

**Speech at 2012 Workshop on Latest Trends of Sustainable
Development**

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Dear Mr. Peter Barker,

Distinguished delegates, guests, ladies and gentlemen:

Good afternoon!

Today we witnessed the grand opening of 2012 Workshop on Latest Trends of Sustainable Development. I, on behalf of China Enterprise Confederation (CEC) and China Enterprise Directors Association (CEDA), would like to extend a warm welcome to members of the Councils, representatives from the CEC and CEDA and friends from the business community. Taking this opportunity, I, on behalf of CEC and CEDA and in my own name, would also like to express our heartfelt congratulations to Mr. Peter Bakker on his being newly elected as president of the World Business Council for Sustainable Development! I believe that, under the leadership of President Peter Bakker, the World Business Council for Sustainable Development will be able to further enhance exchanges and cooperation with China Business Council for Sustainable Development and make new and greater contribution to the sustainable development of the business community!

The theme of this workshop is “Green Solutions for the Sustainable Development of the Business Community”. You may have noticed that

China's energy saving and emission reduction tasks for the "Eleventh Five-Year Plan" period were not fully accomplished. Last year's achievements also failed to live up to the expectation. This on the one hand shows the complexity and arduousness of the tasks in energy saving and emission reduction; on the other hand, it also tells us that, to truly and effectively ease the constraint of resources and environment faced by Chinese economy, various sectors of the community shall further establish a long-term mechanism for energy saving and emission reduction and green development, more actively engage in exploration and continue to make more strenuous efforts in broader areas including production and consumption.

What should be emphasized is that sustainable development has always been an important direction of the Chinese government in its effort to transform the pattern of economic development. In particular, green development, energy saving and emission reduction are deemed essential for guiding enterprises to accelerate their own transformation and upgrading process. During the "Eleventh Five-Year Plan" period, the Chinese government launched the "1000 Enterprises Energy Conservation Program" and attached great importance to the energy conservation of high energy consumption enterprises and industries. On the basis of such program, the relevant departments of the Chinese government also decided and launched "10,000 Enterprises Energy Conservation and Low Carbon Program" in order to meet the energy saving and emission reduction targets set forth in the "Twelfth Five-Year Plan" period. The program focuses not only on the key energy-consuming industries such as iron and steel, nonferrous metals, coal, electricity, petroleum and petrochemical, chemical, building materials, textiles, paper pulping, but also on key energy consumption enterprises with an overall energy consumption of more than 10,000 tons of coal equivalent per year, as well as some of those enterprises with an overall energy consumption of 5,000 tons of coal equivalent per year. It serves to track, guide, supervise and evaluate the work in respect of

energy conservation and to strengthen energy conservation monitoring, urging these enterprises to improve energy utilization efficiency significantly and putting energy consumption per unit of output on a par with the industry's advanced level. These measures fully demonstrate the determination of the Chinese government in accelerating the construction of a resource-efficient and environment-friendly society.

As the result of strong policy guidance and extensive promotion, an increasing number of Chinese enterprises are committed to undertaking sustainable development policies. Many enterprises have developed pragmatic solutions for energy conservation and low carbon and green development, created innovative experience of unique features. Baosteel Group has put forward a plan for “Becoming a Pioneer of the Green Industry” in order to build a green industry chain together with its stakeholders. It tends to promote the green business philosophy in the upstream and downstream industries, encourage the related industry chain to establish environmental management system and standardize the environmental management on the suppliers through the implementation of green procurement, green marketing and green logistics. Yankuang Group made the coal industry chain extension and clean and efficient utilization of resources as its goals. By strengthening its coal production lines, optimizing coal chemical industry, combining coal with electric power generation and aluminum production, as well as electromechanical components manufacturing, Yankuang Group solved the deep-seated problems in its industrial structure and made improvements on sustainability, innovation and coordination. Qingdao Port Corp. is determined to build a scaled port that is resource-efficient, environment-friendly and valuing both quality and efficiency. By making full use of the development of science and technology, the port vigorously pushed forward technological innovation process, improved the existing mode of production and realized an energy-efficient port. China National Building Material Company significantly improved its energy efficiency by being fully committed in the R&D of energy conservation technology,

promoted the industrialization of energy conservation technology and actively constructed the service system of energy conservation technology as well. Himin Solar Energy paid and built the "Sun Valley". By making a comprehensive use of clean energy technology including solar energy, the company reduced the emissions of waste gas, waste water and solid waste from residents and organizations in their daily use and production processes and formed a complete set of models for future urban life, which has an important demonstration effect on future cities. Plenty of facts have shown that, if a company treats energy conservation and green development seriously, regards it as a matter dictating the fate of the company and puts it into the long-term plan and also makes tremendous efforts in areas such as transforming the growth pattern, production mode, the way of operation and environmental protection, the company will be on the right track of a sustainable and healthy development and able to play a significant role in leading the green development initiative.

