

Assessment of Agrochemical Industrial Parks in China

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The First Edition

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1. Introduction

Lots of chemical industrial parks/zones suffered great environmental protection pressures in 2018; the situation as of the press time in 2019 has not turned any better. Chemical parks in Jiangsu Province will be assessed from these factors: access restriction, safety production, environmental protection, technology quality, land coverage, project approval record-keeping, procedure of construction permit application, industrial and commercial registration and etc., of which the first three are of paramount importance.

According to the Assessment Standards of Chemical Parks in Shandong Province and the Assessment Standards of Chemical Parks Focusing on Particular Industries in Shandong Province, different factors have been given varied points: safety production (25 points), environmental protection (25 points), layout and planning (20 points), public infrastructures (20 points) and economic development (10 points). Assessment standards of chemical parks/zones in Henan Province focus on access restriction, risks to safety and environment and emergency response to emission reduction request. Assessment in Hubei Province focuses on two major factors—environmental protection and safety production. Assessment in Sichuan Province focuses on cyclic green development with low carbon emission and quality economic results with high efficiency.

Obviously, assessment is an effective method for better environmental protection. How do those provinces launch their assessment work? What factors should those chemical parks take into consideration? CCM will unfold them for you from the following points based on related local polices in those key agrochemical provinces:

- ✓ Access restriction
- ✓ Risks to safety and environment
- ✓ Emergency response to emission reduction request

2. Methodology

The report is drafted by diverse methods as follows:

- Desk research

The sources of desk research are various, including published magazines, journals, government websites and statistics, industrial statistics, association seminars as well as information from the Internet. A lot of work has gone into the compilation and analysis of the obtained information.

- Internet

CCM visited government websites and contacted with players in the domestic agrochemical industry through B2B websites and software.

- Data processing and presentation

The data collected and compiled are sourced from:

- CCM's database
- Published articles in periodicals, magazines, journals and third-party databases
- Statistics from governments and international institutes
- Telephone interviews with domestic producers, joint ventures, service suppliers and governments
- Third-party data providers
- Comments from industrial experts
- Professional databases from other sources
- Information from the internet

The data from various sources have been combined and cross-checked to make this report as precise and scientific as possible. Throughout the process, a series of internal discussions were held in order to analyse the data and draw the conclusions.

3. Executive summary

Many chemical industrial parks/zones suffered great environmental protection pressures in 2018; the situation as of the press time in 2019 has not turned any better. In Jiangsu Province, the top chemical production base in China, rectification work in chemical parks in coastal areas has been put high on the government's agenda, as several pollution cases were required by higher authorities to be handled within time limit and with satisfactory results to the public and some municipal leading officials were interviewed or persuaded by fellow officials from environmental protection department. In June 2018, *Rectification Plan for Chemical Parks or Concentration Zones in Coastal Areas* was issued by the Jiangsu Provincial People's Government. It targeted all chemical parks and the chemical producers within under the jurisdictions of Nantong, Lianyungang and Yancheng, coastal cities with high concentration of chemical companies. On 20 Feb., 2019, General Office of Jiangsu Provincial People's Government further published the *Implementation Opinions on Environment Treatment in Chemical Parks or Concentration Zones in Jiangsu Province*. The Opinions pointed out, to fundamentally solve the major environment problems in those chemical parks, measures as strict review, rectification with definite deadline, controlled project approval, interview with administrative officials, pollution case with supervision from higher government and force-out mechanism would prompt parks and companies to improve environmental protection facilities and upgrade pollution treatment technology. Along with the document came a list of 53 chemical parks to be examined this time, less than that of last year, which implied a preliminary assessment done by the government already. The chemical parks past previous reviews by a narrow margin would go through harsher tests this year; elimination would always be a possibility.

Department of Ecology and Environment of Jiangsu Province issued a notice to improve examination and approval of planned project in environmental impact assessment. Eleven key elements in assessment were put forward and circumstances for rejection and prohibition on construction were clarified. Threshold for new chemical production projects would be raised, with the investment no less than USD148.83 million (RMB1 billion) in principle. Meanwhile, the minimum requirements to pass the assessment would set higher. New construction, reconstruction and expansion of pharmaceutical, pesticide and dye intermediate production facilities are prohibited. Within the 1 kilometer range along the artery and tributaries of Yangtze River, construction of new wharfs for hazardous chemicals and new chemical parks is not allowed; even chemical companies are refused to enter. New projects and expansion of steel, petrochemical, chemical, coke, building material, non-ferrous metal which usually cause heavy pollution are prohibited in the neighborhood of quality parks. Construction and expansion projects in conflict with planned national industry layout in petrochemical and coal chemical sectors are prohibited. So do projects involving backward capacity or with severe overcapacity domestically that go against policies, regulations and laws in China.

