

Law of the People's Republic of China on the Promotion of Clean Production

(Approved by the Standing Committee of the National People's Congress (NPC) of the People's Republic of China in the 28th Session on June 29, 2002)

CHAPTER I GENERAL PROVISIONS

Article 1 This Law is enacted in order to promote cleaner production, increase the efficiency of the utilization rate of resources, reduce and avoid the generation of pollutants, protect and improve environments, ensure the health of human beings and promote the sustainable development of the economy and society.

Article 2 Cleaner production as used in this Law means the continuous application of measures for design improvement, utilization of clean energy and raw materials, the implementation of advanced processes, technologies and equipment, improvement of management and comprehensive utilization of resources to reduce pollution at source, enhance the rates of resource utilization efficiency, reduce or avoid pollution generation and discharge in the course of production, provision of services and product use, so as to decrease harm to the health of human beings and the environment.

Article 3 Within the territory of the People's Republic of China, any units or individuals engaged in activities relating to production or provision of services and their corresponding management agencies must organize and implement systems for cleaner production in accordance with the provisions therefor contained in this Law.

Article 4 The nation is committed to encouraging and promoting cleaner production. The State Council and the local people's governments at or above county level must infuse cleaner production into plans and programs for national economic and social development, as well as environmental protection, resources utilization, industrial development and regional development.

Article 5 The state departments for economics and trade subject to the authority of the State Council shall bear the responsibility for undertaking the work of organizing and coordinating the promotion of cleaner production throughout the nation.

The relevant administrative departments responsible for environmental protection, planning, science and technology, agriculture, construction, water conservation, and quality and technological supervision under the State Council shall assume the responsibility for promoting cleaner production in accordance with and pursuant to their respective functions and responsibilities.

The local people's governments at or above county level shall be responsible for taking the initiative to promote cleaner production in the areas under their administration. The relevant departments responsible for economics and trade under the local people's governments at or above county level shall bear the responsibility for organizing and coordinating cleaner production in the areas under their administration. The relevant administrative departments responsible for environment protection, planning, science and technology, agriculture, construction, water conservation and quality and technology supervision under the local people's governments at or above county level shall be responsible for promoting cleaner production in accordance with and pursuant to their respective functions and responsibilities.

Article 6 It is the policy of the nation to encourage scientific research, technical development and international cooperation to develop cleaner production, and to organize the dissemination of information with respect to and to popularize cleaner production and extend the range of cleaner production technologies.

The nation is committed to encouraging social groups and citizens to participate in the dissemination of public awareness with respect to cleaner production through education, popularization, implementation and supervision.

CHAPTER II REALIZATION OF CLEANER PRODUCTION

Article 7 The State Council shall formulate fiscal and tax policies conducive to the implementation of cleaner production.

The State Council and other relevant administrative departments having corresponding responsibility and the people's governments of provinces, autonomous regions and municipalities directly under the central government shall formulate and implement beneficial industrial development policies and technological development and popularization policies and undertake supervision and management measures conducive to the implementation of cleaner production.

Article 8 The above departments responsible for economics and trade under the people's governments at or above county level shall formulate plans for the popularization of cleaner production jointly with relevant departments responsible for environmental protection, planning, science and technology, agriculture, construction and water conservation.

Article 9 The local people's governments at or above county level shall formulate plans rationally for regional economic blueprints and readjust industrial structures to enhance adherence to a recycling economy and promote active enterprise cooperation in the comprehensive utilization of resources and waste products, thus ensuring high-efficiency utilization and recycling of resources.

Article 10 The relevant administrative departments having responsibility for economics and trade, environmental protection, planning, science and technology and agricultural in the State Council and the people's governments of the provinces, autonomous regions and the municipalities directly under the central government shall exert their organizational efforts and provide support for the establishment of cleaner production information systems and technical consulting and services system to provide the public with information with respect to methodologies and technologies relating to cleaner production, and information and services relating to supply and demand for renewable and recyclable waste products and cleaner production policies.

Article 11 The relevant departments for economics and trade under the State Council, together with related departments having coordinate responsibility, shall periodically release guidance catalogues on cleaner production technologies, processes, equipment and products.

The relevant administrative departments responsible for economics and trade, environmental protection, planning, science and technology, agriculture and construction in the State Council and the provincial people's governments, autonomous regions and municipalities directly under the central government shall organize the compilation of industry- or region-specific cleaner production guidelines or technical manuals illustrating methods for the implementation of cleaner production.

