U.S. GOVERNMENT HIGHLIGHTS
Department of Commerce

U.S.-China Joint Commission on Commerce and Trade (JCCT) Concludes with Significant Agreements

The week of Nov. 21 marked the conclusion of the 22nd session of the U.S.-China Joint Commission on Commerce and Trade (JCCT) in Chengdu, China, the annual bilateral trade negotiations between the U.S. and China. U.S. Secretary of Commerce John Bryson and United States Trade Representative Ron Kirk co-chaired the JCCT, along with Chinese Vice Premier Wang Qishan. The trip resulted in meaningful progress on key elements of the U.S.-China trade relationship, though significant steps must still be made in order to open China’s market to U.S. exports and investment. Some highlights of the from the JCCT that will help boost U.S. exports and jobs include:

- Removal of barriers related to electric vehicles
- Strengthened measures to eliminate discriminatory practices stemming from China’s Indigenous Innovation Policy
- Stricter enforcement of intellectual property rights (IPR) in China

During the JCCT, “both sides worked hard to produce some meaningful progress that will help provide a needed boost to U.S. exports and jobs,” said Secretary Bryson, and “this is a step in the right direction. But we must continue to actively engage our Chinese counterparts to open additional opportunities for U.S. businesses.”

Specifically, China agreed to make a significant systemic changes in its enforcement of intellectual property rights. Through a high-level central government enforcement structure, China will make permanent its 2010 Special IPR Campaign. China will continue high-level involvement, enhancing its ability to crack down on IPR infringement. In addition, China’s leadership has committed to increased political accountability—performance of provincial level officials will be measured based on enforcement of intellectual property rights in their region.

The Chinese government also agreed to continue working toward the development of solutions combatting the sale of goods, in violation of IPR laws, sold via Internet. While at the same time, it is moving forward in development of additional protections for legitimate trademarks. All of China’s commitments on intellectual property rights will enhance the protection of U.S. innovative products and promote job creation in the United States.

(Source: Commerce Press release)

Secretary Bryson Meets with American Business Community and Chinese Investors While in Beijing

Before going to Chengdu for the JCCT, Secretary Bryson stopped in Beijing, on Nov. 19, to meet with the American business community and Chinese investors. He participated in a meeting with the American Chamber of Commerce (AMCHAM) and the U.S.-China Business Council (USCBC), where he met with members of the Chinese business community to discuss bilateral trade and investment issues. Although surrounded by numerous options for local cuisine, Bryson stopped off at a local U.S. franchise- Subway, to highlight the success of American brands in China, before joining U.S. Trade Representative Ron Kirk on a tour of Wisconsin-made airport vehicles at the Beijing Airport.

During his meeting with the American business community, Bryson shared his commitment to opening markets, leveling the playing field for U.S. companies in China and he pledging to address their issues at the JCCT meeting in Chengdu. The discussion focused on intellectual property protection, bilateral investment and China’s indigenous innovation practices.

Bryson also met with Chinese business leaders, encouraging them to invest in the US by establishing factories, facilities, operations and offices- highlighting how this would help them better understand opportunities and ease investment difficulties. Chinese foreign direct investment in America has increased nearly twelve-fold (from $0.5 billion to $5.8 billion) between 2008 and 2010. Also, the Obama administration recently announced Select USA, the first coordinated federal effort to aggressively pursue and win new business investment in the United States while cutting red tape and removing barriers.

(Source: Commerce Press release)
China Energy and Environment Update

U.S. GOVERNMENT HIGHLIGHTS

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Coal Mining Industry Trade Mission to China & Mongolia

FCS Beijing and Partner Post Ulaanbaatar successfully executed the Coal Mining Industry Trade Mission to Mongolia and China, led by Assistant Secretary Suresh Kumar. The week-long mission, attended by a number of U.S. coal companies, focused on trade promotion activities in both Mongolia and China. Commercial and political events generated substantial value for the companies represented. Two of the companies immediately wrote to Assistant Secretary Kumar, expressing their appreciation for DOC efforts in making the mission a success and Phillips reported an immediate sale from the mission.

Assistant Secretary Kumar (left) meets with Deputy Shaanxi Governor Wu Dengchang

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U.S. Coal Mining Trade Mission Helps Strengthen U.S.-China Ties

By Suresh Kumar - Assistant Secretary for Trade Promotion and Director General of the U.S. and Foreign Commercial Service

(Continued from previous edition)

China's economic growth has created a large increase in its demand for energy. Currently, China's 598 existing coal-fired power plants meet 65 percent of its total energy consumption. Moving forward, 80 new coal-fired plants are planned for construction, making this an optimum time for U.S. clean-coal technology firms, power plant construction businesses, and service providers to offer their innovative technologies and services.

Advanced mining technology is another area in which China is showing more openness to increased foreign participation. Currently about 90 percent of coal-mining equipment used in China is produced domestically. However, Chinese companies stand to benefit from technologically advanced U.S. mining production and safety systems to help address long-standing safety issues that have forced the closure of some 3,000 Chinese mines. The United States prides itself on being one of world leaders in mining safety technology, and our mining industry is among the safest in the world. Thus, U.S. technology and know-how can be put to work to help save workers' lives and facilitate the reopening of many mines to the benefit of the local economy and businesses.

