

Trump's poor climate record sends America's green business to China

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Tesla knew just where to look when the California company decided to expand its business in manufacturing electric cars: China.

The country has moved quickly to fill a leadership void created by the United States when President Donald Trump rolled back American efforts to fight <u>climate change</u>. And, in a development likely to irritate the businessman-turned-president, China is making money doing it.

"Two countries went side-by-side tackling this issue," said Ma Jun, a prominent Chinese environmentalist and a director with the Institute of Public & Environmental Affairs in Beijing. "All of a sudden one country pulled out and pushed China into the driver's seat. Like it or not, China is the leader."

Now U.S. companies - many from California - are benefiting from China's efforts to cut carbon emissions and boost renewable energy. They are building energy-efficient windows, installing solar panels and designing green roofs.

And President Xi Jinping is relishing his newfound leadership role on what has become one of the most pressing economic and environmental issues worldwide.

China, Xi said in a major speech last month, had taken "a driving seat in international cooperation" to respond to climate change. "No country alone can address the many challenges facing mankind. No country can



afford to retreat into self-isolation," he warned.

Climate is not likely to be on the agenda when Trump arrives in Beijing on Wednesday for a two-day state visit with Xi. Instead, Trump's visit is designed to push China to help contain the nuclear threat next door, in North Korea, and to ease trade restrictions.

Meanwhile, American businesses are investing where they see the most promising market. Tesla is planning to manufacture at least a couple hundred thousand cars a year in China. The country wants electric and hybrid cars to make up at least one-fifth of its vehicle sales by 2025. The company's revenue from China last year tripled to more than \$1 billion - more than 15 percent of the total.

Tesla did not respond to a request for comment, but California Gov. Jerry Brown did.

"China, like California, is leading the charge to get more electric vehicles on the road and reduce <u>carbon emissions</u> - and our companies are well positioned to thrive in this new economy," said Brown, who has met with Xi about climate change and is attending the United Nations climate change conference this week in Bonn, Germany.

Yang Yaohui, 47, a senior executive of a consultant company in Shanghai, bought his first electric car - a four-door model S sedan - from Tesla for \$135,000 in April. Through a translator, he said he chose Tesla because he could drive farther than other brands without stopping to charge his car. Besides, he said he thought it would be fun to drive.

Tesla is hardly the only U.S. company to benefit from Chinese demand.

Gridtential, an energy storage developer in Santa Clara, Calif., has partnered with Leoch Battery - the largest exporter of lead-based



batteries from China - as it looks to tap into the country's hybrid vehicle market.

"As a result of China's climate stance, clean transportation ambitions, and increasing need for more powerful batteries, Gridtential sees a lot of opportunity in China," Gridtential Chairman Ray Kubis said.

Trump's predecessor, Barack Obama, and Xi made international headlines when their countries - the world's largest producers of greenhouse gases, accounting for nearly 40 percent of the world's emissions - reached a historic climate change deal. For Xi, it was about more than global warning. He sees the economic benefits for his country and hears the complaints from residents who live in one of the world's most polluted cities.

But since taking office, Trump, who has called climate change a hoax invented by the Chinese, has appointed climate change doubters - such as Scott Pruitt and Rick Perry - to advise him and rolled back the Clean Power Plan, Obama's signature effort to fight climate change by cutting carbon dioxide emissions from power plants.

Trump announced plans to pull out of the Paris climate agreement, an international pact to combat global warming, causing Tesla CEO Elon Musk to resign from two of Trump's business advisory councils. This week, Syria, the last remaining country to not sign the agreement, said it would do so.

David Rank, who quit as the top U.S. diplomat in China after Trump pulled out of the agreement, said he was surprised when the president made the decision, despite Trump's rhetoric on the campaign trail.

"Finding any way to remain at the table would have reduced the damage to U.S. internationally," he said. "I don't understand the logic of leaving,



which cripples our standing in the world. Pulling out of the one agreement that unites the rest of the world seems to be a terrible decision."

Earlier this year, the World Resources Institute found that China is making progress faster than expected in combating climate change - exceeding one of its goals, nearing completion of a second and more than halfway toward the final two.

"China is transforming its domestic energy system and has been taking noticeable diplomatic efforts towards filling a part of the gap left by a rapidly retreating U.S," Greenpeace East Asia senior <u>climate</u> policy adviser Li Shuo said. "The next step is to demonstrate that the show continues, with or without Trump."

Some U.S. companies accuse China of shutting them out of the fast-growing industry. In May, a pair of U.S. solar manufacturers asked the International Trade Commission to investigate whether imports from China and elsewhere were harming the industry. Last week, the commission recommended tariffs and other restrictions.

But some say U.S. companies that work with solar manufacturers are benefiting, including those who install and maintain solar panels, use solar power in their products such as children's light-up-sneakers and utility companies.

"China sees the market for clean technology and wants the biggest share as possible," said Barbara Finamore, senior attorney and director of the China program at the Natural Resources Defense Council.

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