Connectivity News Summaries 12.22.97

Recommended Citation

"Connectivity News Summaries 12.22.97", Aprenet, December 22, 1997,
https://nautilus.org/aprenet/connectivity-news-summaries-12-22-97/

Connectivity
Asia-Pacific Trade, Environment and Development Monitor

News Summaries:

Regional News

Global Alliance to Develop Electric Car
December 16, 1997 - Source: New York Times

Ford Motor Co. announced that it will invest US$420 million in an alliance with German automaker Daimler-Benz AG and Canada's Ballard Power Systems Inc. to develop automotive engines and drive trains for electric vehicles. According to the report, by openly linking research in the three basic areas of an alternative fuel vehicle -- power source, power plant and drive train -- the companies hope to accelerate development of a commercially viable system. In a statement released from Germany, Alex Trotman, Ford's chairman, called fuel cells "one of the most important technologies for the early 21st century."

Regional Cooperation in Northeast Asia
December 12, 1997 - Source: Ji Zhiye (NAPSNet Report)

An article in the monthly Contemporary International Relations said that the establishment of a regional cooperation mechanism in Northeast Asia is not only necessary but also feasible. The author said that whether the region of Northeast Asia can become one of the most developed areas in the next century largely depends on whether it can create a secure and peaceful development environment. This environment should not be safeguarded by a superpower. It should rely on the mutual confidence and common efforts of the countries in this area. At present, various interests are promoting the cooperation among countries in the region. As two major powers in this area, the PRC and Russia should do more to contribute to cooperation, because only these two countries can hold comprehensive dialogues with all countries in the area. The proposal of cooperation in Northeast Asia also will meet some difficulties. Firstly, countries in the area have not paid enough attention to this kind of cooperation. Secondly,

this kind of regional cooperation will exert a negative influence on US interests and status in this area. And finally, the funds which the PRC, Russia, the DPRK, and Mongolia can provide for regional cooperation will be limited. However, the author argued that regional cooperation will overcome the obstacles and continue on the right track.

Crisis and Light-Water Reactor Project
December 2-10, 1997 - Sources: Korea Herald, USIA (NAPSNet reports)

Desaix Anderson, the new KEDO chief, said in New York that he believed that the light-water nuclear reactor project would go ahead despite the ROK's financial problems. Officials at the ROK Office of the Light-Water Nuclear Reactors Project also denied rumors that the IMF bailout will affect the project. Chang Sun-sop, chief of the office, said, "The cost of the reactors will peak after 2000, when crucial components for the reactors will start to be built. Till then, we will not need much money."

Earlier in the week, US State Department Spokesman James Rubin stated that the ROK's current financial crisis should have no effect on the project of the Korean Energy Development Organization (KEDO) to build two light-water nuclear reactors in the DPRK. Rubin pointed out that the ROK, "whatever its current difficulties," has the world's 11th largest economy, and a yearly government budget of US$40 billion. "The cost of the reactor project -- about $5 billion -- will be spread out over a period of up to ten years. Japan will also fund a significant part of the project's cost," Rubin said. He added, "KEDO already has funding for the first year costs of the light water reactor project, through mid-1998. That is approximately $45 million. Although funding obligations should increase in the second year of work, costs should be manageable for both the Republic of Korea and Japan, which together will fund most of the project's cost." Rubin also noted that much of the total expenditure will go to the ROK's Korea Electric Power Corporation, which is the project's prime contractor. He said that the US has "received the kinds of indications [from the ROK and Japan] that there hasn't been a shift in their position sufficient to change our statement that we believe they will continue to do what they said they were going to do."

Kyoto Protocol
December 2 - 15 - Sources: BBC, Earth Negotiations Bulletin, Kyodo News Service, New York Times, Reuters, South China Morning Post, USIA.

