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Statement

Gong Qiyi

Vice President and General Secretary of CIESC Chemical Industry and Engineering Society of China

AchemAsia 2007

Dear guests, friends from media, ladies and gentlemen,

Good morning!

The 7th International Exhibition and Conference on Chemical Engineering and Biotechnology, or AchemAsia 2007 as is well known, has opened ceremonially in Beijing International Exhibition Center today. Principals from both side - Germany and China - have briefly introduced AchemAsia 2007 pomp in the opening ceremony. Dr. Kreysa, the President of our partner DECHEMA, has just released information related to AchemAsia 2007. Now I would like to make some complementary comments on behalf of partners from China.

First, AchemAsia is getting better and better. The Chinese state leaders have made high appreciation for its past and expressed great expectation for its future.

When he wrote for the Preface of the AchemAsia 2007 Handbook, Mr. Cheng Siwei, the Vice Chairman of the Standing Committee of the National People's Congress, made the following comment and expectation for AchemAsia:

"Twenty years ago when Mr. Behrens, the late General Secretary of DECHEMA, and I met on the 3rd World Chemical Engineering Conference held in Tokyo, Japan, we proposed an initiative on ACHEMA. With support from the Ministry of Chemical Industry and leaders from related sides, ACHEMA and AchemAsia have been successfully held in Beijing for 6 sessions consecutively since its debut in 1989. Highly internationalized and specialized as it is, AchemAsia has become not only an exhibition and conference activity with the longest history, the most overseas exhibitors involved, the largest scale, the highest standard and the most effectiveness of its kind, but also is one of the largest exhibition and conference for chemical technology, biotechnology and equipment with richest content and highest technology level in the Asia Pacific region. AchemAsia is now highly recognized by the industry with its strong influence both at home and abroad.

With the growth of regional economy and the fierce competition in world economy, process industry has become a pillar industry in most countries, and its growing impetus will last for many years to come. During this process, ACHEMA and AchemAsia will provide a platform for the communication and intercourse of entrepreneurs, businessmen, specialists and scholars from different countries in the world.

I believe the forthcoming AchemAsia 2007 will maintain its regional competitiveness and continue to write a more glorious chapter of the success."

Second, AchemAsia 2007 will more accommodate the demands of the developing process industry and the Chinese and world economies.

According to information provided by Dr. Kreysa, there will be more than 500 exhibitors from 27 countries and areas attending AchemAsia 2007. The net exhibition area will be approximately 10,000 square meters. Both number of exhibitors and exhibition area exceed the previous sessions. Besides, there will be quite a certain number of new changes for the exhibits and conferen-

ce. All those improvements are made to provide better business opportunities to the companies, better accommodation to changes of the process industry and Chinese and world economies, and better service to the demand of entrepreneurs, businessmen, specialists and scholars for technology trade, cooperation and communication.

“Process industry has become a pillar industry in most countries, and its growing impetus will last for many years to come.” So is the situation in China. Petroleum and chemical industry is a foundation to China’s national economy, as well as a pillar industry closely related to the livelihood. Contributing one seventh of the total national industrial output, the industry is also a big profit and tax maker for the state. The total sales income of the industry in 2006 is 4,200 billion yuan, a 27.4% increase compared with last year, making up 13.6% of the total industrial sales of the nation. The profit of the industry in 2006 is 440 billion yuan, increased 18.3% from last year, making up 23.3% of the total industrial profit of the nation. The tax contributed by the industry in 2006 is 220 billion yuan, increased 25.9% from last year, making up 16.1% of the total tax paid by industries of the nation. Although the petroleum and chemical industry in China is in a period of fast growth with good opportunities, it is also challenged by some serious problems. I’d like to elaborate a few for example.

The innovation capability of the industry is not compatible with requirement for international competition. Compared with the advanced level of international counterparts, the overall technology level in the country lags behind, especially in the chemical field by more than a decade. There is also resource shortage problem in the scenario of fast growing of the petroleum and chemical industry. The problem becomes more prominent when high energy consuming products and high resource input production is still rampant. Furthermore, both technology standards and management skills of the industry are inconsistent with the requirement to build a resource saving and environment friendly society.

Currently the petroleum and chemical industry is facing the diploid challenges of energy saving and emission controlling, especially in the field of resource saving., which is considered difficult, burdensome and pressing. The energy consumption of the secondary industry accounts 70% of the national energy consumption, among which petroleum and chemical industry consumes most. The high energy consuming products accounts for 60-70% of the energy cost and general products account for 20-30% of the energy cost. Within these 2 years, energy consumption per unit value of some energy consuming products shows an increasing tendency. Although there still leaves plenty of space for energy saving, yet it has not been fully used. In order to realize the goal that at the end of the “Eleventh five-year plan”, GDP energy consumption per unit decreases 20% compared with the end of the “Tenth five-year plan”, secondary industry especially the main energy consumer shall decrease its energy consumption of industrial added value by 24-26%. However, GDP energy consumption per unit of the state only falls 1.23% in 2006 compared with 2005, among which energy consumption of industrial added value of the petroleum and chemical industry is predicted to be about 2%, hanging the air the task of 4% decrease.