Department of State

MEP Release of Revised Ambient Air Quality Standard to Include PM2.5 Monitoring

On November 16, 2011, the Ministry of Environmental Protection released a revised Ambient Air Quality Standard that for the first time includes standards for fine particulates (PM2.5). The regulation is posted here (in Chinese only) http://www.mep.gov.cn/gkml/hbb/bgth/201111/20111116_220136.htm and is open for public comment until December 5, 2011. This new regulation would take effect January 1, 2016, though major cities such as Shanghai, Guangzhou and Beijing are likely to post PM 2.5 readings before that date.

For more info, contact the State Dept. at: BeijingUSEmbassyESTH@state.gov

Department of Energy

Global New Energy Summit

The Department of Energy (DOE), China, participated in Peking University’s “Global New Energy Summit” sponsored in part by China’s National Energy Administration. The summer focused on building new, or retrofitting old, cities to be run on renewable energy. The DOE representative presented on the DOE Solar Cities program in the US and potential synergies with China's desire to use solar power heavily in new cities.

Green Building Conference

DOE China attended the Ministry of Housing and Urban-Rural Development's International Forum on Energy Efficiency in Public Buildings, featuring Vice Minister Qiu Baoxing and experts from the UK, Germany, and other countries. China’s public buildings-governmental, libraries, hospitals, and even commercial buildings such as shopping mall-

are about 5 times as energy-intensive as residential buildings, thus posing challenges and providing opportunities for China in reaching its energy efficiency goals.

Joint Conference on U.S-China Collaboration on Renewable Energy

On November 1st, DOE China gave the closing remarks at the conference hosted by the American Council on Renewable Energy and the China Renewable Energy Industry Association.

DOE China’s closing remarks stressed DOE’s desire to collaborate under the Renewable Energy Partnership, established in November 2009 by Presidents Hu and Obama. Over 70 representatives from the China and U.S. renewable industry attended.

For more information, please visit : http://beijing.usembassy-china.org.cn/doe.html
China’s Sludge Treatment and Disposal Market

By Piper Stover, CGTI’s Director of Research

China Greentech Initiative’s (CGTI) third Clean Water Working Session of the 2011 Partner Program was held on November 1st. The objective of this Working Session was to exchange information and insights on China’s sludge treatment and disposal market opportunities. In total, 47 participants representing a wide range of organizations and nationalities took part in the discussion.

Initial findings presented by CGTI staff addressed the growing environmental threat from untreated sludge deposited in landfills or used as fertilizer, the rapid expansion of wastewater treatment infrastructure, opportunities for recovering higher value from sludge during treatment and disposal and potential investments required to achieve a safer national treatment rate.

Due to expansion of China’s wastewater treatment infrastructure, sludge discharge has expanded 6% annually over the past 5 years, equating to 22 to 30 million tons of sludge requiring treatment each year. To meet a 40% safe treatment rate by 2015, CGTI analysis estimates nearly RMB 4.7 billion per year may be required to cover proper treatment costs.

While regulators have not yet released a comprehensive framework for the sector, some provinces are taking the lead to develop the market, including Guangdong and Jiangsu. Guangdong has announced a hazard-free sludge treatment rate target of 80% by 2012 and 100% by 2015 and is considering applying RMB 0.1-0.2 from wastewater treatment fees to sludge treatment. Jiangsu has implemented strict surveillance and management of the transportation, storage, treatment and disposal of sludge while also offering financial incentives for sludge treatment projects in the form of infrastructure subsidies and special government funding. China’s 12th Five Year Plan is likely to boost sector growth nationally with a dedicated RMB 60 billion investment allocation and provincial-level targets for treatment and disposal. At the Working Session, participants discussed the fact that sludge treatment industry stakeholders have limited incentives at present, which leads to the selection of lowest cost alternatives: limited treatment and land filling. Working Session participants shared insights regarding the emergence of new solutions to develop sludge treatment products, such as biogas or construction materials, and how these solutions offer additional revenues or options for reducing costs.

The next CGTI Working Session, Financing Utility-scale Wind and Solar Power Projects in China, will be held on December 6, 2011. For more information, please contact Caitlin Rhodes at caitlin.rhodes@china-greentech.com.
GE is a Founding Member of the US-China Energy Cooperation Program (ECP). It first senior representative was a Founding ECP Executive Committee Member, and the company is actively involved in seven of ECP’s nine Working Groups as one part of GE’s overall China business development strategy. One example is the Decentralized Energy and Combined Heat and Power (DE&CHP) Working Group, on which GE is a co-chair with Caterpillar.

