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BP REINFORCES ITS COMMITMENT TO CHINA

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BP announced today during a ceremony in the Great Hall of People in Beijing that it had signed a series of agreements to enhance its commitment to China. These agreements involve strategic integration and commercialisation of clean coal conversion technologies, wind power generation and world-class acetic acid production.

The British Prime Minister, the Rt. Hon. Gordon Brown and the Chinese Premier Wen Jiabao, as well as officials from both British and Chinese governments, witnessed the signing.

"BP's total investment in China has exceeded US\$4 billion since our arrival some three decades ago," said Dr Gary Dirks, BP president of Asia Pacific and China, at the signing ceremony. "Our commercial and social investments serve a clear purpose, which is to provide quality products and materials to help Chinese consumers improve their quality of life and protect the well-being of the environment. I am pleased that BP is continuing to take steps in delivering this commitment."

Clean Energy Commercialisation Centre

BP and the China Academy of Sciences (CAS) signed an agreement to undertake a feasibility study into a proposed Clean Energy Commercialisation Centre (CECC) joint venture. This represents a major step forward following the signing of a Memorandum of Understanding in Shanghai last August.

Under the agreement, CECC is intended to integrate individual clean energy related technologies - coal gasification, coal to liquids, coal to chemical, carbon capture and storage, coal bed methane and underground gasification - from CAS institutes and other organizations both within and outside the PRC, into competitive integrated feedstock manufacturing and product distribution systems and solutions such as polygeneration complexes. The CECC would also serve as an international platform to foster collaboration among research institutes, enterprises and other institutions to improve indigenous Chinese innovation capabilities and market applications in areas such as clean coal conversion, zero emission and carbon capture and storage. BP and CAS have also agreed that the CECC would act as a cooperation platform between the two parties in order to support the development of the Sino-UK clean coal conversion related near zero emission initiative, including technology development and demonstration projects.

BP and CAS believe that the commercialisation of clean coal conversion and other clean energy conversion technologies will make an important contribution to China's future energy security whilst also helping to reduce CO2 emissions and address China's future energy security and

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environmental sustainability issues. A full time working team drawn from both BP and CAS has been established to progress the feasibility study and the joint venture contract, with the aim of establishing the CECC joint venture by the end of 2008.

Wind Power

BP signed a framework agreement with Beijing Tianrun New Energy Investment Co., a subsidiary of Goldwind Science and Technology Co., Ltd., with the intention of jointly investing, constructing, and operating three 49.5 megawatt wind power plants near Bayan Obo in Inner Mongolia. The two parties have also agreed to explore further wind power investment opportunities in other areas of Inner Mongolia.

Acetic Acid

BP and Sinopec signed a Memorandum of Understanding to add a new 650,000 tonnes acetic acid plant at their YARACO joint Venture in Chongqing, upstream Yangtze River, Southwest China. This marks another major milestone in strengthening the existing partnership in acetic acid production and follows on from the successful investment in Yangtze River Acetyls Company (YARACO) in Chongqing, and in the BP Yangtze Petrochemicals Acetyls Company (BYACO) in Nanjing.

This world-scale acetic acid plant, using BP's leading Cativa® technology, would have an annual capacity of 650,000 tonnes. The plant is estimated to be on stream in 2011, when the total production at the YARACO site will be well over one million tonnes per annum, making it one of the largest acetic acid production locations in China.

Notes to Editors:

- BP is one of the world's largest oil, gas and petrochemical companies with operations in over 100 countries, employing a workforce of around 96,000. The company provides fuels for transportation, energy for heat and light, retail services and petrochemical products for everyday items. BP's upstream activities include oil and gas exploration and production, together with the management of crude oil and natural gas pipelines, processing and export terminals. BP's downstream operations include oil refineries, petrol stations, lubricants, business marketing and chemicals (Aromatics & Acetyls). BP Alternative Energy, which was launched in 2005, consolidates all of BP's low-carbon activities such as solar, wind, biofuels and carbon capture and storage. The purpose of BP business is to provide products that satisfy human needs, fuel progress and economic growth and to maintain and invest in a sustainable environment. BP's current market capitalisation is over \$200 billion, ranking No.4 on the 2007 list of Fortune Global 500 Enterprises. Further information about BP can be found on www.bp.com.
- BP has been operating in China since the early 1970s and has invested over \$4.3 billion in commercial projects. Its activities in China include the production and importation of natural gas, supply of aviation fuel, import and marketing of LPG, fuels retailing, lubricants blending and sales, petrochemical manufacturing and solar electric facilities. As one of China's largest foreign investors, BP has more than 30 joint ventures and wholly owned companies and about 4,000 staff. Further information about BP China is available on www.bp.com.cn.
- In November 2001, BP established the "Clean Energy: Facing the Future" programme in China with the Chinese Academy of Sciences. BP has agreed to invest US\$30 million over a thirty-year period to fund research in clean energy technologies. The programme aims to develop and prove new clean energy options for China and the rest of the world. The programme includes several projects at CAS's Dalian Institute of Chemical Physics and Shenyang Institute of Metals Research.
- BP and the Chinese Academy of Sciences (CAS) signed a Memorandum of Understanding (MoU) on August 1, 2007, announcing their intent to establish the Clean Energy

Commercialisation Centre (CECC). In December 2007, a joint working group was set up to push forward this ambitious project, under the guidance of a newly-established joint steering commission.

- Acetic acid is an important organic chemical raw material, widely used in industries such as chemical engineering, light & textile, medicine, pesticide and dye. In 1995, BP and Sinopec jointly established Yangtze River Acetyls Company (YARACO) at Southwestern Chongqing Municipality. Since then, YARACO has been expanded twice to bring its initial acetic acid capacity from 150, 000 tonnes to 350, 000 tonnes a year, and also to include an 80,000 tonnes a year esters plant.
- BP is the top acetic acid producer in the world and 80 per cent of the world's acetic acid facilities incorporate BP's leading patented Cativa® catalyst technology, characterised by low energy consumption and high conversion efficiency. Compared with traditional methanol production technology, Cativa® can reduce energy consumption by 30 per cent and reduce greenhouse gas emission by 33 per cent.
- BP Alternative Energy, formed in 2005, brings together all BP's interests in zero and low-carbon power - BP Solar, the company's photovoltaic business; wind power generation; biofuels and hydrogen power, which combines fossil fuel power generation with carbon capture and storage to provide extremely low carbon power. For more information about BP Alternative Energy, please visit www.bpalternativeenergy.com.
- BP and China Xinjiang SunOasis Co., Ltd jointly built a solar power joint venture in Xi'an in 2005, to tap the growing Chinese solar energy market and provide clean and sustainable power for China's booming economic growth. BP has constructed the largest grid-connected solar power project in Asia in the Shenzhen International Horticultural Expo Park, south China's Guangdong province. Another solar power demonstration project, the Solar Sail, is being set up by BP Solar at Guangdong Science Centre and is expected to cut at least 45 tonnes of CO2 emissions every year.

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