,500 tons daily and safety treatment capacity of hazardous solid wastes and medical wastes for 230 tons daily. A new radioactive waste storeroom will be established.

**Guangdong Province** will accelerate the construction of clean energy projects. Power transfer and transmission network system will be improved in the whole province. Of them are the large-scale projects under construction as following:

Project	Capacity	Building period	Total investment
Power transforming project	500kv. 1563Km and 220kv. 2776Km lines	2001~2005	RMB18.3 billion

Project	Capacity	Building period	Total investment
First stage of Taishan Power Plant	With installed generator capacity of $4 \times 60,000$ kw. and necessary desulfuration facilities	2001~2005	RMB14 billion
Lng Gas Terminate Station and first-stage pipeline project	The gas terminate station with an annual capacity of 3 million tons and 327km of pipeline	2002~2005	RMB6.729 billion
Shenzhen's Qianwan Lng Power Plant	With an installed generator capacity of $3 \times 340,000$ kilowatts	2002~2005	RMB5.9 billion

## ■ Technology

### *A new technology for reducing dust emission volume*

Recently Henan Province developed a technology for reducing coal-burning soot and sulfur dioxide emission volumes. Through fully burning, 20% of coal

can be saved for the industrial boiler and reduced 30% to 60% of soot and sulfur dioxide emission.

### *Highly clean methanol gasoline developed successfully*

Shanxi Province recently successfully developed highly cleansing methanol gasoline. Its sale price is RMB200 to RMB800 per ton lower than that of the world. The tail gas emission, including carbon

monoxide, is averagely reduced over 30%. The gasoline is effective in environmental protection and energy saving.

## ■ Special report

### *Grim water resource calls for water market reform in China*

**HOT!**

On April 9, the urban water pricing policy was released. Once again it attracted people's eyes on the reality of grim water resources in China. At the same time, this policy shows that the pace for reforming China's water conservancy market is faster.

China has faced three problems: frequent flood disaster, the shortage of water resources and heavy water pollution in water environment. 70% of cities and 50% sea walls in China can not meet the state criterion for flood prevention. In 1990s, 26.667 million hectares of farmland suffered annually from drought and 30 million people and several million livestock met difficulties in drinking water every year. 400 of the 622 cities were short of water supply and 6 billion more tons was needed annually. Of the 100,000 kilometers of rivers for national water quality evaluation, 46.5% of them were polluted.

By 2030 when China's population reaches its peak, 390 billion more tons of water will be needed in

agriculture, 191.1 billion more demanded in industry and 95.1 billion more for domestic usage. Given the other factors, including the increase of urbanization, at least 710 billion tons of water will be needed, 140 billion tons more than the existing water supply capacity.

At present, not much potential is left for China to further develop water resource. In order to keep the safety of water usage in China, the construction of water conservancy works must be further strengthened. Urban water price reform, the collected fee for sewage processing and the adjustment of water price provide a luring opportunity for the business of water conservancy. According to the water resource sustainable utilization planning of Beijing from 2001 to 2005, Beijing will invest RMB22.14744 billion to keep on the water supply safety in early 21<sup>st</sup> century. Of them are RMB15.2 billion of investment from the municipal government and RMB6.94744 from the upper areas of Beijing. The concrete investment

orientations are as following:

### **Beijing**

<i>Water saving</i>	<i>RMB3.353 billion</i>
<i>Recycled water</i>	<i>RMB1.259 billion</i>
<i>Harvest of rainfall and floodwater</i>	<i>RMB1.658 billion</i>
<i>Water source broadening project</i>	<i>RMB0.03 billion</i>
<i>Joint scheduling</i>	<i>RMB0.7 billion</i>
<i>Water source conservation</i>	<i>RMB1.58 billion</i>
<i>Urban river and lake environment treatment</i>	<i>RMB5.45 billion</i>
<i>Rural water environment treatment</i>	<i>RMB0.08 billion</i>
<i>Underground hot water resource conservation and development</i>	<i>RMB0.1 billion</i>
<i>Total</i>	<i>RMB15.2 billion</i>

