



7 Strategic Industries to Be Developed Over Next Decade

Clean energy and alternative energy vehicles are among the seven emerging strategic industries slated for development over the next ten years, according to a statement released by the central government's official Web site on Oct. 18.

According to the statement, the other five industries are energy conservation and environmental protection, information technology,

bio-technology, high-end equipment manufacturing and new materials.

China said it would provide financial and tax support to these industries over the next decade in the hopes of having them account for around 8 percent of China's GDP by 2015 and 15 percent by 2020.

China's National Energy Agency (NEA) projected on Oct. 18 that the installed

capacity of China's hydro, wind and nuclear power sectors would grow to 380 million kilowatts (kW), 150 million kW and between 70-80 million kW by 2020, respectively.

By the same time, the agency forecasted that the installed capacity of bio-energy-sourced power and solar power would grow to 30 million kW and 20 million kW, respectively.

(2010-10-19)

New-Energy Auto' China's Top Priority in Next Five Years

Under the 12th Five-year Plan for China's auto industry, developing new-energy vehicles will become the foremost priority over the next five years and the country aims to achieve annual new-energy automobile sales of 1 million units by 2015, according to the China Association for Automobile Manufacturers.

Under the plan, China will update the new-energy vehicle sector by focusing on integrating the two major technologies of electric vehicles and hybrid electric

vehicles. The first draft of the 12th Five-year Plan for China's automobile industry has already been formulated and the formal plan is scheduled to be released at the end of 2010.

According to the recently-issued "State Council's Decision to Accelerate the Development of Strategic Emerging Industries," the total added-value of know-how-intensive, resource-efficient strategic emerging industries should account for 8 percent of China's GDP. The new-energy automobile industry and

other new strategic industries will play a leading role in the country's economy in 10 years.

The Ministry of Industry and Information Technology recently said China will invest more than CNY 100 billion (US\$15.01 billion) over the next 10 years to support new-energy automobile production in order to make China the world's largest new-energy automobile production country.

(2010-10-29)

China Considers Rules for Domestic Carbon Trading Proposal

China is discussing rules to implement a domestic carbon-trading market to reduce emissions and promote clean-energy industries. "We want to introduce a new system in

China to build our own carbon market," Huan Chen, deputy director general at China Clean Development Mechanism Fund, said in an interview at the Carbon Forum Asia 2010

conference in Singapore on October 28. The carbon trading plan is a part of China's 12th five-year plan.

The government is studying



existing carbon market systems such as the United Nations Clean Development Mechanism, the European Union cap-and-trade system and voluntary carbon markets in the U.K., as it examines rules for a domestic plan, Chen said. The proposed carbon market may be enforced in

certain regions or for some industries, and there has been no decision if emission caps will be voluntary or mandatory, he said.

China has pledged to cut its output of carbon dioxide per unit of gross domestic product by 40 to 45 percent

in 2020 from 2005 levels. It has reduced energy intensity by 15.6 percent from 2006 to 2009 and the government has said it may be difficult to meet the 20 percent reduction five-year target by the end of this year.

(2010-10-28)

Ten Large Renewable Energy Projects in 12th FYP to Be into Operation

According to news from NEA (the National Energy Administration), the initial plan draft of China's Renewable Energy in 12th FYP (12th Five-Year-Plan) has been made and it has exchanged opinions with departments such as MOST (Ministry of Science and Technology) and SOA (State Oceanic Administration People's Republic of China) without passing the procedure of collecting suggestions. In accordance with this plan, 10 large renewable energy projects will be put into operation and the development of renewable energy industry in 12th FYP will focus on these 10 projects.

It's revealed that the 10 projects include key hydropower base project, 10-million-kw wind power project, the pilot city project of renewable energy and etc. Among them, the key hydropower base project will promote the hydropower exploration in the Jinsha and Nujiang rivers; as for the

previous planned seven large 10-million-kw wind power projects, there will be five out of them to be constructed in the 12th FYP; for the pilot city project of renewable energy, it will be checked from two aspects covering the development of renewable energy and energy-saving and environmental protection.

Spokesman for NEA said that this plan has originally specified the development targets for the main renewable energy industries at the end of 12th FYP. Among them, the installed capacity for PV (photovoltaic) generating is expected to hit 5GW, capacity for wind power should reach 90 million kw. Even so, NEA personnel also got the conclusion that at the close of 12th FYP, the development of PV and wind power industries will certainly exceed the current targets.

