

16/01/2008 China resorts to biodiesel projects to solve energy shortage

Text of report in English by official Chinese news agency Xinhua (New China News Agency)

Shijiazhuang, Jan. 16 (Xinhua) - Nearly 7,000 ha of biodiesel forest will take shape in the northern province of Hebei this year, part of a national campaign to fuel the fast growing economy in a green way.

In no more than five years, the *Pistacia chinensis* Bunge, whose seeds have an oil content of up to 40 per cent, will yield five tons of fruit and contribute about two tons of high-quality biological diesel oil, according to the provincial forestry administration. Hebei was among seven regions designated by the State Forestry Administration (SFA) in 2006 to develop biofuel demonstration forests.

Hebei, Anhui, Hunan, Sichuan, Yunnan and Shanxi provinces and Inner Mongolia Autonomous Region will grow a total of 400,000 ha of oil-bearing plants, including *Pistacia chinensis* Bunge, *Jatropha L.*, *Cornus wisoniana* and *Xanthoceras sorbifolia*, by 2010. The provincial government of Hebei that borders Beijing, has made a bolder decision. It will plant nearly 870,000 ha of saplings of various kinds of biodiesel trees in its vast mountain areas as of 2050 to provide 5.5 million tons of seeds for extraction and refining.

China, which has realized consecutive years of GDP growth of about 10 per cent, is promoting the development of biofuels with financial support as it sees them as environmentally-friendly sources to ease the growing thirst for energy.

The country has been raising oil-bearing trees on some 4 million ha. of land in different regions with an expected fruit output of 4 million tons. More could be planted on 57 million ha. of what is now underdeveloped wilderness, the SFA head, Jia Zhibang, said.

The government plans to cultivate 13 million ha. of high-grade bio-energy forest by 2020. This will yield 6 million tons of diesel that would be enough to fuel an 11 million kilowatt power plant, according to a forestation plan compiled by the SFA. Chinese officials said the country would increase biodiesel output to 200,000 tons by 2010 and 2 million tons by 2020. China banned the further use of grain for ethanol production last year to ensure that grain was available for food.

Raising biofuel forests in mountain areas will save farmland, make full use of the uninhabited mountains, and increase local people's family income if they are employed to take care of the trees.

Almost 70 per cent of China's energy use came from coal in 2006, with other forms of energy each accounting for a tiny proportion, official statistics show. Ma Kai, the minister of the National Development and Reform Commission (NDRC), announced last month that China would lift the proportion of renewable energy consumption to about 10 per cent by 2010, and to 20 per cent by 2020.

The country would focus on development of hydropower, biomass energy, wind power and solar power in future, according to a medium-and long-term plan for renewable energy published by the commission in September. The Ministry of Finance (MOF) has worked out a complete set of financial policies to promote the production of non-food sources for biofuels, which are clean and have a limited negative impact on the environment.

Flexible subsidies will be offered to biofuel producers who lose money on crops when crude oil prices are low. The government would encourage enterprises to reserve funds to offset such risks, according to Zeng Xiao'an, deputy director of the MOF's Department of Economic Development.

The ministry would also subsidize demonstration projects producing ethanol from cellulose, sweet sorghum and cassava or making biodiesel from forest products. Projects that are up to industrial standards would receive rewards of up to 40 per cent of the total investment.

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