### **Hebei Province**

<i>Water saving</i>	<i>RMB0.448 billion</i>
<i>Water pollution prevention and control</i>	<i>RMB1.148 billion</i>
<i>Water and soil erosion treatment</i>	<i>RMB1.641 billion</i>
<i>Beijing-Chengde water resource conservation and ecological farming economic zone</i>	<i>RMB0.687 billion</i>
<i>Total</i>	<i>RMB3.984 billion</i>

### **Shanxi Province**

<i>Water saving</i>	<i>RMB0.571 billion</i>
<i>Water pollution prevention and control</i>	<i>RMB1.014 billion</i>
<i>Water and soil erosion treatment</i>	<i>RMB1.068 billion</i>
<i>Capacity building</i>	<i>RMB0.111 billion</i>
<i>Total</i>	<i>RMB2.764 billion</i>

## ■ Activity

### *United Nations holds the sixth biodiversity international forum*

The United Nations held the sixth biodiversity international forum on April 7 in Hague of the Netherlands. How to protect the rare wild plant and animal resources on the earth was discussed. It aims to

promote the enforcement of "Biodiversity International Pact". The theme of the forum is "to protect biology resources."

### *Sino-European cooperative agreement*

China and European Union (EU) signed a cooperative agreement on energy and environmental protection on April 3, 2002. According to the agreement, EU promised to provide free aid of 20 million European

dollars to China. It aims for insuring the energy resource sustainable utilization and involves in three aspects, such as the energy high-effective utilization, renewable energy and natural gas utilization.

### *Sino-British workshop on water resource management*

Sino-British river water resource general management workshop was held in Beijing on March 26, 2002. At the meeting, both countries introduced about the practice and experience on river valley water resource management and discussed about the key cooperative spheres and channels between the two countries.

Chinese partner stressed on the introduction of the water resource comprehensive management of Yellow and Yangtze river valleys and South-North Water Transfer. Britain further introduced the application of general management technology of water resource in other countries.

### *South China Exhibition for New Power Technical Facilities*

South China's exhibition of building technical facilities in energy and hydropower station network

will be held in Shenzhen from July 17 to 19 in 2002. The exhibition includes three parts, such as water

conservancy and hydropower technical facilities, hydropower network and energy domain. The new

dynamics, new technologies and products in this field will be on display overall.

### *China's first climate conference held in Beijing*

China's first climate conference was held in Beijing from April 5 to 6, 2002. Over 100 experts and scholars working in related fields attended the meeting. Climate and relevant research and development dynamics were introduced. El Nino phenomena and other climate

hotspots were also discussed. Finally, a suggestion on strengthening the climate work of China was approved. China National Climate Planning Compendium from 2001 to 2010 (draft) and China Climate Systematic Observation Plan (draft) were deliberated.

## ■ Air quality this week

According to the monitoring data from China Environmental Quality Supervision Station, from April 5 to 10, the heavily air polluted cities are: Dalian for 3 days, Beijing, Tianjin, Shenyang, Changchun, Harbin and Qingdao for 2 days

respectively, and Qinhuangdao, Shanghai, Suzhou, Nantong and Lianyungang for one day. Major pollutants are the absorbable suspended particles (ASP).

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## ■ About us

*Institution of Environment and Development (IED) is a Chinese research institution, taking as its mission to promote the development of China ecologic & environmental industry and enhance cooperation & exchange at home and abroad. During the past 10 years, IED has hosted LEAD-CHINA program funded by Rockefeller Foundation to provide international training opportunities for young elites in environment.*

*IED enjoys close project cooperation with several Chinese governmental ministries and international organizations, including UNDP, UNEP, World Bank, Asia Development Bank and etc. A group of senior experts in environment protection & education, finance, business management and policy studies, work for you to provide highly targeted data and analysis.*