Concerning emission and discharge controlling, tough challenges still exist. The environment protection target of the 11th Five Year Plan points out clearly that the situation of environment pollution shall be effectively controlled while keeping fast and stable national economy development. Emission of SO₂ and chemical oxygen demand (COD) shall decrease 10%. However, exhaust and discharge amount of waste water, waste gas and waster solids is still large, which ranks 1st, 4th and 5th in the total amount of state industrial discharge and emission respectively. Total discharge amount of main contaminants such as SO₂ and COD, far from decreasing, increases 1.8% and 1.2% respectively by the last year, which puts heavy burden on and increase difficulty for the remaining years of the “Eleventh five-year plan”. Also, several exceptionally big accidents happened in the industry in recent years have seriously damaged the public image of the industry.

According to the targets and major tasks of the 11th Five Year Plan for Economic and Social Development, and also according to the strategic plan for the nation and major objectives of the

central government revealed during the recent session of the National People's Congress and the fifth session of the 10th CPPCC, China will put efforts to "change its economy structure and growth pattern, reinforce resource saving and environment protection, promote reform, opening and innovation, expedite social development and tackle the problems of people's livelihood", thus to achieve a healthy and fast growth in both economic and social development. Those objectives give a clear direction the petroleum and chemical industry in China on its way changing from merely a big producer and consumer to a leader with competitive strength.

Therefore, the industry is confronted with a tremendous task of accelerating adjustment of industry structure and product portfolio, enhancing innovation capability, reducing energy consumption and wastes discharge, fulfilling resource saving in an all-around way and developing recycle economy while maintaining its current growth impetus. The task and pressure are especially big to achieve the major indicators such as "energy consumption per unit GDP reduced by 20%, water consumption per unit value added reduced by 30%, and comprehensive utilization rate of industrial waste solids increased by 60%". Therefore, we must grab the opportunity and meet the challenge with great entrepreneurship and accountability to future generations in accordance with the scientific concept of development.

In a scenario as such, here comes ACHEMASIA 2007. It's a big event for international technology trade, communication and cooperation. I believe ACHEMASIA 2007 will strengthen such trade, communication and cooperation, and play as a driver to expedite the structural reform and technology upgrade of petroleum and chemical industry in China, as well as promote the progress of related industries and economic and social development in China.

Third, the progress of AchemAsia is, as always, supported and helped by related departments and organizations in China.

Except from CIESC and DECHEMA, which are organizers of the event, and China Industry Anticorrosion Technology Association (CIATA) and China International Exhibition Center Group Corporation (CIEC), which are two co-organizers; we are also supported and helped by related departments and organizations. I am honored to take this opportunity to express our sincere gratitude, on behalf of the organizers and co-organizers, to the State Development and Reform Commission (SDRC), China Council for Promotion of International Trade (CCPIT), China Petroleum and Chemical Industry Association (CPCIA), China Association for Science and Technology (CAST), China Petroleum & Chemical Corporation (SINOPEC), China National Petroleum Corporation (CNPC), China National Offshore Oil Corporation (CNOOC), China National Chemical Corporation (ChemChina), China International Trust and Investment Corporation (CITIC), China National Chemical Construction Corporation (CNCCC), China National Center for Biotechnology Development (CNCBD), the Chinese Society of Biotechnology (CSB), China National Textile and Apparel Council (CNTAC), China National Petroleum & Chemical Planning Institute (CNPCPI), China National Chemical Information Center (CNCIC), China National Pharmaceutical Foreign Trade Corporation (SINOPHARM FOREIGN TRADE), the Membrane Industry Association of China (MIAC), Shanghai Society of Chemistry and Chemical Industry (SSCCI), and Asian-Pacific Confederation of Chemical Engineering (APCChE), European Federation of Biotechnology (EFB), European Federation of Chemical Engineering (EFCE), European Federation of Corrosion (EFC), Interamerican Confederation of Chemical Engineering (ICCE), the Society of Chemical Engineering of Japan (SCEJ), French Association of Suppliers of the Chemical Industry (GIFIC), L'Agence Francaise Pour le Développement International des Entreprises (UBIFRANCE), and Verband Deutscher Maschinen Anlagenbau (VDMA). Thank you all, for your kind support!

Last, but not least, we'd also like to thank friends from media for your support for AchemAsia, and hope you will continue to give attention and report to this session.