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Queensland clean technologies exports

Green building opportunities: China

Market trends – green building in China

- A key market for Queensland's 'green building' exports is China – one of the world's largest and fastest-growing construction markets¹.
- The World Bank estimates that by 2015 half of the world's building construction will take place in China.
- Considerable importance has been given to green building in China's 11th Five-year Plan (2006–2010) and China's medium- and long-term plan for science and technology development.
- Reducing building-related energy consumption, which continues to grow at a rapid rate and currently accounts for 30 per cent of China's total energy use, is a priority for the Chinese Government.
- The Chinese Government seeks to cut building energy use in all cities by 50 per cent by 2010 and 65 per cent by 2020.
- According to the Chinese Central Government, approximately A\$500B will be invested in energy efficiency projects by 2010. This is in addition to the Chinese Government's investment of hundreds of billions of dollars in infrastructure construction and peoples' livelihood improvement – a significant portion of which will be used in green building development.

**[Within the next 20 years]
China will build 40 billion square metres of floor space in 5 million buildings... 50 000 of these buildings could be skyscrapers, equivalent to constructing 10 New York Cities.**

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Opportunities for Queensland exporters

- These trends suggest significant and growing market opportunities for green building in China.
- Queensland's green building sector has a large concentration of existing and potential Queensland clean technologies exporters.
- Trade Queensland has identified significant opportunities for Queensland green building exporters in the:
 - › Yangtse River Delta
 - › Pearl River Delta
 - › Cheng Yu Economic Zone, and
 - › Pan Bohai Region.
- Opportunities in China for Queensland green building services exporters include:
 - › niche architecture and design
 - › urban planning
 - › engineering and energy efficiency consultancies.³
- There is also significant demand in China for Queensland green building products including:
 - › high-efficiency heating, ventilation and air conditioning (HVAC) systems
 - › low-emissive window and day lighting technologies
 - › water saving and storage systems
 - › recyclable and bio-degradable materials
 - › innovative building products of advanced technologies, and
 - › customised energy saving solutions.

Market challenges

- The Chinese green building market is becoming increasingly competitive. Local Chinese companies are quickly catching up to international competitors in many areas and stronger competition for cost effective solutions is expected in the future.
- Chinese green building standards are still developing, while international green building standards are not generally recognised in the Chinese market.
- Suppliers of building materials are, however, required to meet both Chinese national and regional building material standards. Importation of building materials generally involves some independent testing by Chinese authorities to determine compliance with the relevant regulations.
- It is important that Queensland firms consider the following when exporting to China:
 - › research the opportunities and potential competition in the Chinese marketplace
 - › the purchasing process for their products or services
 - › ways to mitigate payment and foreign exchange risks, and
 - › intellectual property protection, use of distributors, connecting with Chinese projects and partnering with local companies and/or setting up representative offices or companies in China as part of a market entry strategy.

For more information

For more information about green building market trends and opportunities for Queensland exporters, please contact Trade Strategy on +61 7 3224 4230 or tradesstrategy@trade.qld.gov.au

Interested companies can also visit export.qld.gov.au

Coming soon

Issue 1 – Green building opportunities: USA

Issue 3 – Green building opportunities: the Gulf States

Issue 4 – Green building opportunities: India

Issue 5 – Green building opportunities: Singapore

Issue 6 – Green building opportunities: global demand

By 2025, 221 Chinese cities will have more than one million people living in them – Europe has 35 today.

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Selected references

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Preparing for China's Urban Billion, McKinsey Global Institute, March 2009.

Smart Market Report: Global Green Building Trends, McGraw Hill Construction, 2008.

"*The future of green building in China*", ClimateChangeCorp: Climate News for Business, March 2009.

"green building" includes (but not limited to): green design and sustainable urban design and engineering consultancies; energy, insulation, air-conditioning and water efficiency equipment and products; building monitoring and management systems; facility/building management; and other environmentally friendly building products and services that help score points under the various 'green building' rating schemes (e.g. retro-fitting existing buildings).

² This includes: retrofitting 25% of existing public and residential buildings to make them greener by 2020; using solar and other renewable energy sources to power 80 million square metres of building space by 2010; replacing heating systems in 150 million square metres of residential buildings in North China; and hundreds of other green building projects.

³ This is based on findings by Trade Queensland's China Offices as well as separate research by the Australian Trade Commission on demand in China for Australian green building products and services.

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