The year of 2012 is the second year of the "Twelfth Five-Year Plan" period of China. It is also a crucial year for the accomplishment of the energy saving and emission reduction tasks set for the "Twelfth Five-Year Plan" period. In general terms, as the industrialization and urbanization continue to deepen, resources and energy consumption will be further on rise. In consequence, enterprises will face more difficulties in energy conservation and green development and such tasks will become increasingly difficult to be fulfilled. All parties involved need to learn from the past and avoid scenarios where the controls are loosened over the time or trying to cope with energy-saving and emission reduction tasks only by launching rushing programs. Here, I would like to present you a few observations and suggestions of mine:

I. To firmly establish the concept of scientific development

Influenced by the thinking of "GDP Foremost", many local governments seem to regard the launching of projects that are of huge investment and

quick returns as an important means of growth achievement. However, many of such projects are high energy- and resource-consuming projects. Facts have shown that such way of development is unsustainable. Energy saving and emission reduction is not a short-term task which cannot be achieved by launching rushing programs. On the contrary, it should be viewed in connection with the overall and long-term development of a company and the community where it is located and a long-term plan for energy saving and emission reduction shall be developed. The central government this year adjusted the GDP growth target downwards to 7.5 percent. On the one hand, it is for the purpose of converging with the overall objective of the "Twelfth Five-Year Plan" period; on the other hand, it demonstrates our government's commitment to effectively improve the quality and efficiency of economic growth. Local governments and enterprises of all sizes must firmly establish the concept of scientific development, correctly handle with the relationship between growth and development, and retain the vitality for long-term development while securing the increase in quantity. When the pace and quality of development are in conflict, we would rather sacrifice the pace a little and still ensure progress on the transformation of growth pattern.

II. To make efficient use of policy guidance

Governments should start with restructuring industrial systems, reinforcing energy conservation in key areas and educating and encouraging energy conservation activities, increase financial investment, adjust tax preferences and deepen the reform of energy prices, so as to create a favorable environment for energy conservation and green development. One important and favorable factor of this year is that the Ministry of Finance of the P. R. China said that they will give priority to and support energy saving and emission reduction programs and will adopt policies and measures to continuously support new energy vehicles, high efficiency motors, efficient lighting and other products, increase the proportion of energy and water saving products and recycled products, actively promote green building, support the recycling of waste electrical

and electronic products, strengthen support for the construction of urban sewage treatment facilities, and strengthen demonstration effects of green housing in small towns. These policies will effectively promote China's energy conservation and green development. Relevant enterprises should respond positively to these policies, and make full use of them in combination with their own development.

III. To vigorously promote the economic restructuring

Currently, structural adjustment is an important focal point of China to promote energy conservation and green development. First, it is essential to accelerate the adjustment of industrial structure, provide stronger stimulus to eliminate enterprises that are of high energy-consumption and excess of production capacity, advance market entrance standards and prevent the resurgence of the “high energy consuming, high polluting and high emitting” industries. Second, it is crucial to speed up the development of emerging industries of strategic importance, which are of high technology content, have huge market and fast growth potential and can give a strong boost to other industries, for example new energy, new materials, energy saving and environment-friendly industries and resource recovery and utilization, and increase their proportion in the national economy. Third, it is necessary to promote the upgrading of traditional industries, encourage more companies to innovate in their development model, make efforts to build a green supply chain, have a good control over the product life cycle and supply chain process, and strive to minimize the impact on the environment.

IV. To strengthen the self regulation of the market mechanism

The market shall play its fundamental role in resource allocation to a greater extent and we shall establish a market-driven pricing mechanism for energy and a trading mechanism of energy saving and emission reduction targets as soon as possible, so as to improve the overall efficiency of energy saving and emission reduction through the market mechanism. We shall conduct strict control process over “high energy

consuming, high polluting and high emitting” enterprises, follow the "polluter pays " principle, take mandatory measures to reduce or close the production of resource exploitation enterprises with poor efficiency and production of high energy consumption and high pollution enterprises. Governmental departments should actively change their functions and make the transformation from the management of investment, projects and enterprises to the management of security, energy consumption, environmental protection and the development of relevant technical standards.

Dear delegates,

Green development has become a tremendous driving force for global sustainable development. It will have an impact on the sound, rapid and healthy development of our economy, the all-round construction of a well-off society and a harmonious socialist society and the welfare of future generations. Therefore, we must have a strong sense of responsibility, constantly study new situations and solve new problems. I have strong confidence that with our joint efforts, China's sustainable development will be able to be scaled to a new high stage.

Finally, I wish our workshop a complete success! Thank you!