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## PRESS RELEASE

### China Energy Use May Slow Further on Government Curbs

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China's energy demand may slow further as the government takes steps to meet conservation targets and to cool the world's fastest-growing economy. Energy consumption gains may be curbed in the fourth quarter after easing in July to September, the National Energy Administration said in a statement today. China plans to close 1,539 small, unsafe coal mines this year and has met 88 percent of this target by the end of September, Wang Siqiang, a deputy director at the administration, told reporters in Beijing.

China has been shutting factories and coal mines to help meet Premier Wen Jiabao's goal of cutting energy consumption per unit of gross domestic product by 20 percent in the five years ending 2010. Government controls slowed power consumption by heavy industries in the third quarter, the energy administration said in the statement.

Heavy industries used 193.9 billion kilowatt-hours in September, down 17 percent from the previous month, according to the statement. Overall, China's electricity demand fell 12 percent to 349.8 billion kilowatt-hours compared with August.

Factories, which consume more than 70 percent of the nation's electricity, produced at a slower rate in September compared with August, according to government data on Oct. 21.

The economy grew 9.6 percent in the third quarter, the smallest increase in a year, as the government reined in credit growth, clamped down on property speculation and chased energy- efficiency and pollution targets. Factory output rose 13.3 percent in September from a year earlier, missing the median 14 percent estimate in a Bloomberg News survey of 23 economists.

China may add 90 gigawatts of electricity generating capacity this year, Wang said.

Overall capacity may exceed 950 gigawatts by the end of the year, the energy administration said. Coal-fired capacity may reach 700 gigawatts, hydropower 210 gigawatts and wind-power 35 gigawatts. Solar-power capacity may double from a year earlier to 600 megawatts, according to the administration.

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