China's Clean Air Market Outlook 2030

(English Translation of Executive Summary)

BCAA
中关村创蓝清洁空气产业联盟
BLUETECH CLEAN AIR ALLIANCE

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Executive Summary

Over the past five years, China has made breakthrough progress in the field of air pollution prevention and control, cutting $PM_{2.5}$ concentrations in many cities (including Beijing) over 30%[1], which may take some Western countries a decade or two to accomplish. The fast and effective results of air quality improvement have attracted universal attention in the world, and have also demonstrated China's institutional strengths in solving problems with economic externalities. With strong policy determination and implementation, many measures against air pollution have been applied and promoted effectively, creating large market demand for clean techniques while improving air quality. According to a previous estimation, a total of 1.8 Trillion Yuan[2] investment would be needed to meet the national goal of 2017 air quality improvement[3].

With the successful realization of the "Ten Measures on Air", China is entering a new stage of air pollution prevention and control. Conquering the blue sky defense war, and achieving a beautiful China by 2035 has become China's commitment to the world. With the continuous effort for air quality management, China's clean air market will create significant structural investment opportunities and become a new engine for China's economic growth. By 2030, China's key areas of clean air will usher in more than 20 Trillion Yuan (around 3.2 Trillion US Dollar) market opportunities, and China will continue to be the world's largest demand market for clean air technology.

The Outlook anticipates achieving air quality standards in all Chinese cities by 2030, setting up an economic development model with air quality improvement targets as a constraint, and predicting the future changes in energy structure, industrial structure, and transportation modes, as well as market opportunities in key areas.

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1. MEP Regular Press Conference (February), 2018-02-27
2. CAAC, *Investment Requirements and Potential Effects of Implementing China's Air Pollution Prevention and Control Action Plan (2013-2017)*
3. The Action Plan for Air Pollution Prevention and Control (the Ten Measures on Air), 2013

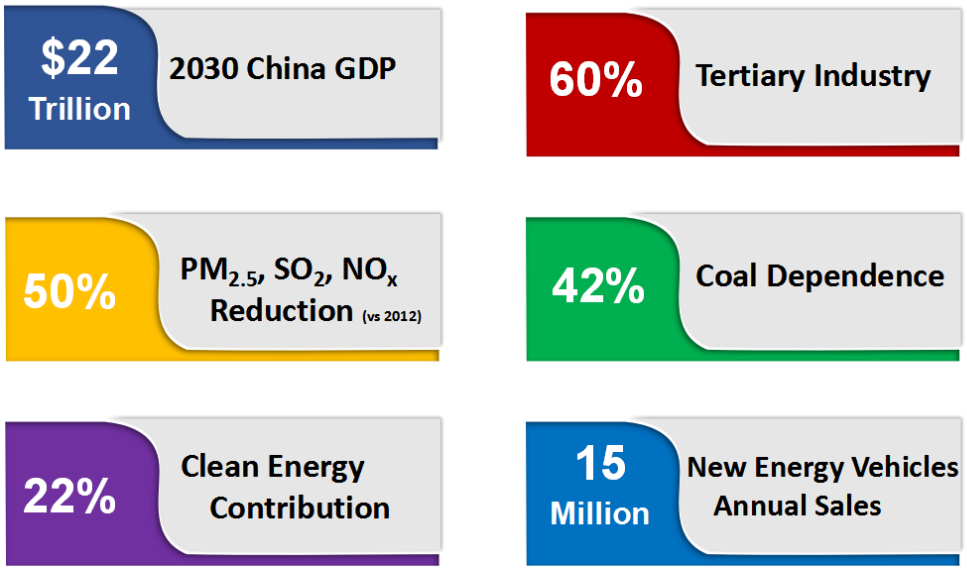

Figure 1 China in 2030

The Outlook provides comprehensive analysis of market development opportunities in key clean air related areas, including coal-fired pollution prevention and control, industrial VOCs emission control, environmental monitoring, new energy vehicles, mobile source emission control, and indoor air pollution prevention and control, respectively.

- Ultra-Low Emission Control：ultra-low emission control has become the mainstream approach for emission control in coal-based power stations, and will spread into cement and steel industries in the near future, releasing market space over 280 billion Yuan;
- Clean Heating：initial investment for cleaning heating will be aggregated up to 700 billion Yuan by 2021, and to 900 billion by 2030 (the market volume may rise up to 4 trillion if the fuel cost is counted);
- Industrial VOCs Emission Control: the VOCs emission reduction will be over 20 million tons by 2030, resulting in 800 billion investment demand;
- Environmental Monitoring: 80 billion of instrument demand will be needed for completing the current regular air quality monitoring stations, building up grid monitoring systems, and covering future VOCs monitoring; another 50 billion is needed for third-party operation and maintenance;
- Mobile Source Emission Control： a total of 2 trillion market will be open for DPF installation on heavy-duty diesel trucks, emission control and ORVR on light-duty gasoline vehicles, and fuel quality improvement;
- New Energy Vehicles：demand for new energy passenger vehicles, medium-sized and large-sized buses, as well as charging services will exceed 14 trillion Yuan;
- In-door Air Pollution Control：the market will be over 1.7 trillion Yuan.

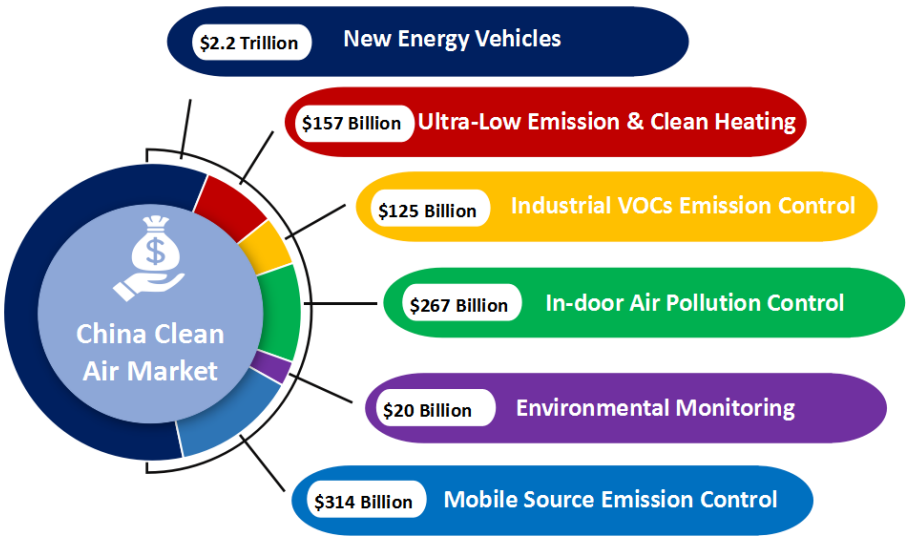

Figure 2 China Clean Air Market till 2030

It should be noted that China's clean air efforts will continue to push for clean revolutions on energy, industry and transport, which will directly promote low-carbon development, greatly support greenhouse gas emission reduction and accelerate the realization of China's commitment to the Paris Agreement.

The huge clean air technology market in China will attract attentions and participations of global clean-tech companies. Many of the clean energy and pollution prevention technologies that grow up in China will also come out of the country in the future to support clean air initiatives in other countries, and promote global clean development.

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