

Rooster Crows A New Pecking Order: Here we go, strutting into the year of the Rooster... President Xi's Davos address leaves us with no doubt that the Rooster crows a new pecking order. As China drives structural changes at home and leads the climate fight globally, stay ahead with our 5 trends. This month, we summarise important changes made in China's environmental policy over the last year into 5 regulatory trends. We also review the implications of "dug-up in China" raw materials, many of which are crucial to a global low carbon future and the topic of several WTO disputes. We may avoid a trade war, but a global trade rebalancing is imminent. China's "Mother hen" characteristics mean unwavering support for new growth industries that could disrupt. WWF's Champagne says an aggressive push for electric vehicles could displace 1mn barrels of crude oil per day by late 2020s; while Chun from Chinadialogue expands on the fall of the cement industry and the painful transition into high end manufacturing. Such reform and innovation signal a year that is precariously balanced. In such times, it is best to ignore petty disputes and look for holistic solutions like Veolia's innovative T Park in Hong Kong, which Cambadelis introduces. The new China norm is de rigueur: a water-nomics path where economic and resource planning are in sync is inevitable. We are at the dawn of a new era, and dawn always favours the East. Get with the program and stay prosperous: make sure you are not walking on eggshells but laying golden eggs. Happy lunar new year!



EDITORIAL

Rooster Crows A New Pecking Order: Here we go, strutting into the year of the Rooster... we said the Monkey would be disruptive and it did not disappoint, leaving us with a topsy-turvy world. President Xi's Davos address leaves us with no doubt that the Rooster crows a new pecking order. As China drives structural changes at home and leads the climate fight globally, stay ahead of this changing waterscape with our 5 trends.

Since the Rooster has a penchant for tidiness, we expect the central government to continue driving action in 2017. Important changes were made in environmental policy over the last year from enforcement to finance and we summarise these into 5 regulatory trends. Be sure to catch up on them.

Leading a low carbon future will likely see China rethink its global critical raw materials supply in the 13FYP. So this month, we also review the implications of these "dug-up in China" materials, many of which are significantly supplied by China with multiple WTO dispute cases. We may avoid a trade war, but a global trade rebalancing is imminent with China's own demand for resources rising.

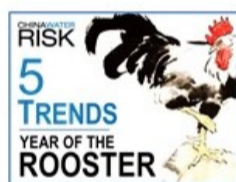
Mother hen characteristics will also be displayed with China striving to protect river basins; supporting new growth industries while revamping/revitalising old industries; and pushing to embed environmental/water risk into financial valuations.

This unwavering support for new growth industries could disrupt. WWF's Jean-Marc Champagne says an aggressive push for electric vehicles in the 13FYP could displace 1 million barrels of crude oil per day by late 2020s; while Zhang Chun from Chinadialogue expands on the fall of the cement industry and the painful transition into high end manufacturing.

Such reform and innovation against a backdrop of looming trade wars in 2017 signal a year that is precariously balanced. In such times, it is best to ignore petty disputes and look for holistic solutions like Veolia's innovative T Park in Hong Kong. Nina Cambadelis explains how this state-of-the-art sludge treatment facilities can also close the loop on water and energy.

The new China norm is de rigueur: a water-nomics path where economic and resource planning are in sync is inevitable. Despite the uncertainties and elusiveness of business unusual, there is "firm resolve to forge ahead". We are at the dawn of a new era, and dawn always favours the East.

Get with the program and stay prosperous: make sure you are not walking on eggshells but laying golden eggs. Happy lunar new year!



5 Trends For 2017: The Year Of The Rooster

The Rooster crows a new pecking order as China leads the global climate fight & drives structural changes at home. Stay on top with our 5 trends and make sure you are not walking on eggshells but laying golden eggs

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5 Regulatory Trends: From Enforcement To Finance

In 2016 and early 2017 China's environmental policy landscape underwent a series of important changes. We summarise these into 5 regulatory trends

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Dug-Up In China: The World's Critical Raw Materials

China is the largest global supplier of many critical raw materials for a low carbon future. Growing domestic demand could see it become a net importer. We explore China's direction in the 13FYP

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Oil To Fall As Electric Vehicles Take Off

The growth of electric vehicles in China could displace 1mn barrels/day of crude oil by the late 2020s. How can Asian investors minimise their exposure? WWF's Champagne on their latest report

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Fall of the Cement Industry: A Painful Transition

To combat air pollution in China, polluting industries are being shutdown but what are the impacts to local economies? Chun from chinadialogue on what lies ahead for Yi'an in Hebei post-cement era

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T-Park: Waste-To-Energy In HK

Hong Kong's forecasted waste load by 2030 will put great pressure on its management capability. Veolia's Cambadelis introduces T PARK, a state-of-the-art sludge treatment facility that also closes the loop on water & energy

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TAPPING IN

Government

- State Council, CCCP: [Guiding Opinions on Setting Strict Ecological Red Lines](#): All provinces & regions to establish "ecological red lines" by 2020; parts of the country will be off-limits to development
- State Council: [Opinions on the Reform of Natural Resource Paid Use Scheme](#): greatly increase groundwater fee rate, esp. in water scarce regions
- NDRC: [Catalogue of Key Products and Services of National Strategic Emerging Industries](#): incl. key environ protection products, like wastewater treatment & groundwater pollution control equipment
- NDRC: [13FYP on the Western Development](#): series of key water transfer, water source & water pollution control projects planned
- NDRC: [Promotion of Key Technologies on National Key Energy Saving and Low Carbon Emission](#): incl. key tech for wastewater treatment & recycling
- NDRC, MoF, NEA: [Pilot Issuance and Voluntary Purchasing/Trading Scheme of Sustainable Energy Green Electric Power Certificate](#): regulations on issuance & trade of green electric power certificates
- MEP: [Pollution Control Technologies of Thermal Power Plants](#): incl. tech guidance on water recycling, desulfurization, etc.

Reports

- UNEP Finance Initiative: [Principles for Positive Impact Finance](#)
- WRI: [Water-Energy Nexus: Business Risks and Rewards](#)

Interest

- State Council: Lifelong accountability system to be set-up to control soil poln; co's & individuals accountable for restoration
- China's top auditor: RMB17.6 bn of environ funds "not effectively used"
- Environ inspections & audits to expand to all provinces this year
- 15 new major water conservation projects to start in 2017
- NEA: halts 100+ coal-fired power projects worth RMB430 bn in 11 provinces
- MIT: issues 1st list of the year for "recommended" green energy vehicles; 185 models to receive govt subsidies
- NDRC: approves RMB1.15 bn for rainmaking project for parched northwest
- Unilever: commits to 100% of plastic packaging that is reusable, recyclable or compostable by 2025

Hot on Weibo:

- Still no solution, even after 10 years, for a polluted drinking water source in Sichuan from upstream mines

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