Hubei Province plans to close, reconstruct or relocate the existing chemical companies within the 1 kilometer reach along rivers before the end of 2020. Data from the Department of Ecology and Environment of Hubei Province showed that environmental protection authorities

at all levels in the province altogether filed 2,134 cases for investigation in H1 2018, among which 1,527 cases ended up with administrative penalty and the fines added up to about USD18.75 million (RMB126 million). Stricter industrial policies were introduced. New chemical projects and parks with heavy chemicals within the 1 kilometer reach along rivers are prohibited; new chemical projects outside the periphery of existing chemical parks that are within 15 kilometer reach along rivers are also banned. New capacity of carbamide, ammonium phosphate, calcium carbide, caustic soda, polyvinyl chloride, sodium carbonate, yellow phosphorous and etc. should be controlled strictly. Months before, Yichang government announced on its website the first batch of qualified local chemical parks to be confirmed publicly. The list included Yaojiagang Chemical Park in the economic development zone in Zhijiang City, Yidu Chemical Park, Wanli Chemical Park in Yuan'an County, Baishahe Chemical Park in Xingshan County, Liucaopo Chemical Park in the economic development zone in Xingshan County and Xiaoting Chemical Park. Through this kind of efforts, Hubei government tries to separate quality parks from the bad ones. Since June 2018, the government determined to examine chemical parks with the strictest standards and push for down-to-earth rectifying work. The trend is set for ever stringent assessment rules.

Starting from Shandong Province, then to Jiangsu and Hubei provinces, stricter management in chemical parks/zones becomes ever popular. Jiangsu's resolution can be seen from the one-vote veto right. As a result, tough days are coming for the parks and companies there. Hubei is not overshadowed though. Environment alongside rivers has been improved through rigid implementation of the latest policies. Chemical parks rendered qualified as of to date shrinks. It does tell the government's seriousness in environmental protection.

As these major chemical production bases took the lead in the fight against pollution in chemical parks, other provinces are highly possible to follow up and learn from their experience. Assessment is an effective method in the process.

4. What's in this report

Note: Key data/information in this sample page is hidden, while in the report it is not.

1 Introduction to risk assessment of industrial parks in China

The Work Safety Committee of State Council issued an urgent notice in early April 2019 that demanded understanding and exact implementation of instructions made by President Xi after the explosion in the site of Jiangsu Tianjiayi Chemical Co., Ltd. on 21 March, 2019. New arrangements to better prevent major accidents were made to improve safety production and work safety. The Notice also required risk assessment to be done in all chemical parks/zones to eliminate potential dangers. In fact, there already existed requirements for safety evaluation in chemical parks.

Key elements include:

- XXX
- XXX
- XXX
- XXX
- XXX

....

At present, risk assessment of chemical parks/zones in China is mainly divided into the following five aspects:

2 Overview of industrial parks in major agrochemical production provinces

2.1 Ranking of chemical pesticide production in China in 2018

Table 2.1-1 Output of chemical pesticide technical in China by region, 2018

No.	Region	Output in 2018, tonne
1	XXX	XXX
2	XXX	XXX
3	XXX	XXX
4	XXX	XXX
...	XXX	XXX
23	XXX	XXX
24	XXX	XXX

Source: The National Bureau of Statistics (NBS)

2.2 Jiangsu Province

Table 2.2-1 Major chemical parks/zones in Jiangsu Province, 2018

No.	Chemical park	Coverage, ha	Industry focus
1	XXX	XXX	XXX
2	XXX	XXX	XXX
3	XXX	XXX	XXX
4	XXX	XXX	XXX
...			
12	XXX	XXX	XXX
13	XXX	XXX	XXX

Source: National Development and Reform Commission of the People's Republic of China (NDRC)

2.3 Shandong Province

Table 2.3-1 Major chemical parks/zones in Shandong Province, 2018

No.	Chemical park	Coverage, ha	Industry focus
1	XXX	XXX	XXX
2	XXX	XXX	XXX
3	XXX	XXX	XXX
4	XXX	XXX	XXX
...			
37	XXX	XXX	XXX
38	XXX	XXX	XXX

Source: NDRC

...

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