The basic ideas for 12th FYP plan are as follows: give full play to the development of hydropower as renewable

energy, regard wind power as the important emerging force of renewable energy and solar energy as the renewable energy industry which has the greatest successive potential and improve the multiple development of biomass energy.

As for the supporting policies for renewable energy in 12th FYP, the renewable energy quota system will be continually implemented and be listed into the enterprise evaluation system except for the 10 large renewable energy projects; the power grid integration policy will be forcefully carried out and speed up the process of associated grid equipment construction to meet renewable energy industry's demand for power grid due to its high-speed development. This plan tries to be in line with 12th FYP for power grid and it will mainly solve on-grid problems for renewable energy in key wind power bases.

(2010-10-21)



China May Set Benchmark Power Tariffs for PV Projects in Two Years

China's central government is expected to set benchmark power tariffs for photovoltaic (PV) power projects within the next two years, Zhao Yuwen, vice chairman of the Chinese Renewable Energy Society, said on Oct. 21.

Zhao said that a price war and infighting among large state-owned companies that occurred during the second national bidding for PV

projects could become a trend that would ultimately hamper the industry's development.

As such, Zhao said that the government would take these factors into consideration when planning bids for future PV projects.

Between 2004 and 2007, China launched five national bids for wind power projects, and in 2008, it set benchmark

power tariffs for new wind farms at between CNY 0.51 (\$0.077) and CNY 0.61 (0.092) per kilowatt-hour (kWh).

Citing the country's experience with wind power projects, Zhao said that the government may set benchmark power tariffs for PV projects once it gets a clearer idea of the actual development costs.

(2010-10-22)

China Debates Clean-Energy Vehicle Tax Bill

China's top legislature Monday began reviewing for the first time a draft law on vehicle and vessel taxation, as a bimonthly legislative session began. The draft law sets out provisions for reducing taxes on energy-saving and clean energy-powered vehicles while imposing more taxes on cars with big engines. Currently, the tax on passenger vehicles in China ranges from CNY360 (US\$54) to CNY 660 (US\$99.1) per unit.

Taxes on vehicles with engines smaller than 1.6 liters - which account for 58 percent of Chinese passenger cars, defined as autos with a seating

capacity of less than nine passengers - will be reduced slightly or be kept unchanged, Chinese Finance Minister Xie Xuren said in his report to a meeting on October 25.

Taxes on cars with engines bigger than 1.6 liters but smaller than 2.5 liters will see a "moderate" increase in taxes while a "relatively large" increase will be imposed on cars with engines larger than 2.5 liters, he said.

Taxes on vessels will remain unchanged while taxes on motorcycles, three-wheel motor vehicles and low-speed trucks mainly used in rural

areas will be reduced or remain unchanged, according to the draft law.

The draft law also stipulates that owners of energy-intensive and highly-polluting cars and vessels will have to pay more tax.

The draft law, passed at an executive meeting of the State Council, China's cabinet, on Oct. 12, is set to replace the current tax law on vehicles and vessels which took effect in 2007.

(2010-10-25)

China CDM Fund to Have \$1.5 Bln for Clean-Energy Projects By 2012

China CDM Fund, the government body that invests money from carbon credits, will almost double its available cash for renewable energy

projects to CNY 10 billion (US\$1.5billion) in 2012, the vice director of the fund said.

The fund, which manages CNY

6 billion (US\$90.1 million) currently, will add as much as CNY 3 billion (US\$45 million) a year through 2012, Jiao Xiaoping, deputy director



general of China CDM Fund, said in an interview. The money is mainly raised from the cash Chinese companies earn from selling certified emission reduction credits (CERs), Jiao said.

The Clean Development Mechanism (CDM) under the 1997 Kyoto protocol allows companies in industrialized countries to buy carbon credits from developing nations in order to comply

with requirements to reduce emissions. Chinese companies have sold 229 million metric tons of CERs under the UN-backed CDM mechanism since 2005, or half of the total, Jiao said.

The fund has been approved by the government to be used for low-carbon research and planning, equity investment, preferential loans to energy-saving and renewable projects, according to Jiao.

The Chinese government wants to begin a pilot program in an industry or city to test the impact of an emissions cap on growth ahead of a possible nationwide move to carbon trading, officials at top economic planner National Development and Reform Commission said earlier this month.