Earlier this month, the Third Conference of the Parties (COP-3) to the United Nations Framework Convention on Climate Change (FCCC) agreed to legally obligate industrial countries to cut emissions of six greenhouse gases (carbon dioxide (CO2), nitrous oxide (N2O), methane (CH4), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6)) by 5.2% of 1990 levels by 2012. Specifically, the European Union agreed to reduce emission by 8%, the US 7%, and Japan by 6% by 2012. Some countries may be allowed to increase emissions, but globally, emissions are to be reduced by 30 percent from the levels currently projected for 2010. Australia (+8%), Iceland (+10%), and Norway (+1%) will all be allowed to increase emissions above 1990 levels by 2012.

The Protocol also establishes an emissions trading program, joint implementation initiatives and a Clean Development Mechanism. The Clean Development Mechanism was established to encourage companies in industrial countries to invest in emissions-reduction projects in developing countries - e.g. modern, fuel-efficient power plants -- and get some credit for reducing their own emissions. The Protocol will be open for signature from March 16, 1998 until March 1999.

During negotiations developing countries rejected voluntary commitments, as they "linked the output of emissions with development and progress, which they said was their highest priority". Developing states stressed that the Berlin Mandate did not call on developing countries to take responsibility for what was essentially the result of industrialized countries' actions. Emissions trading was another contentious issue, as many developing countries, including China, India and Saudi Arabia, disapproved of the inclusion of a provision enabling the industrialized nations to trade or purchase emissions rights. Delegates agreed to allow the parties to the 1992 treaty to postpone negotiations on the principles, rules, guidelines and operations of the trading system until November.

According to many reports, gaining developing country commitments became a negotiation talisman for the United States - as without it the US Congress will not sign the agreement - but failed. The head of the US delegation, Undersecretary of State Stuart Eizenstat, expressed his disappointment at the failure to achieve such commitments: "This is perhaps the single greatest disappointment and regret." In Washington, Vice President Al Gore called the agreement a "vital turning point." He added, "Clearly, more work is needed. In particular we will continue to press for meaningful participation by key developing nations. We are confident that can be achieved."

However, shortly after Gore's remarks, Kyodo News Service reported that China will not make obligations to the protocol for another 50 years. "Before China reaches the level of a medium developed country, China will not undertake obligations to cut greenhouse gas emissions" said Foreign Ministry spokesman Tang Guoqiang. China "is opposed to the introduction of new commitments for developing countries, and the launching of any negotiation process attempting to introduce new commitments for developing countries," said Chen Yaobang, Chinese Forestry Minister and head of the delegation.

According to reports, Japan will have a difficult time meeting its objectives as its plan is based upon the construction of another 20 nuclear reactors in the next 13 years. A plan, analysts say, is highly unlikely given the lack of political will, an ailing economy, and little popular support for higher taxes. "It will be difficult for Japan to produce even two or three new reactors given its recent track record," said Mika Obayashi of Japan's Citizens Nuclear Information Center (CNIC). Therefore, Japan will most likely seek to reach its emissions targets outside of the country through Joint Implementation or emissions trading efforts. Many analysts are eyeing Russia, which cut its GHG output with the break-up of the Soviet Union and the subsequent economic downturn, as a source for credits for Japan. Under the emissions trading scheme, Japan would be able to receive emissions credits for building nuclear reactors in Russia.

US, Japan, Norway Agree on Carbon Gas Research
December 5, 1997 - Source: Reuters/ENN

The United States, Japan and Norway agreed at the recent climate change conference to study how to dispose of greenhouse gases by pumping them beneath the ocean floor. Under the research accord, the three countries will participate in a field test on pumping liquefied carbon dioxide more than 3,000 feet below the ocean's surface through a series of pipes. Researchers anticipate the carbon dioxide would remain below the ocean for several hundred years. Field tests are to start in the middle of next year. The project is expected to last four and a half years and cost $3.8 million.

World Bank Plans Mutual Fund for Emissions Trading
December 5, 1997 - Source: Kyodo News

The World Bank said it will start a mutual fund to facilitate market mechanisms for trading emissions of greenhouse gases if the parties at the climate convention in Kyoto adopted the practice into a protocol, a bank official said Friday. The 150-some parties attending the 10-day convention discussed including in a protocol the U.S. proposal for flexible mechanisms for reaching emission cut targets, such as emissions trading.

