



White Paper on Energy in China's New Era

In December 2020, the State Council Information Office of China published a white paper titled Energy in China's New Era. The white paper presents China's achievements and goals in energy development and outlines the strategies, and policies for future energy reform.

People-Centered Goals – Clean Energy, Clean Living

The white paper stresses that the ultimate goal for energy development in China is to promote growth in the economy and provide benefits to people's lives. By end of 2015, access to electricity for every citizen has already been achieved, and China aims to provide more diverse energy supply and services to all urban and rural residents. For instance, significant progress has been made in clean and green energy heating, with a 21.6% increase in clean-energy heating within 3 years in rural regions of northern China by the end of 2019. Additionally, development of poverty-stricken areas will be prioritized in the overall plan and layout of energy projects. China has implemented the strategy of rural revitalization to facilitate energy development and alleviation of poverty in rural areas. These measures complement the aim of reducing regional disparities and improving living standards for all residents.

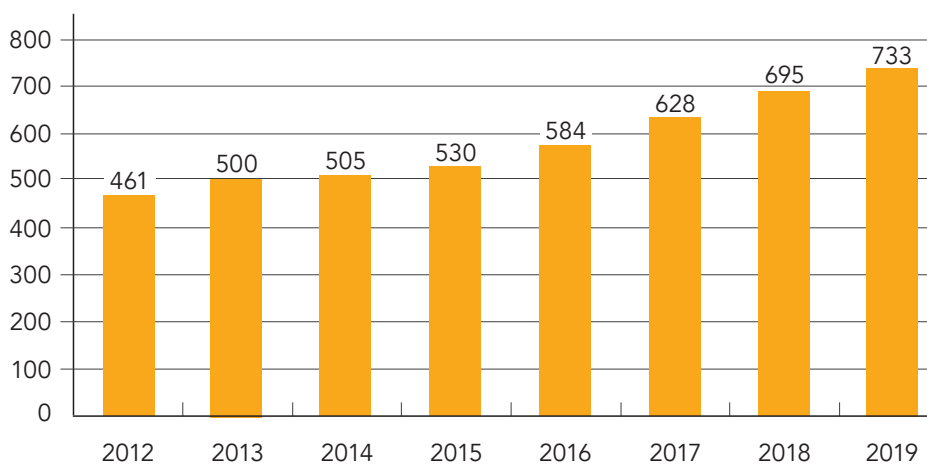


Figure 3 - China's Per Capita Household Electricity Consumption (2012-2019)

(Source: Brief: Energy in China's New Era)

Technological Innovation and Transformation – Green/Intelligent Coal Mining/ Renewables

China aims to pave the way for industrial transformation and has accordingly developed an innovation-driven strategy in energy sector for the next generation. In the latest government guideline *Innovation Action Plan of Energy Technological Revolution (2016-2030)*, innovative projects will be supported and directed by the government and led by the market/enterprises, with all stakeholders' participation and coordination with each other. To achieve the goal, China has increased R&D investments and established a number of laboratories and research centers that focus on frontier areas of energy innovation ranging from green and intelligent coal-mining to renewable energy and energy equipment.

Industrial Reform and Open-up Policy

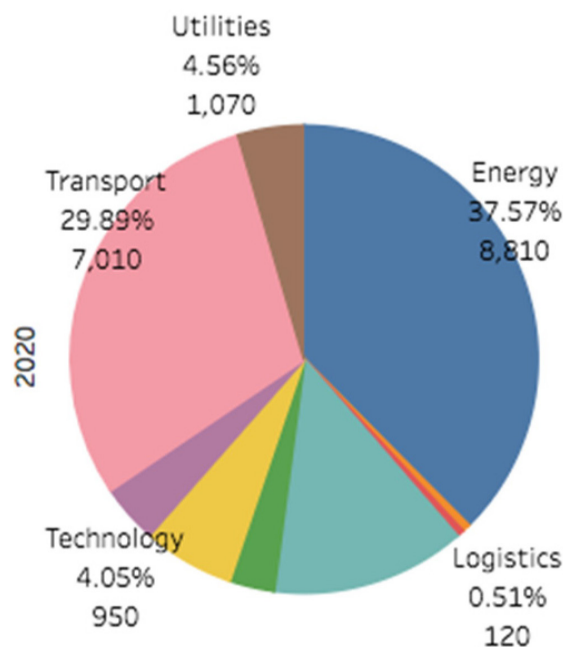
China intends to further extend market-oriented reform and facilitate free trade and investment in energy sector. The latest reform will provide a shift in policies, consisting of breaking up monopolies and encouraging market access and competition in the energy sector. It is noteworthy that the restrictions on foreign investment have been removed to enter into sectors including coal, oil, gas, electric power (excluding nuclear power) and new energy. Meanwhile, China has also announced several pilot free trade zones to accelerate energy transition. In Zhejiang Pilot Free Trade Zone, initiatives and projects with a higher level of open-up policy in relation to oil and gas industry will be introduced and implemented.

International Cooperation

The White Paper also addressed the near-term goals in relation to international cooperation, energy governance framework and specifically Belt and Road Initiative (BRI). Amid the coronavirus outbreak, performance under the BRI has remained resilient and non-financial direct investment even rose 30% as stated by Wang Yi, Chinese State Councilor and Foreign Minister, at the Belt and Road Forum for International Cooperation (BRF). Despite the disruption caused by the pandemic to the energy sector, BRI investments in the first half of 2020 covered all sectors and energy investments accounted for around 40% of total investments.

China will continue to bring strategic insights to BRI and aim towards an open and mutually beneficial energy cooperation framework. BRI for the next generation will adopt a sustainable and forward-looking approach and accelerate clean energy transition. So far, projects such as Kaleta hydropower project in Guinea and the Kaposvar PV power station project in Hungary demonstrate China's efforts towards green energy transition.

BRI investments first half 2020 by sector



(Source: Brief: Investments in the Chinese Belt and Road Initiative (BRI) in 2020 during the Covid-19 pandemic, published on the Green Belt and Road Initiative Center database)

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