(2010-10-22)

Shanghai Sets Ambitious Goals for New-Energy Cars

According to the development plan for Shanghai's new-energy industry, the city will have an output value of CNY 30 billion (US\$4.5 billion) and a production capacity of 100,000 units for new-energy vehicles by 2012, of which more than 80 percent will be passenger cars. Deputy Mayor Ai Baojun announced that at the Eighth Annual China Automotive Industry Forum on Oct. 23.

New-energy autos will get more orders from the government and public procurement. By 2012, new-energy cars and new-energy buses will account for more than 30 percent of

newly-purchased vehicles by the government and public agencies.

Shanghai will also see a market scale of 20,000 new-energy passenger cars before 2012. To realize this goal, Ai said that Shanghai is formulating a layout plan for electric vehicle infrastructure and will support related enterprises to build charging stations in the future. He also noted that Shanghai will build an infrastructure system before 2012 to provide support for 20,000 electric vehicles.

Moreover, according to Shanghai's regional planning,

an industrial base for new-energy vehicles and key parts will be built in Jiading District, and a demonstration base for 30,000 new-energy vehicles will also come into being before 2015.

Pudong and Jinshan Districts will be built into production bases for new-energy passenger cars, while Minhang, Songjiang and other districts will become bases for new-energy commercial vehicles. Jiading has started preparations for the preliminary work.

(2010-10-26)

Shenzhen to Invest Renewable Energy Car Manufacturing Base

Guangdong Province's Shenzhen City intends to invest CNY 50 billion (US\$7.49 billion) to build a renewable energy vehicle manufacturing base by 2015, according to

a plan released by the city government on Oct. 21.

Under the plan, the base will cover an area of between 10-15 square kilometers and

will be home to a number of renewable energy vehicle manufacturers having a combined production capacity of up to 300,000 vehicles per year.



The base will also manufacture key spare parts such as batteries and engines, helping it generate an annual sales revenue of over CNY 80 billion (US\$11.98 billion) by 2015, the city government projected.

As one China's most aggressive promoters of clean energy cars, Shenzhen currently has 339 hybrid buses, 300 liquefied natural gas-fueled buses and 50 electric taxis in operation.

By 2012, the city government said it plans to have 25,000 privately-owned electric cars on its roads, approximately 1 percent of its total vehicles.

(2010-10-21)

China Windpower to Launch 1st Offshore Wind Farm in Jiangsu

China Windpower Group Ltd, a leading wind power operator in China, plans to launch its first offshore wind power project in Nantong, Jiangsu Province with investment of CNY 400 million (US\$60.04 million) in 2011, sources reported, citing Vice President Yu Weizhou as saying.

The new wind power farm will have installed capacity of 50,000 kilowatts, said Yu.

In addition, the Hong Kong-listed company will invest CNY 5 billion (US\$750 million) to expand installed capacity by more than 650,000 kW in 2010, surging 60% year on year.

Yu said that the company plans to increase installed capacity by 700,000 kW a year in the future, and its installed capacity is expected to reach 5 million kW in 2015.

The group increased investment in wind power projects in the first half of this year. As of the end of June, ten wind power farms of the company were under construction. So far, it has 22 wind farms with total installed capacity of 1,213 megawatts.

(2010-10-18)

Huadian Plans \$1.35 Bln Wind Power Project in Ningxia

China Huadian Corporation invested CNY 9 billion (US\$1.35 billion) to develop wind power projects in Xiji county and Haiyuan county, Ningxia province, reports Caijing.com, citing information from the State-owned Assets Supervision and Administration Commission.

The first phase of the Xiji county project has begun and is expected to have an installed capacity of 49.5 megawatts when it is put into operations at the end of 2011. The installed capacity of the entire wind power station is 500,000

kilowatts (KW), and the final phase will be completed in four or five years.

Construction of the Haiyuan county station will begin next year. Its two wind power stations are expected to produce 140 million kilowatt hours of green power annually after its launch.

The state-owned energy giant said it will invest CNY 16 billion (US\$2.4 billion) over the next five years to develop wind power in Ningxia province. China Huadian Corporation recorded one million KW

of installed capacity in the province in 2010 and expects installed capacity there to double by 2015.

According to Interfax report, Construction of the first phase of China Huadian Corp.'s 500 megawatt (MW) Moon Hill wind power project in Xiji County, Ningxia Hui Autonomous Region has begun, the State-owned Assets Supervision and Administration Commission (SASAC) announced on Oct. 18.