IAEA Statement Highlights Environmental Benefit of Nuclear Power
December 5, 1997 - Source: IAEA

At the climate change conference in Kyoto, the International Atomic Energy Agency (IAEA) issued a statement urging the use of nuclear power. The statement said that given its low environmental impact and the huge uranium reserves for fuel, nuclear power can contribute substantially to meeting the sustainable energy challenge.

According to the IAEA, except in Asia, public opinion has hampered the expansion of the use of nuclear energy for economic, energy independence and environmental reasons. Operating safety, final disposal of high level radioactive waste and possible weapons proliferation of fissile materials are often seen as "unresolved issues," the statement said. The IAEA says, "These issues, regardless of whether they are perceived or real, need to be addressed if nuclear power is to help meet rising electricity demand and contribute simultaneously to greenhouse gas mitigation."

The statement said if it is fair to assume that numerous countries will meet increased electricity needs by burning coal, then it is legitimate to compare this with base-load nuclear generating costs, similar to those of coal in many parts of the world. Hence, greenhouse gas mitigation by way of nuclear power may be achievable, at zero or minimum cost. The statement concluded that nuclear power represents an ideal "least- regret cost" strategy to help combat climate change: if climate degradation predictions prove to be overstated, no economic resources would have been lost by seeking to insure against them. The IAEA emphasized that nuclear power would not increase the costs of electricity services and would simultaneously, almost as a cost-free by- product, curtail if not eliminate many local air quality and regional acidification problems afflicting a growing number of countries.

Nuclear Power Supporters, Foes Square off in Kyoto
December 5, 1997 - Source: Environmental News Network

Heated discussions took place at COP-3 between industries and environmental NGOs concerning the efficiency of nuclear power generation. Those in the electric and nuclear power industry claimed that increased nuclear generation is needed to prevent global warming, while environmental NGOs argued that the safety aspects of nuclear power must first be examined. Four organizations, including the Japan Atomic Industrial Forum and the European Atomic Forum, issued a collaborative declaration at COP-3 stating that support for clean nuclear power is vital to efforts to curtail CO2 emissions. Tokio Kanoh, vice president of Tokyo Electric Power Co. Ltd., emphasized the practicality of nuclear power based on its economic efficiency.

Considering it an ace for CO2 reduction, MITI advocates the full-scale introduction of nuclear power generation and stated that 20 nuclear power generators with a capacity of 25 million kilowatts are needed by 2010. Jinzaburo Takagi, executive director of the Citizens' Nuclear Information Center, stated that "With the rest of the world working to eliminate existing nuclear reactors, Japan should be ashamed to be the only country going in the opposite direction." Mr. Takagi also highlighted the extreme dangers involved, such as plant safety and radioactive waste disposal and noted that there has been a rapid increase in nuclear power plant construction since the 1970s, yet there has been no reduction in CO2 emissions, affirming that nuclear power is hardly an "ace" for preventing global warming.

Call for Petroleum Environmental Organization
November 7, 1997 - Source: Bangkok Post

At the opening of the Third Regional Petroleum Industry Environment, Health and Safety Conference, Kasem Snidvongse, Thailand's Permanent Secretary for the Science, Technology and Environment Ministry, called on petroleum companies to establish a regional environmental organization to tackle the region's environmental problems. According to the report, the organization would spearhead efforts to respond to the growing environmental, health, and safety issues associated with the region's growing energy demands. Currently there is no known regional agency to address these issues. Kasem proposed that the group's first step should be the establishment of reception facilities in ports to receive pollution discharge, such as sanitary wastes and polluted ballast waters from all types of ships. According to Kasem, as "one of the world's worst polluters", the industry might also be interested "because such a project would be very convincing evidence that it's sincerely interested in upgrading its environmental obligations to meet 21st century needs". The conference, organized by the Texaco Foundation, attracted more than 100 participants, mainly from the oil industry and related government agencies, academia, consulting firms and the media.

