

Energy management reshuffle starts

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Updated: 2008-07-07 15:58



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As global energy prices continue to fly higher, China has moved a step further to unify its divided energy management regime by expanding the National Energy Bureau.

Under China's highest economic planner, the National Development and Reform Commission (NDRC), the newly elevated energy bureau will be quadrupled in manpower in an attempt to ensure the nation's energy supply.

Industry insiders say the reshuffle is just the first step toward setting up a unified national energy management regime. It will mainly focus on energy supply and production. In this high energy price era, matters such as energy conservation, oil reserves and energy price management are still not under the national energy bureau's governance.

The central government recently finalized the governance of the bureau after China's legislative body National People's Congress (NPC) gave an approval in March to gradually unify the scattered energy management functions in various cabinet departments.

The State Council, China's cabinet, has already approved increasing the bureau's manpower to about 120. It consists of nine departments in charge of energy policy, project planning and approval, electricity, coal, oil, nuclear power and alternative resources and international cooperation.

The legislative body has also agreed to set up a National Energy Committee, which is designed as a strategic consultation body independent from the NDRC. The executive office of the national committee is expected to be part of the national energy bureau.

Industry insiders say China has already made headway in setting up a unified energy management system amid challenges toward global energy security.

"This is a good start to ensure China will function well regarding energy security," says Zhang Libin, Beijing chief representative of the US law firm Baker Botts L.L.P, which specializes in energy business.

"It's a preparation for China to finally set up a cabinet department with overarching energy sectors," Zhang tells China Business Weekly. "It's of great importance to China's sustained development."

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