



ONE BELT ONE ROAD and CHINA'S CLEAN ENERGY

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Global Forum on Energy Security

- **Co-organizer:**

Chinese Academy of Social Sciences

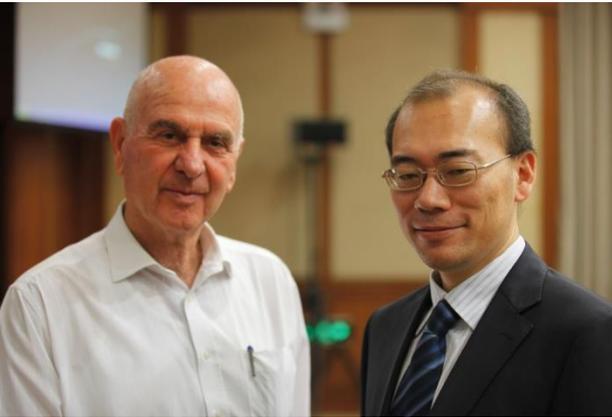
United States Energy Security Council

Institute for the Analysis on Global Security

China Energy Fund Committee



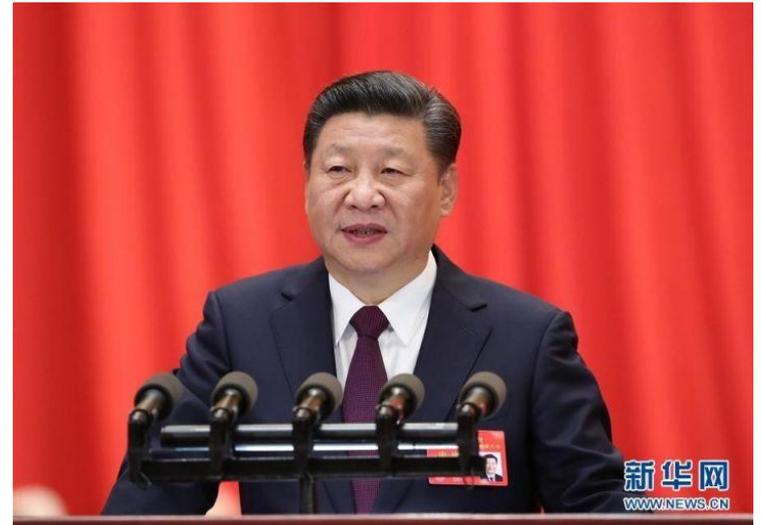
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The biggest change: 19th Congress of CCP

坚持创新、协调、绿色、开放、共享的发展理念

- 坚持新发展理念。发展是解决我国一切问题的基础和关键，发展必须是科学发展，必须坚定不移贯彻创新、协调、绿色、开放、共享的发展理念。
- 实行最严格的生态环境保护制度，形成绿色发展方式和生活方式，坚定走生产发展、生活富裕、生态良好的文明发展道路。
- 始终不渝走和平发展道路、奉行互利共赢的开放战略，坚持正确义利观，树立共同、综合、合作、可持续的新安全观，谋求开放创新、包容互惠的发展前景，促进和而不同、兼收并蓄的文明交流，构筑尊崇自然、绿色的发展的生态体系，始终做世界和平的建设者、全球发展的贡献者、国际秩序的维护者。
- 推进“一带一路”建设等内容写入党章。



新时代 新思想 新征程

The Unchanging is Changing: China's economy is slowing down, and will demand less imported energy

- In the past, OBOR is for import more energy and raw material to China.
- Now, the capacities of power generation and crude oil refinery are over-supply.
- In the past, China has been the world factory for more than 20 years.
- Now, China has become the largest consumer market of the world.

OBOR Energy Market Integration in South East Asia for More Energy Access



- Outline of New Indochina Peninsula Power Network
- China can export surplus hydro power to Thailand, Malaysia, and Singapore, as well as the whole Indo-China Peninsula.