China

South Africa Nuclear Plant Sold to China
December 15-16 - Source: Associated Press, Environmental News Network

The Sunday Independent (South Africa) and Associated Press reported this week that South Africa has sold the last of its sensitive nuclear- fuels equipment to China, just weeks ahead of the planned transfer of diplomatic recognition from Taipei to Beijing. According to the report, South Africa's independent Atomic Energy Commission sold a plant making zirconium tubing used to sheath fuel for nuclear reactors without informing the government. Reports indicate that immigration officials acting on a tip discovered 40 Chinese technicians dismantling the plant at the Pelindaba nuclear complex near Pretoria. The Chinese had been working at the complex since October without proper immigration permits, the newspaper said.

However, Chinese Foreign Ministry spokesman Tang Guoqiang defended the purchase of the facilities as "purely a normal commercial act with all formalities in place". The report said the revelation of the nuclear technology deal heightens South African concerns about its independent Atomic Energy Commission and highlights China's eagerness to acquire nuclear technology.

China to Test Electric Vehicles
December 8, 1997 - Source: China Daily

According to a China Daily report, Toyota Motor Co. and the Chinese State Science and Technology Commission (SCTC) recently signed an agreement to form a pilot program for electric vehicles. Under the agreement, Toyota will supply five RAV-4 electric vehicles to the SCTC's program which will monitor, test, and gain the requisite experience for the building of service facilities, market promotion, as well as implementation of industrial policies and related traffic laws. The project will begin in the spring of 1998 on Nan'ao Island off Shantou in Guangdong Province.

"Development of electric vehicles should become the strategic option of China's automotive sector," said Zhang Zhiwen, a division chief with the department of industrial technology under the SCTC. The RAV-4, according to the report, is the world's first commercially produced electric vehicle. Currently in Japan, there were about 2,500 electric vehicles in use as of the end of 1996, more than double the figure of 1,037 units in 1991. The number of cars in China is growing by 10 percent a year.

First LPG Terminal
December 2, 1997 - Source: China Daily

China's first refrigerated liquefied petroleum gas (LPG) terminal went into operation yesterday in Taicang of Jiangsu Province, near Shanghai. The terminal is expected to distribute 500,000 tons of LPG annually to the customers in the middle and down-stream areas of the Yangtze River and the coastal areas in East China. According to the report, China's economic growth, coupled with concerns over pollution, have made the country the fastest expanding LPG market in the world. Currently, 40 per cent of its LPG demand relies on imports. In 1995 China imported 2.33 million tons of LPG and 3.55 million tons in 1996. The figure is expected to rise to 6.83 million tons by 2000.

Project Secures Energy Supply
December 1, 1997 - Source: China Daily

Initial phases of China's Shenhua Project, designed to strengthen China's cross-century energy base, have recently been completed. The project includes exploration of the Shenfu-Dongsheng coal fields in the northeast of Shaanxi Province and the south of the Inner Mongolia Autonomous Region, construction of the Shenbao and Shenhuang Railways, and building of the Huanghua harbour in North China's Hebei Province and other related facilities. To date, the annual coal production capacity of the Shenfu-Dongsheng coal fields has reached 30 million tons and construction of the 198-kilometre-long railways is complete. The next phase of the project, which includes enhancement of coal production capacity to 60 million tons and construction of the Huanghua harbour and power station, has recently begun.

According to the report by China's former Coal Industry Minister Xiao Han, the Chinese government attaches great importance to the Shenhua Project, as it "will dramatically ease tensions in China's energy supply for a long time to come and help promote expansion of the national economy", and has granted preferential policies to its sponsor, the Shenhua Group, such as the right to raise money in the international capital market and to do business in the foreign trade sector. The Shenhua Group aims to address problems in China's coal production industry, such as inefficiency and the lack of integration of production, shipping and sales, by developing into a giant transnational group company that does business in different sectors such as energy, transportation, finance and trade.

