

CLEAN ENERGY INDUSTRY A NEW GROWTH ENGINE

A slower world economic growth rate, especially a serious economic recession in some of the world's major economies since the outbreak of the global financial crisis, has caused worldwide demand for energy consumption to drop drastically.

Against the backdrop of an unprecedented financial crisis in a century, all countries have made all-out efforts to find new areas for economic growth in an effort to pull out of the ongoing crisis and rejuvenate their economies. In this process, the new energy industry has been extensively considered as a new locomotive to drive a new round of economic growth.

Since the outbreak of the global financial tsunami, many countries in the world, developed ones in particular, have made great efforts to boost the development of their new energy sector, hoping that such a move would help them survive the prolonged economic winter. In doing so, they aspire to take a strategic initiative in future global economic development, and on such global issues as energy and climate change. The ongoing financial crisis has not stopped the accelerated development of the world's new energy industry. On the contrary, the crisis has expedited its burgeoning development and given rise to an accompanying market competition. That the development of the new energy industry has been taken as an important way to grapple with the financial crisis and as an effective tool to help take an initiative in the increasing economic competition ahead marks a particularly prominent change in the world's energy industry since the outbreak of the crisis.

China has not lagged behind in this new economic trend. At this year's session of the National Committee of the Chinese People's Political Consultative Conference held in March, Zhang Guobao, chief of the National Energy Administration, said the country will attach great importance to the development of the new energy industry and will closely track the new global trends in this field. He vowed "China will increase investment in the new energy industry, strengthen scientific research in this field and raise its development to a strategic position". The head of the newly established agency, affiliated to the National Development and Reform Commission, the country's macroeconomic decision-making body, also cautioned that China would lag behind other nations in this emerging economic field if it does not see this issue in a strategic perspective. To sharpen its edge in increasing international competition, China has regarded the development of new energy as an effective way to boost slackened domestic demand. Some positive changes have emerged in China's new energy policy, pushing the country's hydropower, wind power and nuclear power to a new development stage.

The country's enormous hydropower potential is yet to be fully tapped. China now boasts a water resource with a theoretical capacity to generate 6.08 trillion kwh of power per year and an average power of 690 million kw. The country's currently low installed hydropower capacity indicates that the huge potential is yet to be tapped. Currently, the largest factor in the way of the country's hydropower development has changed from the earlier economic and technological restrictions to the present-day ecological and environmental ones.

China's wind energy is also in the blossoming stage. Compared with solar power, wind power generation is more practicable and more in keeping with the world's energy exploitation trend. According to the third wind power census by the China Meteorological Administration in 2006, the country's total land wind energy volume is about 4.2 billion kw, with an exploitable capacity of 300 million kw. In addition, the country's exploitable offshore wind energy is about 750 million kw. The global financial crisis is not expected to have a severe impact on China's booming wind power industry. Instead, the crisis has offered rare chances for the country to further boost its wind power sector. To effectively deal with the ongoing crisis, China has taken wind power development as a key part of its newly mapped new energy strategy. According to the country's power development program, a host of mega wind power bases with a generation capacity of tens of thousands of kw are planned to be built across Gansu, Hebei, and Jiangsu provinces and the Inner Mongolia autonomous region within 10 years. That will contribute a lot to the development of the wind power industry. Also, nuclear power has entered a booming development stage in China. Since the 1970s when the State Council made a decision to develop nuclear power, the country's nuclear power industry has made remarkable progresses. China is now well positioned to step up its nuclear power development in terms of expertise, technological levels and equipment capability. The country's nuclear power takes about 2 percent of its total power volumes. China had adopted a positive approach toward the development of nuclear power. The National Energy Administration is actively pursuing a special program for nuclear power development. With the substantive support of the country's preferential policies, along with its possession of well-developed technologies, the country's large-scale development of nuclear power will become a reality. Nuclear power is expected to play a more important role in the country's clean energy campaign.

The author is a senior economist with the State Information Center.