

Tianjiayi Chemical plant explosion raises key questions for environmental enforcement, Two Sessions calls for simultaneous action on the economy and environment & more [View this email in your browser](#)



China witnessed two major flashpoints for environmental governance this month. The first coincided with a number of strategic announcements at the central government's Two Sessions, which framed the environment as just one of a number of economic priorities. On March 21, however, an explosion at a chemical plant in Jiangsu Province drew all eyes onto the issue of strengthening regulatory enforcement.

In lieu of our usual newsletter roundup, we analyze these two events from the IPE perspective, followed by brief updates from our project. As always, feel free to reach out to our team with questions and comments on our content at [gsc@ipe.org.cn](mailto:gsc@ipe.org.cn).

In this month's newsletter:

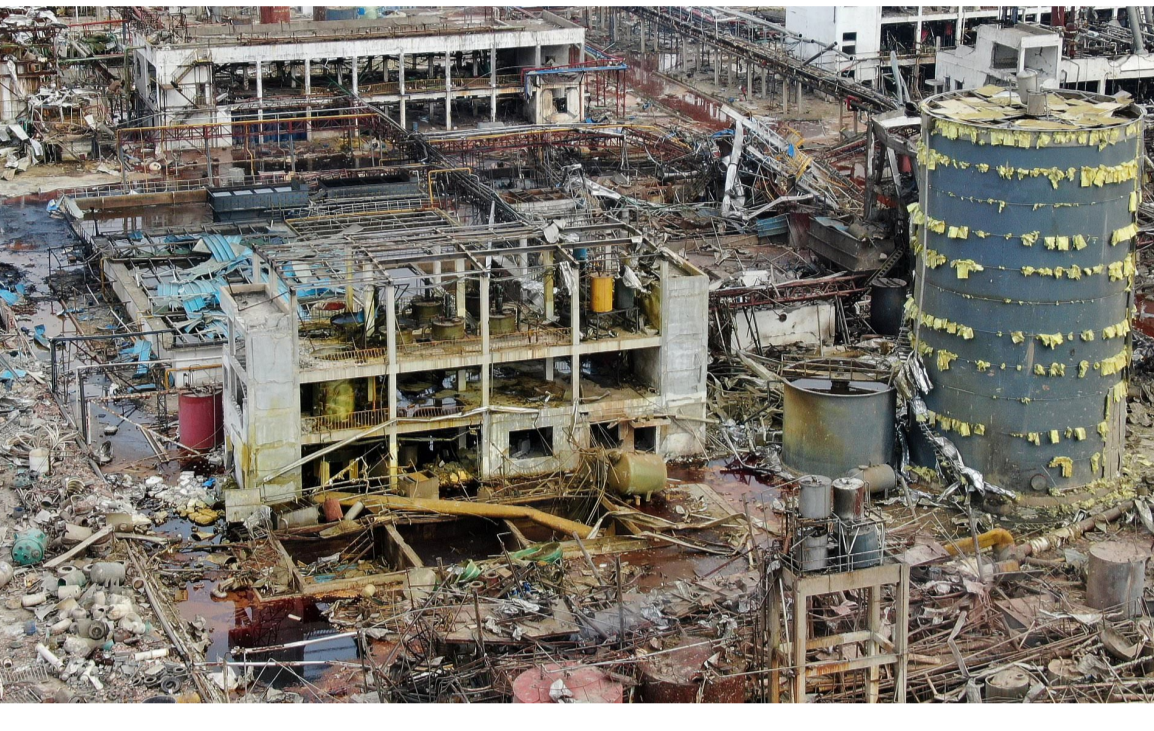
- Explosion at Tianjiayi Chemical Plant Raises Key Questions for Environmental Enforcement
Two Sessions Calls for Simultaneous Action on the Economy and Environment
March Updates

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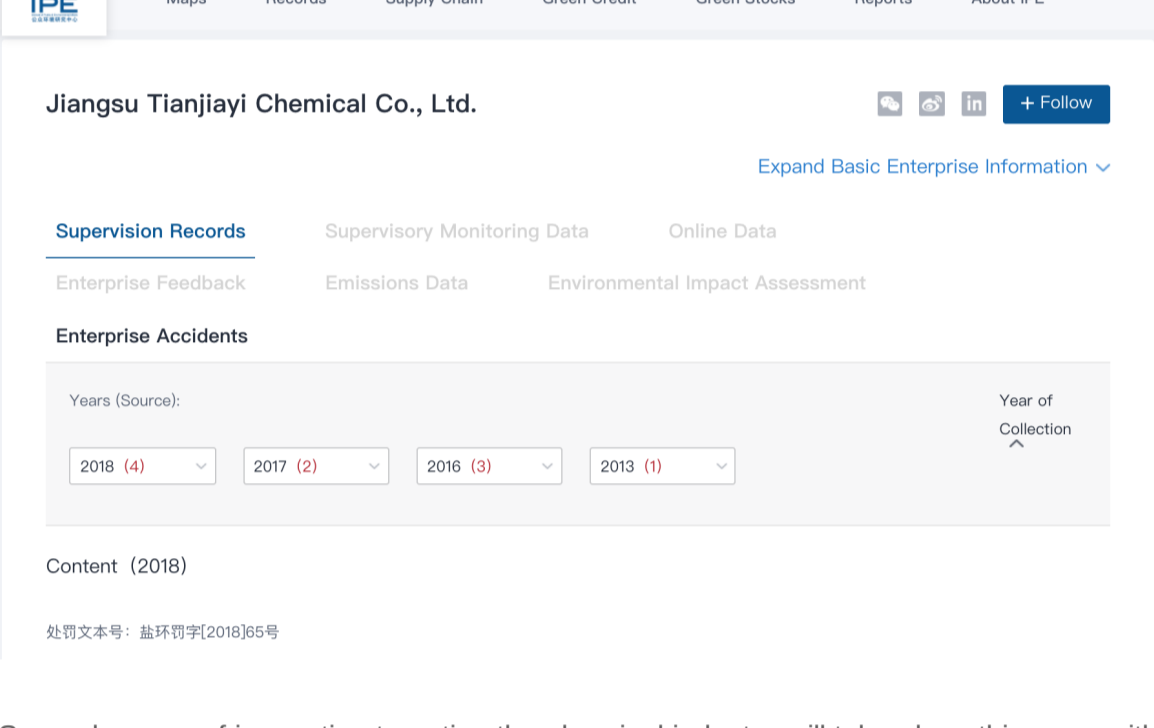
GREEN CHOICE BRANDS OF THE MONTH. Grid of brand logos including AM, DELL, M&S, adidas, etc. Text: During the past month, these 42 brands actively pushed one or more of their suppliers to improve their environmental performance...