(2010-10-19)



Shanghai Electric in \$8 Bln Turbine Deal with India

Shanghai Electric Group Co. Ltd., a large domestic power generation equipment manufacturer, recently signed an US\$8.29 billion contract to supply 36,660-megawatt (MW) thermal power turbines to India, the company announced on Oct. 29. Under the deal, the turbines will be installed in three new Indian power plants

beginning in 2011.

This is the largest single business order Shanghai Electric has received to date, the company said. Shanghai Electric has seen its overseas sales of power generation equipment surge from CNY 700 million (US\$104.63 million) in 2005 to CNY 11

billion (US\$1.64 billion) in 2009.

According to corporate officials, the company has had a business presence in India for over six years.

(2010-10-29)

China Has 170 Gigawatt Wind Power Project Pipeline

China has a total wind turbine project pipeline of more than 170 gigawatts in different stages of development, MAKE Consulting said in a report.

The Chinese market will grow by a compound annual growth rate of 17 percent between

2010 and 2015 and will account for some 38 percent of the global wind power market in five years, the Højbjerg, Denmark-based industry consultant said in a note on its website on October 27.

“The near term development

will primarily take place onshore in North China as the most significant region followed by Northeast, East and Northwest China,” MAKE said.

(2010-10-27)

Dabancheng District Breaks Ground on Three Wind Farms

Construction of three wind farms with a combined installed capacity of 148.5 megawatts (MW) began in Urumuqi City's Dabancheng District in the Xinjiang Uyghur Autonomous Region, the regional government announced on Oct. 20.

The farms will cost a total of CNY 1.38 billion (US\$206.59 million) to build and are

scheduled to start operations by the end of 2011.

Xinjiang Tianshan Power Co. Ltd., Xinjiang Huaran New Energy Co. Ltd. and State Grid Xin Yuan Co. Ltd. will invest in the farms, which will generate a total of 416.54 million kilowatt-hours (kWh) of electricity per year once they are fully operational.

In 1989, Dabancheng District became home to China's first wind power farm, which featured 13 wind turbines imported from Denmark.

Dabancheng's total installed wind power capacity currently stands at 394 MW and by 2015, it plans to boost that figure to 1,700 MW.

(2010-10-21)

Longyuan Power Revs up Three New Wind Farms

China Longyuan Power Group Corp., the country's

largest wind power developer, put three 49.5-megawatt

(MW) wind power farms into operation this week, the



company said on Oct. 26.

According to Longyuan Power, two of the farms are located in Weichang County, Hebei Province while the third is located in Guazhou County, Gansu Province.

Longyuan Power has put seven wind farms with a combined installed capacity of 319 MW into operation so far this year.

As of the end of 2009, Longyuan owned wind turbines with combined installed capacity of 4.5 million kW,

making it Asia's largest and the world's fifth-largest wind power developer. In 2009, the company produced 6.211 billion kWh of wind power, an increase of 69.9 percent year-on-year.

(2010-10-27)

XEMC Develops China's First Offshore-Specific 5MW Turbine

XEMC board director Zhou Jianxiong said the company plans to install two 5MW permanent magnetic direct-drive offshore wind turbines by the end of the year. One will be in China and the other in Europe. The company plans to supply the turbine to domestic and world markets next year.

The 5MW product is so far the largest offshore-specific wind turbine in the country and has been hailed as a milestone by Chinese industry officials. Zhou said the 5MW wind turbine involves 13 new patents.

XEMC is the 11th largest wind manufacturer in China. In 2009, it spent US\$14.2 million in the acquisition of Dutch wind manufacturer and direct-drive specialist Darwind.

The launch of the 5MW turbine follows a similar move by Sinovel last week when it unveiled its own 5MW onshore/ offshore product.

In recent months, Chinese industry officials have pushed the country's wind sector to develop and use large-capacity wind turbines. Currently, the 3MW Goldwind wind turbine

is the largest on the Chinese mainland.

In June Shi Lishan, deputy director of the New Energy and Renewable Energy Department of National Energy Bureau said the main models of turbines for land-based wind farms should be 3MW and offshore wind farms 5MW or above.

Additionally, he said Chinese manufacturers need to begin developing 10MW capacity turbine technologies.

(2010-10-25)

Jilin to Boost Installed Wind Power Capacity to 10 GW By 2015

China's northeastern Jilin Province plans to increase its total installed wind power capacity to 10 million kilowatts (kW) by 2015 and to 20 million kW by 2020, according to a plan released by the Jilin branch of the National Development and Reform

Commission (NDRC) on Oct. 25.