China's Coal Dependency
November 30, 1997 - Source: Washington Post

According to a recent Washington Post article, even if China agreed to sign off on the Kyoto Protocol, cutting its dependency on coal will be a difficult and costly task as China currently has few alternatives to burning coal. The biomass accounts for 80 percent of commercial energy and 75 percent of residential use.

According to the report, even if China developed every viable hydroelectric power site, hydropower would supply just eight percent of energy demand in 2020; furthermore, if China installed 10 new 600- megawatt nuclear facilities a year, nuclear power would contribute only six percent of its energy supply. Domestic oil and natural gas resources are limited and imports costly, according to the report. And the government estimates the country would need to spend $6 billion a year to stabilize sulfur dioxide emissions.

Citing a World Bank study, the report outlined the health impacts of China's coal use: an estimated 178,000 people in major cities suffer premature deaths each year because of pollution; mortality rates from chronic obstructive pulmonary disease, the leading cause of death in China, are five times those in the United States; indoor air pollution, primarily from burning coal for cooking and heating, causes 111,000 premature deaths each year; annually millions of work days are lost because of health problems related to air pollution; and acid rain threatens to damage 10 percent of the land area and may already have reduced crop and forestry productivity by 3 percent.

Former Nuclear Test Zone Opens for Oil Exploration
November 27, 1997 - Source: China Daily, Xinhua

According to a China Daily report, the China Petroleum and Natural Gas (CPNG) Corp. is prospecting for oil at Lop Nur, the site of 23 atmospheric nuclear tests from 1964 to 1981 in Northwest China's Xinjiang Uygur Autonomous Region. CPNG began looking for oil in the country's most desolate area, often referred to as the "zone of death," shortly after China signed a moratorium on nuclear testing last year. According to company scientists, the region's "radioactive level has dropped to a much lower and normal standard and poses no threat to the environment, according to researchers working there". According to the report, CPNG has spent nearly 100 million yuan (US$12 million) conducting geological prospecting Lop Nur. "I believe that Lop Nur and Loulan will come back to life if we find oil here," said geologist Wang Mili.

Korea

Energy Sector to Restructure as a Result of Economic Crisis and Kyoto

December 17, 1997 - Source: Korea Herald

According a Korea Herald report, the energy industry will undergo major structural transformation in the coming year as the country attempts to adjust to the economic slowdown, the won's rapid depreciation against the dollar, as well as to prepare for likely commitments in the next round of climate negotiations slated for November of 1998.

The government plans to promote the restructuring of domestic industry to consume less energy and resources and effectively cope with toughening international environmental regulations and increasing material costs, according to the report. As a first step, an energy saving drive among civic groups is expected to go into full swing next year. The report concluded that Korea, which depends on imported oil for almost all of its energy needs, is especially vulnerable to an energy crisis, a lesson learned from two previous oil shocks.

According to the Korea Energy Economics Institute (KEEI), the won's devaluation, efficiency targets, and an IMF request to increase transportation taxes by 3 percent as well as a 12 percent increase in consumption taxes will likely increase the average household energy bill by about 70,000 won ($40.69) per month next year.

Seoul Urged to Prepare for Climate Commitments

December 13, 1997 - Source: Korea Herald

According to a senior official in the Korean Ministry of Environment, "The Kyoto conference was no more than a prelude, though Seoul has been freed for now from the burden of reducing greenhouse gases." Next year, according to the official, when the Conference of Parties reconvenes in Buenos Aires, South Korea will no longer be given a free ride on the train of environmental protection, now that it is a member of the Organization for Economic Cooperation and Development (OECD). The official requested anonymity.

However, cutting emissions will be no small task. According to the report, the amount of greenhouse gas emissions in Korea this year, for example, will likely rise about 70 percent over its 1990 figure. A scenario developed by the LG Economic Research Institute, forecasts the GDP will likely decline from 279 trillion won ($164.1 billion) last year to 116 trillion won in 2010, if Korea is destined to follow the (previous) U.S. target proposal for no change in carbon dioxide emission from 1990 levels by 2010. The figure amounts to only 19 percent of the 612 trillion won target GDP for 2010 to be achieved in the case of no regulation in gas emissions.