Explosion at Tianjiayi Chemical Plant Raises Key Questions for Environmental Enforcement

On Thursday, March 21, a chemical explosion in Xiangshui County, Jiangsu Province took 78 lives, injured over 600 in the surrounding area and called thousands of emergency response and medical providers into action.



As Chinadialogue points out, the chemical plant's parent company, Jiangsu Tianjiayi Chemical Co. Ltd., failed to take action even after receiving numerous fines and violation records. A February 2018 report from the State Administration of Work Safety lists 13 different types of safety hazards for the facility...



Several waves of inspection targeting the chemical industry will take place this year, with at least 16 provincial governments and the Ministry of Emergency Management stepping up in light of the events in Xiangshui County.

This moment serves as an equal lesson to the private sector as well as government. As primary drivers of the market, Chinese and international brand clients must ensure their own upstream due diligence, knowing the dire gaps in local management.

Two Sessions Calls for Simultaneous Action on the Economy and Environment

The Two Sessions – annual meetings of the Chinese People's Political Consultative Congress (CPPCC) and the National People's Congress (NPC) – commenced in early March and announced the central government's policy priorities for the coming year.



In the 2019 Government Work Report, Premier Li Keqiang emphasized (中文) the importance of strengthening environmental law enforcement while giving factories adequate time to take corrective action. President Xi Jinping, during an address to the delegation from Inner Mongolia, reaffirmed the mission of an ecological civilization...

It is clear China's officials have now heard the demands of industry, thus precipitating an end to "one-size-fits-all" regulatory enforcement and movement toward specific penalties based on performance.

While IPE applauded the central environmental inspections carried out by both central and local governments between 2016 and 2018, we also witnessed abrupt factory closures or orders to halt production, which can interrupt global supply chains and interfere with overall economic development and social stability.

March Updates

1) IPE supported the Latin America branch of Chinadialogue, Diálogo Chino, in their investigation of the Jiuquan Iron and Steel Company following reports of severe air pollution from their aluminium refinery subsidiary in Jamaica.

"Records from the Beijing-based Institute of Public & Environmental Affairs (IPE) show that between 2016 and 2018, JISCO committed or is suspected of committing 16 environmental infractions."



In 2016 and 2017, following tougher enforcement of environmental laws, one of its companies, the Gansu Dongxing Aluminium Industry, received a C rating in its environmental credit assessment. The company was the only large industrial enterprise to receive a C in the whole of Gansu province in 2016.

Affiliated companies have committed other environmental infractions, including Gansu Jiu Steel Group Hongxing Iron & Steel Co, which was fined in 2017 when its concentration of smoke and dust exceeded national emissions standards."

2) Since the Supply Chain Climate and Supplier Engagement following the publication of last year's Supply Chain Climate Transparency Index (SCTI), which assessed brands' carbon disclosure and reduction actions, IPE has decided to integrate these indicators into the full Corporate Information Transparency Index (CITI) this year and evaluate the climate performance of over 350 brands.

3) IPE presented at the Dell-Cisco-Foxconn joint supplier conference in Shenzhen, sharing our understandings of the role of NGOs in environmental governance in China and particularly in partnership with international brands.

4) IPE participated in the Conference of the Parties to the Basel, Rotterdam and Stockholm Conventions (BRS COPs) Asia and Pacific regional meeting as an NGO observer.

POLICY UPDATES & RESOURCES

Policy Updates

- MEE announcement on banning persistent organic pollutants (POPs) lindane and endosulfan, and restricting the use of PFOA and similar substance PFOS (Chinese) – Jointly issued by the Ministry of Ecology and Environment (MEE) and 10 other ministries on March 11, 2019; went into effect on March 26, 2019. The decision is intended to improve China's compliance with the Stockholm Convention.
Regulations on Emergency Response to Work Safety Accidents (Chinese) – A State Council decree signed by Premier Li Keqiang; came into force on April 1, 2019.

Policy Resources

- Environmental Protection Tax Law of the P.R.C. (English)
Soil Pollution Action Plan ("Soil Ten") (Unofficial English translation)
Amendments to China's Air Law (passed in August 2015) (English translation)
Water 10 Action Plan (issued in April 2015) (English translation)
Made in China 2025 (policy summary)
EU-China Environmental Governance Project Policy Resource Center (Bilingual)
China Hazardous Chemicals Management Policy Resource Center (Bilingual)
China Law Translate (crowd-sourced English translations of Chinese laws)

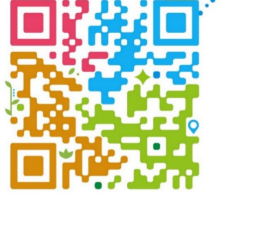
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