As of the end of 2009, Jilin had a total installed wind power capacity of 1.53 million kW, making it the third-largest wind power producing region in China.

With its rich wind power resources, Jilin currently has an exploitable installed wind power capacity of over 109 million kW, the Jilin NDRC said.

(2010-10-25)



China's 1st Solar Thermal Power Project Starts Bidding

China's first solar thermal power plant began soliciting tenders on October 20 as the country's efforts to diversify its clean energy sources gathered pace.

The 50 megawatt solar thermal power plant will rise on uninhabited land of more than 100 hectares in Hangjinqi in North China's Inner Mongolia autonomous region. The tenders are scheduled to be opened on Jan 20, 2011. The China Machinery and Equipment International Tendering Co, Ltd is entrusted by the National Energy Administration to oversee the bidding process.

The project is estimated to cost about CNY 1.6 billion (US\$240.5 million) and will annually generate about 120 million kilowatt-hour of power, according to statistics from Inner Mongolia's reform and development commission.

Hangjinqi was chosen over other sites in Northwest China because it was closer to the grid

and had sufficient sunlight and water supplies, said Li Rong, head of Hangjinqi's investment promotion department, who has spent about five years working on the project. The project was approved by the National Development and Reform Commission in 2007.

The plant's initial planning and feasibility report was written by Inner Mongolia STP Development Co Ltd, a joint venture between Inner Mongolia Lenon New Energy Liability Co Ltd and the German company, Solar Millennium AG.

Experts say the opening of the plant marks the beginning of China's solar thermal power industry. But analysts say the current project could be a basis for future expansion.

Solar thermal energy is still in experimental stages in China. It faces the obstacles of low efficiency and high developing costs, said Luo Zhentao, an expert at the China Association of Rural Energy Industry.

More than 30 leading Chinese companies and research institutes in solar energy came together to form the National Alliance for Solar Thermal Energy, Ministry of Science and Technology, in October 2009.

The alliance is committed to building a 1,000 megawatt solar thermal power plant in West China between 2011 and 2015. IEECAS is building a one-megawatt solar thermal power plant in rural Beijing's Badaling township. The experimental project, which costs 120 million yuan, is set to be completed by the end of this year.

Meanwhile, Chinese research institutes, including some under Tsinghua University, are working on devices that can capture and store more heat, which will bring down the cost of solar thermal power plants and provide greater power stability.

(2010-10-21)

Installations of Solar Energy in 1st Three Quarters Doubled

Statistics issued by NEA (National Energy Administration) on October 26 showed that in the first three quarters of this year, there was an upward trend in clean energy development and it's estimated that by the end

of 2010, China's wind power installation will reach 35 million kw and the entire solar energy installation will hit 0.6 million kw, with a twofold increase compared with that of last year.

Wang Siqiang, deputy director of the general division of NEA stated that in the first three quarters, the basic construction of national electrical power source has completed CNY 23.11 billion (US\$3.47 billion) investment and the cumulative



investment on hydropower, wind power and nuclear power took account for 62% of the total.

At the end of September, the proportion of accumulated installations of hydropower, nuclear power and wind power

amounted to 25.6%, with a 20% increase on a year-on-year basis. In August, Huaneng Xiaowan Hydropower station was formally put into operation, signaling that China's total installed capacity of hydropower had exceeded 0.2 billion kw,

22% of the total installation of national hydropower. In August, the No.3 generating unit of Qinshan Term 2 project was integrated into grid and commenced generation.

(2010-10-27)

GCL Solar Plans Shenzhen Listing in 2011

GCL Solar System Ltd, a leading solar power system integrator in China, plans to launch an initial public offering on the Growth Enterprises Board of the Shenzhen Stock Exchange, or Chinext, as early as next year, said President Gu Huamin, sources reported.

Gu said that the company plans to complete the construction

of 100 Megawatts of solar photovoltaic projects this year and 150 MW to 200 MW of such projects next year.

GCL Solar System is the builder of the 20MW PV power station in Xuzhou of Jiangsu Province, the largest solar power station in China, and the builder of the 3MW rooftop PV power system in Jiangsu's

Yancheng, the country's largest rooftop solar power system.

GCL Solar System is a subsidiary of GCL Group, which is also the parent of Hong Kong-listed GCL-Poly Energy Holdings Ltd, the largest polysilicon producer in China.