Similarly, the Korea Energy Economics Institute reports that Korea's GDP would decline by 17.5 percent if it should follow the proposal to cut greenhouse gases to the 2000 level, or 6,850 tons, by the year 2010. This would require the government to levy a carbon dioxide tax of 11.71 million won per ton of greenhouse gas emissions, thereby raising consumer prices by 13.3 percent, according to the report.

Russia

Russian Uranium Sales

December 15, 1997 - Source: Korea Times, Reuters (NAPSNet Report)

Reuters reported that Vladimir Mikerin, deputy director of the government-owned Uranservice, said on Monday that Russia will begin selling natural uranium directly on world markets but will continue to honor a 1994 deal sending reprocessed uranium from nuclear missiles to the US. He said that the contract to sell uranium to foreign buyers "involves exclusively natural uranium and does not involve any uranium from warheads." Russian officials said they wanted to sell natural uranium directly to world markets to get better prices.

Russian Deputy Atomic Energy Minister Alexander Belosokhov said that Russia would have lost as much as US$900 million by going through middlemen to market part of the uranium through three Western firms. Russian officials say they expect to be able to find customers in Western Europe, North America and Southeast Asia, and make a far higher profit than selling through the Western companies.

Far East Braces for Another Winter of Power Cuts
October 30, 1997 - Source: The Associated Press

Inefficient plants, feuding political leaders, and impoverished consumers are the drivers of yet another energy crisis in the Russian Far East this winter. According to an AP report, the heat that was supposed to start flowing on October 15 has yet to be turned on in some apartments in the region's largest city of Vladivostok. Residents with power are not in much better shape as they endure power cuts which, according to the report, often last for 15 hours a day. At the heart of the problem, according to the report, is the inefficient power sector (long reliant on Soviet subsidies) and a political feud between the Vladivostok mayor and regional governor. The Mayor has refused to pay 65 percent of residential heating bills to local energy supplier Dalenergo, though local laws require him to do so. His aides claim the city is not obligated to provide such subsidies and doesn't have the $118 million anyway.

Officials hope that substantial oil reserves off Sakhalin Island will improve power supplies, but that day is still years off. "We are making progress," said Yuri Lukhoida, chief engineer of city energy supplier Dalenergo. "But that doesn't mean an end to power cuts. After all, this isn't communism."

Taiwan (ROC)

ROC Cancels Nuclear Waste Export
December 13, 1997 - Source: BBC, Kyonghyang Shinmun

In one of several conflicting reports, Taiwan's Vice Premier Liu Chao- hsiuan announced this week that Taiwan will dispose of controversial nuclear waste domestically, rather than ship it to North Korea, according to a BBC report. Earlier this year, the Taiwan Power Company signed an agreement with the North Korean regime to ship low-level radioactive waste for disposal. On December 16, Taiwan's United Daily News reported that the plans were canceled due to increasing criticism from the international community. The report stated that the Nuclear Committee of the Administration Office denied the Taiwanese Power Corporation's application for approval of the nuclear waste shipment because it judged the DPRK's nuclear waste handling facilities to be insufficient. The report added that the DPRK was unable to complete the construction of nuclear waste disposal facilities due to its economic difficulties.

United States

US-PRC Nuclear Cooperation
December 12, 1997 - Source: New York Times (NAPSNet Report)

The New York Times reported that White House officials said Wednesday that the Clinton administration will certify next week that the PRC is no longer helping other nations build nuclear weapons. The announcement will open a potential US$60 billion market to the US nuclear-power industry. The Clinton administration's formal certification will come next week in a statement submitted to Congress. The certification is based on assurances from the PRC, monitoring by international agencies, intelligence reports, and other information. Gary Samore, the National Security Council's senior director for nonproliferation and export controls, said that the certification is "very much in the national interest, because it serves our nonproliferation goals."

Energy, Security, and Environment Web Links

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APRENet is funded by the Rockefeller Brothers Fund.

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