Supporting Regulatory Change Through ECP Working Group Engagement

China’s push to reduce the carbon intensity and increase the energy efficiency of its power sector creates ideal business opportunities for US firms that are global leaders in Decentralized Energy and Combined Heat and Power (DE&CHP) technologies. For a commercial entity to sustainably participate in the growth and development of a country’s power industry – especially one as dynamic and demanding as China’s – requires the existence of a clear set of rules, in the form of well-planned and transparent government regulations and standards. However with emerging industries and new technologies, this can be challenging.

The DE&CHP Working Group in ECP, in partnership with key US and Chinese government and commercial stakeholders, has focused its efforts on addressing this challenge across the sector’s full value-chain, including through securing USTDA project grants for a China DE&CHP feasibility study and study tour to the US, as part of a larger pilot project initiative.

Feasibility Study

This study ties into the plans of the China National Energy Administration (NEA) to launch nationwide DE&CHP pilot projects and to set up a regulatory framework supported by the issuance of national DE&CHP industry guidelines. NEA chose the US engineering firm Black & Veatch to work with the Beijing Huajian Power Design and Research Institute to conduct the projects’ design, while the project sites are currently in the selection process, with greater than expected interest from provinces to act as host. Finally, NEA’s oil and gas department recently announced that the feasibility studies for the two pilots under the USTDA grant will be completed by the end of 2012.

Study Tour of the US

The ECP DE&CHP Working Group also secured USTDA support for a related trade delegation of Chinese officials from NEA, the Ministry of Finance (MOF) and the Ministry of Housing and Urban Rural Development (MOHURD) to visit the US in August. The purpose of the visit was to expose the Chinese delegates to the DECHP development path in the US. In addition to visiting DE&CHP application sites employing ECP DE&CHP Working Group member company technologies, the delegation also met with their US government counterparts from the USTDA, Department of Energy, and the Environmental Protection Agency to discuss policy, regulatory and related grid and power sector management concerns associated with successful DE&CHP deployment.

Results

The DECHP Working Group has used virtually every public private partnership tool available to ECP members: feasibility studies, study tours to the US and workshops. The combined effort of all three tools is expected to spur a new round of Chinese DECHP commercial success for ECP members, as well as secure refinements in regulations and standards that support the appropriate deployment of US technologies in a Chinese context.

To learn more: http://site.ge-energy.com/corporate/dechp/index.htm or visit: http://www.uschinaeap.org/je/

UPCOMING EVENTS


For more info contact: Elizabeth.Shieh@trade.gov

IE Expo 2012 (IFAT China + EPTEE + CWS) – Mar 7-9, 2012: CS Shanghai will support this comprehensive environmental show.

For more info contact: Scott.Yao@trade.gov

The 12th China International Petroleum & Petro-Chemical Technology & Equipment Exhibition - Mar 19-21, 2012: CS will be hosting a USA pavilion at what is advertised as “the largest petroleum exhibition in the world”

For more info contact: Jianhong.Wang@trade.gov

Buyer Delegation to Waste Expo in Las Vegas -May 1-3, 2012: CS Shanghai will bring a Chinese buyer delegation to visit this solid waste show.

For more info contact: Scott.Yao@trade.gov

The 5th edition of Aquatech China 2012 in Shanghai-June 6-8, 2012: CS Shanghai will support this show and set up a U.S. Pavilion.

For more info contact: Scott.Yao@trade.gov

U.S. COMMERCIAL SERVICE CONTACT INFO

Beijing

Elizabeth Shieh, Elizabeth.Shieh@trade.gov
Team Leader for Energy and Environment

Andrew Billard, Andrew.Billard@trade.gov
Deputy Team Lead

Michael Wang, Jianhong.Wang@trade.gov
Coal, Mining, Oil and Gas

Hongying Cai, Hongying.Cai@trade.gov
Renewable Energy

Yue Cao, Yue.Cao@trade.gov
Power Generation, Nuclear, Industrial Energy Efficiency, Smart Grid

Shujuan Cao, Shujuan.Cao@trade.gov
Design Construction

Shanghai

Yi Wang, Yi.Wang@trade.gov
Environmental Technology

Ricardo Pelayo, Ricardo.Pelayo@trade.gov
Team Leader for Energy, Environment, Construction and Transportation

Scott Yao, Scott.Yao@trade.gov
Design Construction, Power Generation, Environmental Technologies

Juliet Lu, Juliet.Lu@trade.gov
Power Generation

Chengdu

Cui Shiyang, Cui.Shiyang@trade.gov
Design Construction, Energy, Transportation

Chen Ling, Ling.Chen@trade.gov
Coal, Mining, Environmental Technologies, Automotive

Guangzhou

Diana Liu, Diana.Liu@trade.gov
Environmental Technologies

Cathy Wang, Cathy.Wang@trade.gov
Design Construction

Lena Yang, Lena.Yang@trade.gov
Coal and Mining, Energy, Automotive

Shenyang

Yang Liu, Yang.Liu@trade.gov
Coal, Mining, Energy, Environmental Tech.

Dongmei Sun, Dongmei.Sun@trade.gov
Design Construction

For more info contact: Scott.Yao@trade.gov