

US and China to unveil joint plan to 'take over' cleantech market Business collaboration between US and China to secure clean technology market opportunities will be unveiled at World Economic Forum in Dalian

* Jonathan Watts, Asia environment correspondent, in Shanghai

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Under the plan, money would be used to expand China's solar, wind, carbon capture and smart-grid markets. Photograph: Graham Turner

A joint US-China plan to "take over the world" in low-carbon technology will be revealed tomorrow at a meeting of Davos 's World Economic Forum in Dalian.

The sweeping initiative to secure the opportunities arising from tackling climate change is based on top-level business collaboration between the two superpowers, with some deals already done. One obstacle, however, will be growing trade friction over clean technology. Leading industrialists, entrepreneurs and financiers from the world's two biggest polluters have marked out the development strategy for a trillion dollar "greentech" market for inclusion in a bilateral climate agreement that is expected to be signed by the two governments when Obama visits China in November. The global clean technology market would get a major boost from any deal at the global climate summit in Copenhagen in December.

Under the plan, cash from the two nations and private sector acumen would be used to massively expand China's solar, wind, carbon capture and smart-grid markets in a move that could be as groundbreaking as the commercialisation of the internet.

The authors of the plan, which was six months in the making, sketched out their proposal at a gathering of business executives in Shanghai today.

"This is a coming-out party for China's 'greentech' initiatives," said Ming Sung, of the Clean Air Task Force. "China and the US can takeover the world on low-carbon technology."

Executives from Boeing, General Electric and other major US firms talked to counterparts from China, including senior figures from Suntech, the solar cell maker, and BYD, a manufacturer of hybrid and electric cars. Rod Quinn, a regional director of Pacific Northwest National Laboratory, was among those leading the charge for collaboration on "clean coal" technology. "I'm very upbeat," he said. "Two great nations. One great plan. That's what we hope for."

Chinese policymakers noted the government's focus on improving energy <<http://www.guardian.co.uk/environment/energy>> efficiency but were positive about the prospects for shared research in the fields such as gasification of coal for cleaner burning and the capturing and storing of carbon dioxide emissions.

These two expensive technologies are expected to play a central role in minimising the impact of coal on global warming both the US and China are heavily dependent on coal.

The perception that technology development in China relies on western ideas and a loose view of patents is also changing. Progress was made in Shanghai last month on what has been billed as the world's biggest and most efficient carbon capture and storage project. The facility is expected to capture carbon at a cost of \$40 (£24) a tonne, compared to \$100 a tonne at less-advanced facilities in the US. Its operating utility, Huaneng has already signed a commercial deal with Duke Energy, one of the biggest oil companies in the US.

Chinese policy advisers said 105 geological sites, mostly saline aquifers and empty oil shafts, had been identified for possible carbon sequestration.

China is also taking the lead in coal gasification technology, known as Integrated Gasification Combined Cycle (IGCC) technology. GreenGen, an IGCC project now under construction in Shandong, is moving ahead, while a similar US project FutureGen is floundering. China's National Development and Reform Commission is considering four other IGCC plans.

The potential for firms from both countries to make money through such projects was noted by Mark Norbon, the chairman of General Electric

China whose company has sold more than 40 patents to China in the field of coal gasification technology.

But even before details of the China Greentech Initiative were announced, accusations of protectionism threatened to overshadow its vision of collaboration.

Mark Norbon warned unfair trade practices could prevent progress. "The two governments have to get rid of barriers blocking co-operation. On the Chinese side there have been moves towards protectionism."

Such accusations have grown louder this year as Beijing has focussed the clean energy share of its massive 4 trillion yuan stimulus package on domestic firms. European wind turbine manufacturers complain they are being frozen out of a market that is doubling every year.

Foreign complaints about China's solar industry also focus on dumping and government subsidies that give domestic firms an unfair advantage.

Shi Zhengrong, the founder of Suntech defended his firm, saying it was making solar more affordable so it could compete with dirtier forms of energy. "Western countries worry about the dramatic price reduction and talk about dumping. That shows a protectionist attitude. That's wrong. We must work together to promote and utilise each other's strengths," he said.

For their part, China has criticised proposed US legislation that could impose punitive tariffs on goods produced in nations without carbon reduction targets. This results from many senators in the US worrying China may be taking the lead in the new energy sector.

Almost all of China's solar panels are exported. But the domestic market is expected to grow when the government unveils a new policy of feed-in tariffs. "We hope for a decision by the end of the year. It will be very important for the development of the Chinese market," Shi said.

China is expected to make an announcement soon on its plans to ease the carbon intensity of its economy and its target for renewable energy <<http://www.guardian.co.uk/environment/renewableenergy>> .

British companies are also trying to secure a share of the business in China. The UK's Carbon Trust today launched a new £10m low-carbon technology investment joint venture to help British firms develop clean technologies in China.

At a signing ceremony in Beijing with the China Energy Conservation Investment Corporation, Peter Mandelson, secretary of state for business, innovation and skills, said: "As we enter a new era of innovation driven by the rapidly expanding low-carbon economy, we must ensure that UK companies benefit and develop overseas markets."

The sentiment was shared in Shanghai. Ellen Carberry, managing director of the GreenTech initiative, said: "We have to work together in this market to create a sustainable world."