China is expected to formally publish its overarching 14th Five-Year Plan in March or April this year. The Five-Year Plan for Energy is likely to come out later in 2021 or possibly early in 2022. This energy plan will have to address President Xi’s pledge to strive for carbon neutrality by 2060. As the policy makers draft the energy plan they will face a number of tensions between different objectives, especially between the energy sector and other sectors. Whilst such tensions may be evident from the text of the overarching Five-Year Plan, how the trade-offs will be managed will only revealed, if at all, in the sector Plans.

This webinar will examine the tension between the government’s various priorities, both within the energy sector and between energy and other sectors. Two components of China’s current energy policy threaten to undermine the more progressive agenda. The push for greater self-sufficiency in energy supply and the continued dominance of the SOEs in the energy sector lie in apparent contradiction with the promotion of market forces and the environmental objectives. Tensions also exist between elements of energy policy and both industrial policy and foreign policy. It is possible that these tensions will be neatly resolved by the upcoming Five-Year Plans, both the overarching Plan and the one for energy, but past practice suggests that this will not be the case.

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