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Chen Deming - From Farmer to China's Energy Tsar

Chen Deming may be the most powerful – yet least known – figure in China's booming energy sector. Last June, Chen was appointed the new vice chairman of China's most powerful economic planning agency, the National Development and Reform Commission.

Since China has no energy or oil ministry, the NDRC is China's top energy policy-maker, controlling domestic oil products and electricity prices. In the absence of an energy ministry, Beijing's policies remain fragmented among NDRC and several smaller, understaffed ministries, with final approval coming directly from Premier Wen Jiabao.

Chen is new to the energy industry and he faces many thorny issues. In addition to the obvious one of ensuring adequate supply, he must also restructure the country's energy industry, overhaul the oil price regime to reflect market mechanisms, establish a management program for the strategic petroleum reserve, encourage renewables, and promote energy conservation. These have been nagging headaches even for China's seasoned energy officials.

Chen, 58, replaced Zhang Guobao, another NDRC vice minister now mainly in charge of nuclear power technology development. Unlike other officials who assume new positions and then make aggressive reforms to impress the industry, Chen appears more cautious.

Born in Shanghai in 1949, Chen joined the millions of Red Guards during the Cultural Revolution (1966-1976), "receiving re-education from the poor," a campaign launched by Mao Zedong that sent young people to the countryside. Chen spent five years in the mountains of Jiangxi province. Later, he was sent to school to study farming machinery. He holds an undergraduate degree in economics and a doctorate in administration.

Chen rose quickly, and after working as the deputy manager of a pork-processing plant in the Jiangsu province city of Taizhou, he became mayor of Suzhou in eastern Jiangsu in the late 1990s. He made his name there, helping to transform Suzhou into one of China's most successful cities.

As the mayor of Suzhou, he was involved in a dispute over two competing industrial parks proposed for the city – one to be developed by local Chinese firms and the other by interests from Singapore. He decided in favor of the local project, forcing the one from Singapore to withdraw most of its investment. By 2004, Chen had become governor of Shaanxi province in the land-locked northwest.

As the governor of Shaanxi, a poorer, coal-rich inland province, he reorganized the local oil and gas industry, merging 21 private and collectively-run oil and gas companies into the Shaanxi Yanchang Petroleum Holding Co., Ltd. In 2004, when a blast at a coalmine in Shaanxi killed 166 miners, he proposed a monument to mark the contributions they had made to the local coal industry. The monument, the first ever in China, honors the dead but also serves as a warning to other unsafe coalmines to improve their worksite safety.

Shortly after taking over at NDRC, Chen visited China's State Power Grid Corp. and warned the company that it needed to "avoid the power glitches that took place in Russia and the United States."

After his visit, one SPG official praised Chen as being very detail-oriented. But beyond a few personal details, such as the fact that Chen is something of a technology geek who likes tinkering with radios, televisions, and home appliances, little is known about him. Nevertheless, Chen's career is a sign of the huge changes that are occurring in China. A former farmer has become China's most powerful energy bureaucrat. Whether Chen will implement any significant changes in China's energy sector remains to be seen.

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