

WORLD

Why Is China Placing A Global Bet On Coal?

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A Chinese-backed power plant under construction in 2018 in the desert in the Tharparkar district of Pakistan's southern Sindh province.

Rizwan Tabassum/AFP/Getty Images

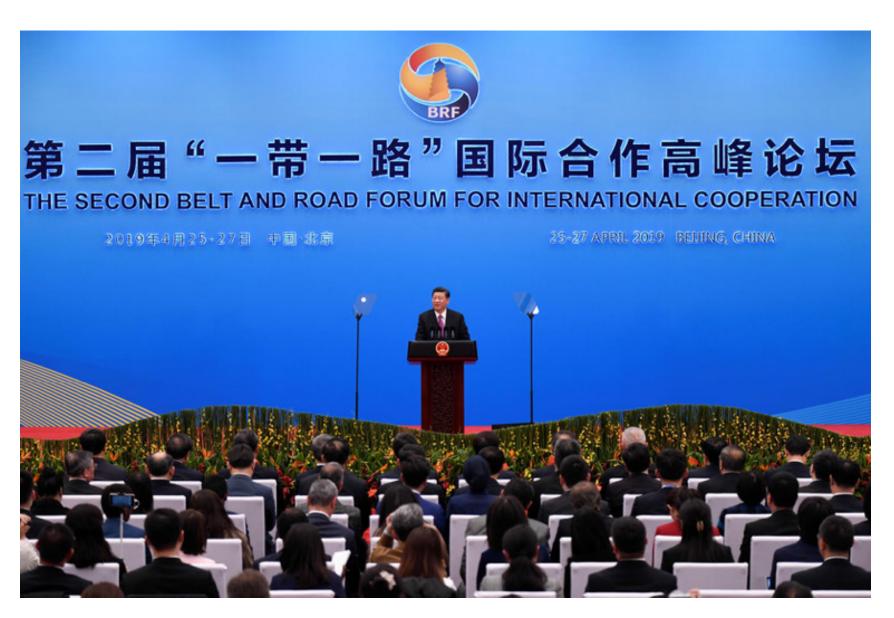
China, known as the world's biggest polluter, has been taking dramatic steps to clean up and fight climate change.

So why is it also building hundreds of coal-fired power plants in other countries?

President Xi Jinping hosted the Belt and Road Forum in Beijing over the weekend, promoting his signature foreign policy of building massive infrastructure and trade links across several continents.

The forum, attended by leaders and delegates of nearly 40 countries, came amid growing criticism of China's projects, including their effect on the environment.

Xi took the highly unusual step, for him, of meeting with international journalists, during which he repeated the slogan that he is committed to "open, clean and green development."



China's President Xi Jinping speaks at a press briefing at the end of the final day of the Belt and Road Forum on Saturday.

Wang Zhao/AFP/Getty Images

Yet China's overseas ventures include hundreds of electric power plants that burn coal, which is a significant emitter of the carbon scientifically linked to climate change.

Edward Cunningham, a specialist on China and its energy markets at Harvard

University, tells NPR that China is building or planning more than 300 coal plants in places as widely spread as Turkey, Vietnam, Indonesia, Bangladesh, Egypt and the Philippines.

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Days before the forum with its "clean and green" theme, the latest Chinese-built coal plant opened in Pakistan.

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The plants are significant investments at a time when most nations of the world, including China, have committed to fighting climate change. "When you put money down and put steel into the ground for a coal-fired power plant," says Cunningham, "it's a 40- or 50-year commitment."

In one sense, China's push for coal is not surprising: China knows how to build coal plants. It is the world's largest coal consumer, drawing more than 70 percent of its electricity from coal, according to the U.S. Energy Information Administration.



An open-pit coal mining site in the desert in Pakistan's Tharparkar district.

Rizwan Tabassum/AFP/Getty Images

But facing overwhelming pollution levels, China has restrained the growth of its coal industry — at home.

For many years, four huge electric power plants burned coal within the capital city, Beijing, contributing to the city's choking smog. But within the past four years, all four stopped burning coal.



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A visit by NPR on Saturday to one of the plants, the Huaneng Beijing thermal power station, showed that it now burns natural gas — still a contributor to climate change but overall considered cleaner.

"The air quality is much better than before," said Ma Fei, who owns Kelaicai restaurant

near the power plant. "[It's] much better for my health."

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While closing old plants, China's leaders have limited the building of new ones. The government has promoted wind and solar energy — it has produced so many solar panels that it has reduced prices for them worldwide, which analysts contend has contributed to the spread of solar energy in the United States.

But the Chinese engineers, metalworkers and laborers who built coal-fired power plants must be kept employed. And, Cunningham says, "many are going abroad." They are building energy projects for developing nations, largely as part of China's Belt and Road Initiative.

China has made more than \$244 billion in energy investments abroad since 2000, much of it in recent years, according to a Boston University database. The bulk is in oil and gas, but more than \$50 billion has gone toward coal. A report in January found that more than one-quarter of coal plants under development outside China have some commitment or offer of funds from Chinese financial institutions.

"China has done a very good job of emphasizing the target of greening the Belt and Road," said Courtney Weatherby, a Southeast Asia analyst at the Stimson Center in Washington, D.C. "But it's not clear when you look at the actual projects that China is funding that they are truly green."



The Huaneng Beijing Terminal Power Plant in Chaoyang district of the Chinese capital stopped burning coal in 2017. It went online in 1999 and, according to state-run media, had a capacity of 845,000 kilowatts.

Ashley Westerman/NPR

"I think that is where many of us are concerned," said Harvard's Cunningham, who attended the recent forum and has been invited back by Chinese officials to speak to academic panels in the country. "For every large solar farm that is being built or wind farm that is being built [by China], there are also significant investments going into the fossil [fuel] side. ... There's only one climate ... and we're obviously all carbon constrained."

And there are concerns beyond climate. The coal projects in developing nations are built with Chinese loans, which the developing states must repay. There is a widespread view among investors that as the coal industry declines in much of the world, coal is a bad investment.

The Asian Infrastructure Investment Bank, a Chinese-founded international institution based in Beijing, told NPR that it applies rigorous standards to its investments and has yet to support a coal-fired power plant anywhere. "In most

countries today, it doesn't really make financial economic sense anymore to invest in coal-fired power plants," said bank Vice President Joachim von Amsberg. Renewable energy offers a cleaner alternative.



People shop for groceries in a market in the shadow of the Huaneng Beijing Terminal Power Plant. Local restaurant owners and shopkeepers say the air around the power plant has been cleaner since it switched to natural gas from burning coal in recent years.

Ashley Westerman/NPR

Chinese officials were ready to answer such concerns at their Belt and Road Forum.

"We're not intending to transfer pollution to other countries," said Chen Wenling,
chief economist at the China Center for International Economic Exchanges in Beijing.

"We're trying to create development opportunities."

In neighboring Vietnam — a country highly dependent on coal — China is a major investor in the energy sector. China is involved in 15 coal power plants in operation, six under construction and at least two in the planning stages, according to Nguyen Thi Hang with Hanoi-based environmental group Green Innovation and Development Centre. "China's investments in Vietnam is both good and bad but it is also coupled with negative impacts on people's health and livelihoods," Nguyen said.

There is still a question of how to supply energy sustainably. If China falls short, Chinese officials at least know they can expect scant criticism on coal investments from the U.S. government. President Trump's administration has also been promoting coal.

Reena Advani of Morning Edition and journalist Guo Fengqing contributed reporting.



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