- China's participation:
investment and risk control

To mitigate political risks: an example from Japan

- The project company, with equity capital from Itochu Corporation (25%), Kyushu Electric Power plant in the Sarulla region of North Sumatra Province.
- The electricity generated by this plant will be sold to a state-owned electric power company for 30 years (electricity sales contract concluded in April 2013).
- Project funds, totaling \$1.17 billion, have been procured through project finance provided by JBIC (国際協力銀行), ADB, and six private-sector banks (Mizuho Bank, Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi UFJ, Societe Generale Bank, ING Bank, and National Australia Bank).
- JBIC also provides political risk guarantee for the portion financed by the private financial institutions.
- In addition, the Indonesian government has guaranteed the state-owned electric power company's payment obligations under the electricity sales contract with project company.

Suggestions: more integrations with local financial and public institutions, and guarantees from host country's government for political and regulatory risks.

- Sri Lanka's Hambantota Port - new government required re-examine of the contract over concerns of growing dependence on China.
- Cambodia's US\$400m dam project - suspended until "at least" 2018 due to sudden "environmental concerns" by the government.
- Sino-Thailand "rice-for-railway" - negotiations have come on-and-off with constant changes and delays.
- Kazakhstan's Astana-Almaty railway - construction "postponed" due to high costs and low profitability.
- Burmese government suspended a long planned and highly controversial hydroelectric dam project in the face of growing public opposition in 2011.
- Railway project between Kyaukpyu And Kunming expired in 2014 due to public opposition. The project will not go ahead because there were objections made by the people of Burma and various social organisations.

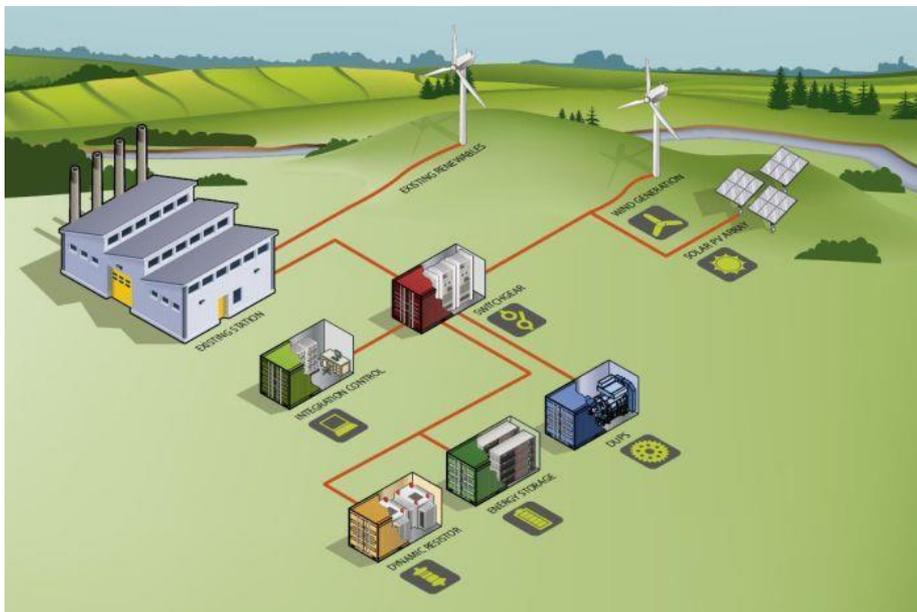
Energy saving in urban system

- Urbanization is the biggest engine during Chinese economic growth, it leaves a large room for updating of energy saving.
- The smart city and smart traffic system will be a field with fast growth.
- The integration of renewable energy, distributed energy system, as well as smart traffic mega-data technology should be rising star in China.

Big cities, more chance to innovation and investment



Even with less total energy demand, there are more opportunities for technology and business.



- These will give more choice to private companies of China and ASEAN countries, will encourage more technological innovation, and will reduce monopoly and raise social welfare for each country.

• 谢谢！

• THANKS !

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Secretary General

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