Adhering to the Basic State Policy of
Conserving Resources and the Environment and
Enhancing the Capacity of Sustainable Development

An Introduction to China's Environmental Protection and Sustainable Development

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Mr. President,
Ladies and Gentlemen,

I am very glad to attend this Forum at the invitation of World Environment Center. I wish to take this opportunity to brief you on the latest progress that China has made in striving for sustainable development. And we welcome the U.S. Government and people to continue to support China's efforts in conserving resources and protecting the environment.

China has as its objectives to develop a conservation culture and realize sustainable development. In the important report submitted to the 17th National Congress of the Communist Party of China not long before, President Hu Jintao outlined the strategy and guiding principles for building a moderately prosperous society in all respects over a period of time. The President stressed in particular the need to achieve sustainable development that is well coordinated to ensure that our people will live and work under sound ecological and environmental conditions, and that our economy and society will develop in a sustainable way. President Hu also announced that when the goal of building a moderately prosperous society in all respects is attained by 2020, China, a developing country with an ancient civilization, will be a country whose people are better off and enjoy markedly improved quality of life and a good environment. This is the solemn commitment by the Chinese leadership to the Chinese people and the whole world.

Conserving resources and the environment is a basic state policy of China. The Chinese Government gives prominence to building a resource-conserving and environment-friendly society in our strategy for industrialization and modernization. In the 11th National People's Congress, Premier Wen Jia Bao mentioned that China gave high priority to conserving resources and protecting the environment obligatory. It has already set the goals – reducing energy consumption per unit GDP by 20%, and cutting total emission of major pollutants by 10% during the 11th five-year plan period. In recent

years, the Chinese Government has enhanced macro control and stepped up industrial upgrading, in an effort to make industrial structures, modes of growth, and consumption patterns more conducive to conserving resources and the environment.

Building a conservation culture is the common will and initiative of the Chinese people. The "unity of heaven and man" has been a traditional philosophy in China since ancient times. It advocates the harmony between man and nature, the balance between human behavior and nature, and the agreement between moral reason and natural reason. It is well reflected in an ancient Chinese saying, "One shall not drain the pond to catch fish, nor burn up the whole tracts of forests to hunt animals (Writings of Prince Huainan)". With a responsible attitude toward the society and nature, the Chinese people will do their best to protect the environment while using natural resources, and work hard to fight poverty and improve the quality of their life.

Recently, people from different sectors in the United States have shown a great interest in China's environmental protection and sustainable development. On one hand, it demonstrates that China and the United States are more closely associated with each other in economic and social development. On the other hand, it indicates that the United States takes climate change seriously. In that connection, I would like to share with you, in an objective way, some basic facts and the latest progress that China has made in this regard.

It should be noted that China's industrialization and urbanization process is gaining momentum. The economy is in another round of growth. The past five years have witnessed an annual GDP growth rate of over 10% on average. Meanwhile, there are also problems in the Chinese economy that could hamper its steady and sustainable development. These include: high liquidity, large trade surplus, excessive investment, and commodities price rise. Among many others, a major problem is the conflict between economic and social development on one hand and resources and the environment on the other. Take water protection as an example, large-scale spirulina pollution plagued China's Taihu Lake, Chaohu Lake and Dianchi Lake in 2007. Some important drinking water sources were affected. This from one perspective shows how severe the changes are for China to achieve sustainable development. The Chinese Government attaches great importance to this issue, and has been taking effective measures to address it.

First, China has taken significant measures to conserve energy and reduce emission. In 2007, the State Council set up a leading group on energy conservation and emission reduction headed by Premier Wen Jiabao, and announced the comprehensive working plan for conserving energy and cutting emission. It has taken a series of important policy measures, mobilized the whole nation, and made arrangements across the country. Initial progress has been made, thanks to the joint efforts of all sides. For

example, additional flue gas desulphurization units were installed on power generators with a total capacity of 104 million kilowatts, or more than two times of the total installation in the previous 10 years. In 2007, China saw a 3.27 percent year-on-year drop in energy intensity for each unit of GDP. In the same period of time, emissions of sulfur dioxide and chemical oxygen demand (COD) began to decrease by 4.66% and 3.14% respectively from the previous year. This is an important turning point that marks the historical progress of China in resource conservation and environmental protection.

Second, China has accelerated its industrial restructuring process. Through improving industrial policies, we have raised the threshold for market access for the purpose of conserving energy and the environment. We have taken measures to contain the expansion of industries with high energy consumption, emission and pollution. We have stepped up the efforts to eliminate old-fashioned production capacity, especially 13 industries including iron and steel, cement, power generation, and paper making. We have succeeded in containing emissions from the upper stream. In the first three quarters of 2007, we shut down old-fashioned production facilities, notably, 25 million tons of cement, 400,000 tons of calcium carbide, 11 million tons of coke, 9.69 million tons of iron, 8.73 million tons of steel, 1.7 million tons of paper making, and 350,000 tons of alcohol brewing. We shut down 10 million kilowatts of small thermal power generators two months ahead of schedule. At the same time, we are encouraging the development of hi-tech and large-scale projects. During the first ten months of 2007, 365 large-scale industrial projects passed environmental scrutiny. When these projects are put into operation, they will replace the old-fashioned production capacities. It is expected that they will emit 310,000 tons of sulphur dioxide and 7,300 tons of COD less into the air every year.

