



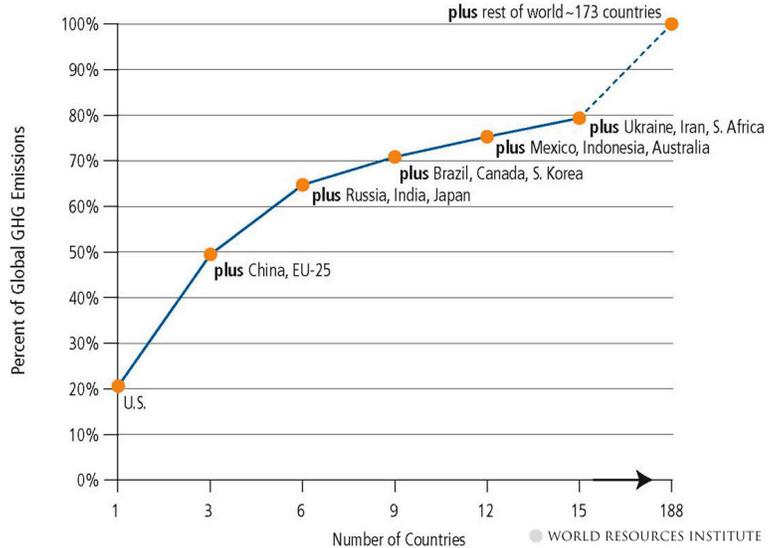
CHINA: Policy Insights

The International Importance of China

An adequate solution to climate change is not possible without the collaboration of large nations such as the U.S., EU, Australia, Japan, Russia, China, India, Brazil, and Indonesia.

While the developed world has contributed the vast majority of the problem to date (nearly two-thirds of historic global emissions since 1950 are from OECD countries), rapid economic growth and the volume of fossil fuel consumption in China and India have made these countries significant contributors to climate change. There can not be a global solution without plans to ensure that these economies also become low-carbon emitters.

Aggregate Contributions of Major GHG Emitting Countries



At a Tipping Point

China may have already equaled or surpassed the U.S. as the **leading emitter of greenhouse gas** emissions, although there is still some uncertainty¹. Still, the average Chinese emits less than one quarter as much as the average American.

China is now the **world's second largest energy consumer** (behind the U.S.). Total energy consumption has risen by an annual average of more than 11% during the past five years².

China's **energy demand** has nearly *doubled* since 2000³. **Coal demand** in China, supplied almost exclusively by domestic sources, now exceeds 2.4 billion tons per year, nearly twice the level of the United States. China's petroleum consumption, on the other hand, was only one-third of the U.S. total in 2006.

The Challenge for China and Meeting the Challenge

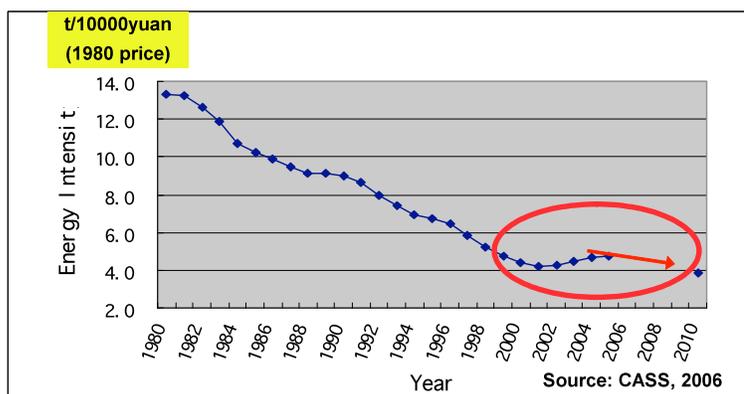
China is an international player: China publicly recognizes the risks that it faces from climate change, and has a major interest in ensuring effective international action to cut emissions. China has therefore been engaged in the international negotiations for a climate agreement under the auspices of the UNFCCC and in other fora including the Asia Pacific Partnership, the G8 plus 5, and the Major Economies Meetings.

China has mapped out good, effective domestic policies: In June 2007, China presented a National Climate Change Program⁴ (CNCCP) to help achieve targets set out in the 11th Five Year Plan (2005-2010), which also bolstered existing renewable energy and energy conservation plans. China's Energy White Paper similarly contains important provisions to reduce energy consumption.

China has set significant climate and energy goals:

- 20% energy intensity reduction target by 2010
- 15% renewables goal by 2020

20% Energy Intensity Reduction Target



China needs to support and ensure long-term sustainable development: Per-capita GDP remains at \$2,034 on market exchange rate terms, barely one twentieth of that in the United States. Meeting these development challenges while keeping emissions at sustainable levels will require both political will within China and help internationally.

¹ The International Energy Agency's most recent estimates (for 2005) place China's total emissions ahead of the U.S. by approximately 3%, or 200 million metric tons of CO₂-equivalent. Auffhammer and Carson (2008, *in press*) propose 2006 as the year when China's emissions exceeded those of the U.S., based on analysis of provincial-level data. The U.S. Energy Information Administration's *International Energy Outlook 2007* projects that China's emissions will not pass those of the U.S. until around 2010. Despite these discrepancies, these and other estimates demonstrate the recent rapid growth in China's emissions; only a few years ago, many studies were predicting that that China would not surpass the U.S. in terms of total emissions until 2020.

² Economist Intelligence Unit ViewsWire, Energy for China, Jul 12th 2007.

³ BP, 2007.

⁴ The People's Republic of China, 2007.