(2010-10-28)

Shanghai Electric to Sell off PV Assets for \$24.31 Mln

Shanghai Electric Group Co. Ltd., a leading domestic power equipment manufacturer, released a statement on the Shanghai United Assets and Equity Exchange (SUAEE) on Oct. 29 announcing that it intends to sell its 61.35 percent stake in photovoltaic (PV) manufacturer Topsolar Green Energy Co. Ltd. for CNY 162.66 million (US\$24.31 million).

According to SUAEE, Topsolar

has been involved in a number of business disputes over the years and in 2009 it reported a net loss of US\$3.81 million.

In 2005, Germany's PV Group purchased solar cells from Topsolar but failed to pay the account balance of CNY 1.17 million (US\$174,888) after complaining about the quality of the company's products.

In 2007, Topsolar entered into

an agreement with Germany's Inowatt Elektro Technik GmbH to source silicon wafers but was not satisfied with the quality and demanded that Inowatt Elektro repay it \$2.08 million. However, Inowatt Elektro applied for voluntary bankruptcy in 2009 and Topsolar is likely to receive no more than 30 percent of the margin it paid.

(2010-11-01)

Yingli Green Energy to Add 700-MW Capacity in Mid-2011

Yingli Green Energy Holding Co Ltd has announced plans to build two polycrystalline

chip production lines with an annual output capacity totaling 700 megawatts, sources

reported.

The two production lines,



which is scheduled to start operation at the middle of 2011, will be located in Haikou, Hainan Province with 100-MW capacity and Baoding, Hebei Province with 600-MW capacity.

CEO Miao Liansheng said

that the company will have a total capacity of 1.7 gigawatts after the completion of the two projects. Yingli Green Energy had more than CNY 4 billion (US\$600 million) in cash as of Sep. 30, said CFO Li Zongwei.

The New York-listed firm,

a vertically integrated photovoltaic product manufacturer, plans to put a photovoltaic laboratory into operation at the end of next year, and the lab will cost CNY 540 million (US\$81.1 million).

(2010-10-26)

Himin Solar to Set up Joint Venture in India

A solar water heater producer, China Himin Solar Co, Ltd, plans to launch a joint venture manufacturing plant in India, said Huang Ming, chairman of the Chinese company, on October 28 at on-going Delhi International Renewable Energy Conference 2010.

Huang said his company is in talks with the Indian side to build a 50:50 joint venture in Delhi area to produce solar water heaters. He said the Chinese side will provide technology and production line with its Indian partner as well as taking care of marketing.

The total investment will be several hundred million yuan and initial capacity will

be 10,000 to 50,000 square meters with ultimate capacity at one million square meters. The plant will mainly assembly components imported from China in the initial stage, said Huang.

The joint venture could be unveiled in the next few months and could be the first overseas manufacturing plant of China Himin Solar with additional talks going on to build factories in Mexico and the United States.

Huang suggested his Chinese peers to take the form of joint venture in expanding presence in Indian market, noting the difficulties to be faced by wholly foreign-funded solar

companies.

Huang added that China's solar water heater players could export industrial standards and technologies to both developed and developing countries, which marks a significant achievement for Chinese manufacturers.

Now, China Himin Solar has thress million square meters of its solar water heaters to be installed while exporting marginal share of products to India. Based in East China's Dezhou, China Himin Solar has strong research capacities with near 200 patents in China.

(2010-10-28)

BlueStar in Talks to Acquire Norway's Solar Firm Elkem

China National BlueStar, a state-run specialty chemicals company backed by U.S. private equity firm Blackstone Group, is in talks to acquire part or all of Norwegian solar silicon product maker Elkem

AS, according to three sources familiar with the matter.

An Elkem takeover could cost BlueStar around US\$1 billion based on the Norwegian company's financial figures

and analysts notes.

Elkem, a unit of Norway's pizza-to-metals group Orkla ASA, has been in play for several months, as its parent looks to shed non-core assets



and focus the overall business. It is unclear whether BlueStar is interested in all of Elkem or just certain parts. The sources had direct knowledge of the deal but were unable to be named because the talks are private.

The transaction would mark the Chinese firm's first major acquisition after Blackstone paid US\$600 million for a 20

percent stake in the company three years ago.

BlueStar makes chemical material products used in a wide range of sectors from aviation, construction to textile and solar energy. BlueStar's parent, state-run ChemChina, is known to the global chemical industry and investors as China's most market-oriented state-owned enterprise, a savvy

deal-maker and a company that hires westerners as senior executives, unusual among Chinese state firms.