Third, China has strengthened its efforts to improve the ecological environment. We built a large number of wastewater treatment plants and wastes treatment facilities in cities and some rural areas. In addition to the urban wastewater treatment capacity of 11.56 million tons per day that was built in 2006, we put in place new facilities in the first three quarters of 2007 that could handle 9 million tons of wastewater per day. Thus, nearly 60% of wastewater in urban areas are being treated. We have accelerated the installation of desulphurization facilities in thermal power stations, with the newly installed capacity totalling about 200 million kilowatts in 2006 and 2007. Over the last five years, China has converted over 9.3 million hectares of farmland to forests, and over 29.3 million hectares of grazing land to grassland. These large-scale projects have improved the environment in some areas.

Fourth, China has strengthened law enforcement and supervision. Through enacting and amending a series of laws and regulations on the environment, China has strengthened environmental law enforcement and supervision, and started to ward off

potential environmental problems. In 2007, China launched a “special campaign for good environment and health”. We conducted 860,000 inspections in businesses. We ordered the suspension of production of 620 paper-making enterprises that failed to meet related criteria, and gave deadlines to 403 paper-making businesses to improve their pollution treatment facilities. Better management in paper-making businesses is expected to reduce the emission of COD by 300,000 million tons every year. In addition, we held 545 people accountable for illegal emissions during the campaign, and severely punished some businesses for violations of relevant laws.

Fifth, China has been improving its economic policy in the context of conserving energy and the environment. The Chinese Government increased input in this field, readjusted taxes on mineral resources, and raised the prices of crude and refined oil products. We adopted a policy to limit the expansion of businesses with high energy consumption, and encourage desulphurization in power plants and development of renewable energy. We improved the fee-collecting mechanism for treating wastewater and wastes out of daily lives, and set up a market-based operating mechanism to control pollution. All this has played an effective role in preventing and controlling pollution.

Sixth, China attaches great importance to climate change. Over the past 26 years, China’s energy consumption per unit GDP dropped by 64.5%. Forests are growing, and have played an important role in controlling greenhouse gas emission. Not long ago, China issued the national plan for tackling climate change, and established a leading group headed by Premier Wen Jiabao. China will do its best to carry out the national plan. We will, in accordance with United Nations Framework Convention on Climate Change and its Kyoto Protocol, honor our due international responsibilities and obligations based on the principle of “common but differentiated responsibilities”. We will work to achieve the specific goals of cutting energy consumption, increasing renewable energy, raising forest coverage, and developing a low-carbon economy.

All in all, China, with a total population of 1.3 billion, is faced with a challenging task concerning resources, the environment and sustainable development. This is also of great significance for sustainable development of mankind. The Chinese Government and people are well aware of their mission and responsibility, and they are making relentless effort to that end.

Ladies and Gentlemen,

It remains an arduous task for mankind to achieve the common goal of sustainable development. It calls for joint efforts of all countries to stand up to the problems and challenges. At present, climate change is a central concern of the international community. Every country needs to take its due responsibility, and take real actions to address this

issue. Developed countries, which have realized industrialization, should recognize their historical responsibilities and the fact that their per capita emission remains high. They should therefore strictly fulfill their goals of emission reduction. And they should provide more help to developing countries in capital investment, technology transfer, training, and mechanism building. Only through candid and practical cooperation across the world can climate change be tackled and sustainable development be achieved.

Effective protection of China's environment and sound settlement of its energy issue is a contribution not only to China's sustainable development, but also to that of the world as a whole. The Chinese Government takes this as its unshirkable responsibility. At the same time, we also need international support and cooperation. I hope that media in the United States will make objective coverage of China's issues concerning the environment, resources and energy in the course of development. We hope to see less hype-ups and accusations, but more understanding and support. We welcome the U.S. Government, business community and academia to further strengthen their exchange and cooperation with their Chinese counterparts. We welcome you to participate in China's environmental protection and energy projects. We welcome you to conduct scientific and technological cooperation in resources, the environment and energy with us. We welcome you to enhance cooperation in human resources training. We welcome you to encourage efforts to export to China advanced environmental protection and energy facilities, technologies, talent, managerial expertise and relevant investment, and therefore improve China's capacity of conserving energy and the environment and achieving sustainable development.

To conclude, I would like to thank you all for your care and support for China's development.

Thank you!