

The construction of several coal-fired power plants involving China is being canceled around the world

Signs of weaker investment can already be seen in China itself, but also in foreign projects, and data from the Center for Energy and Clean Air Research CREA show that this abandonment of existing projects for the construction of foreign coal-fired power plants is a consequence of new policies and trends in host countries. Therefore, it can be expected that in the coming period, Chinese banks will be more careful when it comes to embarking on new projects of this type.

At the end of May, the news that the construction of the Kolubara B coal-fired power plant, which was supposed to be built by the Chinese company Power Construction Corp., was suspended in Serbia. of China. A new report (CREA) shows that Kolubara B is not an isolated case.

According to CREA data, starting in 2017, as many as 4.5 times more projects for the construction of coal-fired power plants abroad, which include China, were canceled than were implemented. This indicates that this industry is facing more and more obstacles as the countries of the world try to reduce their greenhouse gas emissions.

Coal-fired power plants are one of the main sources of carbon dioxide emissions, and this wave of project cancellations also calls into question the long-term economic competitiveness of the industry. Between 2000 and 2017, Chinese companies invested about 115 billion US dollars in foreign coal-fired power plants.

Since the Paris Agreement of 2016, the ten leading banks financing global coal energy production are actually Chinese, led by the National Bank of China, the Industrial and Commercial Bank of China and the Chinese CITIC Bank). Today, about 12 percent of all active coal-fired power plants outside China's borders can be connected to Chinese state-owned banks, manufacturers of equipment or construction materials.

What is also important to note is that coal-fired power plants in which China invests abroad pollute much more than is allowed by law in China itself. These power plants emit on average 6 times more nitrogen oxides, 4 times more PM particles and 7 times more sulfur dioxide than those stationed in China.

In terms of carbon dioxide emissions, only 3 of the 16 projects for which CREA collected data met Chinese domestic standards for thermal power plant efficiency. Foreign thermal power plants have an average of 8 percent lower efficiency than the minimum standards for thermal power plants located in China.

China currently plans to reach its maximum greenhouse gas emissions by 2030, and to become carbon neutral by 2060. Also, China was responsible for more than half of the globally produced electricity from coal, the use of which it does not plan to reduce until 2026.

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Environmental groups have called on China to stop investing in this dirty energy production and redirect its investments to cleaner alternatives, and the world's largest bank, the Industrial and Commercial Bank of China, which is also a major source of funding for coal-fired power plants in the world, is currently working. strategy to withdraw from this sector.
Source: klima101.rs