Oslo-based Elkem produces solar-grade silicon, metallurgical silicon, foundry industry alloys, carbon, and microsilica. It also owns or leases 7 hydropower stations.

(2010-10-26)

LDK Solar Signs \$300 Mln Supply Deal with BYD

NYSE-listed solar wafer manufacturer LDK Solar has sold US\$300m in polysilicon wafer products to Hong Kong-listed Berkshire Hathaway company BYD.

The two companies have signed a two-year polysilicon sales agreement, under which LDK

Solar will supply polysilicon in monthly shipments from January 2011 until 2013, the company said.

Ten per cent-owned by Berkshire Hathaway, BYD specialises in automobiles and green energy. The deposit for the two-year contract

has already been received, according to LDK Solar.

Established in February 1995, BYD's total assets approached CNY 32.9bn (US\$4.94bn) with its net assets surpassing CNY13.3bn (US\$1.99bn) by the end of 2008.

(2010-10-25)

NF Energy Saving Corp. Invests in Biomass Project

NF Energy Saving Corp., a leading energy saving services provider in China, announced on October 25 that it has signed an agreement with the Gaizhou municipal government and Gaizhou Gas Industry Company to jointly invest in the Gaizhou Biomass Gas Supply Project.

Construction for the Gaizhou Biomass Gas Supply Project is expected to take two years to complete. Once fully

operational, the project is projected to generate revenue of up to CNY 96 million annually (US\$14.1 million) and save 40,600 tons of standard coal per year. The total cost of the project is expected to amount to CNY 240 million (US\$35.5 million). The two companies will split revenues generated from the project according to their respective investments, with NF Energy investing 62.2 per cent of the capital required over a two-

year time frame and Gaizhou Gas contributing the remaining 37.8 per cent. NF Energy will be responsible for managing the project, including project design and construction.

Gaizhou Gas Industry Company is licenced by Gaizhou municipal government to exclusively provide the gas production within Gaizhou city.

(2010-10-29)



China Integrated Energy Acquired Chongqing Tianrun Energy

China Integrated Energy, Inc., a leading non-state-owned integrated energy company in China, announced on October 26 that it has closed the acquisition of a 50,000 metric ton biodiesel production facility located in Chongqing City, from Chongqing Tianrun Energy Development Co., Ltd.

The acquired facility uses first generation biodiesel production technology, similar to the production process used in the Company's current 100,000-ton production plant. The Company's expertise in biodiesel production and its established distribution network should allow the acquired facility to achieve gross margins of approximately 30 per cent.

The Company is the only non-state owned biodiesel producer with a nationwide distribution license.

The Company is paying approximately US\$16.5 million in cash for the Chongqing Tianrun biodiesel production facility. Management expects the acquisition to add approximately US\$32 million in revenue and \$8 million in pretax income in 2011. The Company will fund the acquisition with cash on hand, which was approximately US\$58.7 million as of June 2010.

The completion of the newly-constructed 50,000-ton biodiesel production facility has been slightly delayed,

due to recent inclement weather and a holdup on equipment clearance by customs. However, the Company expects to commence testing and ramp-up of the newly constructed biodiesel production facility in December 2010. The new production facility is adjacent to the Company's existing 100,000-ton biodiesel production facility in Tongchuan City, Shaanxi Province, China. The company reaffirms its 2010 financial guidance of revenue of US\$425 million to US\$430 million, and net income of US\$52 million to US\$52.5 million.

(2010-10-27)

China's Annual Output of Electric Vehicles to Hit 1 Mln By 2020

China's annual production capacity of electric motor vehicles will reach 1 million units by 2020, a senior official forecast on October 16.

As the world's largest auto market, new energy vehicles are key to the development of China's auto industry, said Minister of Science and Technology Wan Gang. Wan said automobile exhaust emissions accounted for 70 percent of air pollution in big cities of China.

While extolling new energy cars, Wan said promotion of public transportation would also help to ease the problems caused by expanding car ownership in China. Public transport should also be the top priority for use of new energy automobiles in China.

Twenty-five Chinese cities have jointed a pilot program co-sponsored in 2009 by Ministry of Science and Technology, Ministry of Finance, National Development and Reform Commission, and Ministry of

Industry and Information, to promote energy-efficient and new-energy vehicles.

The project aimed to replace public transport vehicles with electric vehicles to support the development of electric vehicle industry, Wan said. A total of CNY 8.5 billion (US\$1.28 billion) from the capital market has entered the electric car industry since the debut of the project in 2009, he said.

(2010-10-16)



SAIC Eyes 20% Share in China's New-Energy Market

Shanghai Automotive Industry Corp or SAIC, the parent company of SAIC Motor Corp Ltd, said it will capture 20% of China's new energy auto market by 2015, said Chairman Hu Maoyuan.

SAIC, the largest automaker in China by sales, has started the research and development of new energy vehicles and aims to realize industrialization, Hu added at the World Expo

and Sustainable Automotive Industry Development forum.

In addition, SAIC Motor intends to launch a hybrid-power auto model Roewe750 at the end of this year, and another hybrid-power model Roewe550 and a kind of electrical vehicle in 2012.

The Chinese Ministry of Science and Technology said earlier this year that China will

have around 1 million electric vehicles on the roads by 2015 and will be capable of annually producing 10 gigawatt hours of vehicle batteries in the same year.

In Shanghai, the headquarters of SAIC Motor, 100,000 new energy autos are expected to run on the road in 2012, said Deputy Mayor Ai Baojun.

(2010-10-27)

China to Auction 6 Shale Gas Blocks By Early Nov

China will hold an auction for six shale gas exploration blocks by early November, Reuters reported on October 27, citing a government official.

Zhang Dawei, deputy chief of the strategic planning center at the Ministry of Land and Resources, told Reuters on

the sidelines of a conference that the option would be for six shale gas blocks in various provinces.

China is at the preliminary stage of developing shale gas as part of its efforts to reduce dependence on coal to reduce pollution and carbon emission.

Consumption of shale gas in China is expected to reach 15 billion cubic meters by 2020, or 0.45 percent of total energy use by then, local media reported earlier this month, citing a government official.

(2010-10-27)

CDB to Finance China Three Gorges Co \$11 Bln

China Development Bank (CDB) will offer China Three Gorges Corporation (CTGC) more than US\$11 billion in financial support over the next five years, said the bank on October 27.

From 2010-2015, a total of CNY 50 billion (US\$7.2 billion) and US\$4 billion will be offered to CTGC for its new energy projects such as

hydropower and wind power projects and contract projects overseas, according to an agreement signed by the two sides on the same day.

CDB will continue to offer loans and use a variety of investment vehicles to support CTGC, said CDB President Chen Yuan. The agreement marked the deepening cooperation between CDB and

CTGC, said Cao Guangjing, chairman of the company.

So far, the company has borrowed more than US\$11 billion from CDB and received loans of over US\$8 billion to date.

(2010-10-27)



Nuclear Power Market To Total 60 Bln By 2020

China's demand for nuclear power generation units will total CNY 350-400 billion (US\$52.5-60 billion) in the future, reports caijing.com.cn, citing Xue Xinmin, deputy director of Nuclear Energy Economics Committee.

Xue estimates China will have 70 GW-80 GW of nuclear capacity by 2020, which means 8.45 GW of capacity has to be added annually in the next 10 years.

By 2020, nuclear power

capacity will take up five percent of China's total power capacity, said Xue.

(2010-10-18)

China Hydroelectric Unloads 51% Stake in 1 GW Hydro Power Project

China Hydroelectric Corp said on October 19 it agreed to sell a 51% stake in its 1-GW pumped storage hydro power project developing unit to China Guangdong Nuclear Energy Development Co (CGNEDC) to fund the project's development.

China Hydroelectric holds 79% in Wuyue Pumped Storage Power generation project in Chinese Henan province. The project is being developed by Wuyue Pumped Storage Power Generation Co Ltd. The construction is expected to take six years.

The deal depends on the completion of definitive documents, due diligence and relevant approvals. Definitive agreements are seen to be completed by the first quarter of 2011.

(2010-10-22)

Silver Lake Invests in Nobao Renewable Energy

Private equity firm Silver Lake has invested in a Chinese energy efficiency firm Nobao Renewable Energy Holdings, seizing growth opportunities in China's booming green sector, Reuters reported on October 21.

Silver Lake's investment in Nobao marks the company's first in the Chinese clean

technology industry, the company's managing director said in a statement.

The Shanghai-based provider of energy efficiency technologies taps geothermal technology which can be used in power heating and cooling and hot water supply systems in commercial and residential buildings.

Silver Lake said Nobao's fully-integrated geothermal technology typically can save up to 70 percent of energy consumption compared to conventional fuel- and electricity-based systems.

(2010-10-21)