Article 12 The nation shall implement a time-limited system for the elimination of obsolete or obsolescent production technologies, processes, equipment and products gravely hazardous to environments and wasteful of resources. The relevant departments for economic and trade under the State Council shall issue a directory of production technologies, processes and equipment and products to be eliminated within the time limit, jointly with other relevant administrative departments

in the State Council.

Article 13 The responsible administrative departments under the State Council may approve the establishment of a product labeling system in accordance with need in the fields of environmental and resource protection such as energy conservation, water conservation, waste reuse and recycling, and devise the relevant standards according to the national requirements.

Article 14 The relevant administrative departments responsible for science and technology and other relevant administrative departments under the people's governments at or above county level shall guide and support research into and development of cleaner production technologies and products beneficial to protection of the environment and resources, as well as demonstrating and popularizing cleaner production technologies.

Article 15 The relevant administrative departments responsible for education under the State Council shall integrate relevant courses of study on cleaner production technologies and management into higher education, professional education and technical training programs.

The relevant administrative departments under the people's governments at or above county level having responsibility in this area shall organize to engage in the dissemination of information and training relative to cleaner production, in order to raise the level of awareness regarding cleaner production among government officials, enterprise managers and the public and provide training in cleaner production to management and technical personnel.

News publishers, TV and film broadcasters, and units engaged in the dissemination of cultural content and related social organizations shall avail themselves of their respective advantageous positions to disseminate information regarding cleaner production.

Article 16 Governments at all levels shall give priority to purchase products conducive to energy and water conservation, waste reuse, environmental protection and resource conservation.

Governments at all levels shall engage in the measures of publicity, education or training to encourage the public to purchase and use products conducive to energy and water conservation, waste reuse, environmental protection and resource conservation.

Article 17 The relevant departments responsible for environmental protection in the people's

governments of the various provinces, autonomous regions and municipalities directly under the central government shall enhance their supervision of the process of implementation of cleaner production. In accordance with their needs of promoting cleaner production, these governments may publish a list of the names of heavily-polluting enterprises in local primary media based on the pollution discharge conditions of such enterprises, where the pollutants discharged exceed the standards or the total volume of pollutants exceeds regulatory limits, in order to provide the public with a basis for policing enterprise implementation of cleaner production.

CHAPTER III IMPLEMENTATION OF CLEANER PRODUCTION

Article 18 New construction, construction renovation and expansion projects shall conduct environmental impact assessments with respect to analysis and assessment of use of raw materials, resource consumption, comprehensive utilization of resources, as well as generation of pollutants and their treatment; shall accord priority to adopting cleaner production technologies, processes and equipment, which maximize the resource utilization rate and generate few pollutants.

Article 19 Enterprises in the course of technological upgrades shall adopt the following cleaner production measures:

Adopting toxin-free, non-hazardous or low-toxin and low-harm raw materials to replace toxic and hazardous raw materials;

Adopting processes and equipment with high resource utilization rates and little pollutant-generation to replace processes and equipment with high resource consumption and significant generation of pollutants;

Comprehensive use or recycling of materials such as waste products, waste water and heat generated from production procedures.

Adopting pollution prevention and control technologies sufficient to permit the enterprises to comply with national or local pollution discharge standards and total volume control quotas for pollutants.

Article 20 When products and packaging are designed, their influences on mankind and natural environments during their life-cycle must be considered and priority accorded to selecting toxin-free, non-hazardous, easily degraded and easily recycled options.

Enterprises should package the products in a reasonable manner to reduce the overuse of packaging materials and reduce the generation of packaging wastes.

Article 21 Any enterprise producing large-sized electromechanical equipment, motor-driven transport apparatuses, and other any products designated accordingly by the relevant departments for economic and trade under the State Council shall place the standard label listing material composition on a main structural component of the product in accordance with the technical specifications therefor devised by the relevant administrative department responsible for such standardization under the State Council or its duly authorized organizations.

Article 22 Agricultural producers shall use chemical fertilizers, pesticides, agricultural films and feed additive compounds in accordance with scientific principles, improve planting and breeding techniques so as to bring about high-quality, non-hazardous agricultural products and generate resources from wastes from agricultural production and prevent and control agricultural environmental pollution.

The use of toxic or hazardous wastes as fertilizer or as fill to build up fields is prohibited.

Article 23 Enterprises purveying services, such as restaurants, places of entertainment, hotels, etc., shall adopt measures for energy and water conservation and other environmentally-friendly technologies and equipment and reduce or avoid the use and consumption of goods which waste resources and pollute the environment.

Article 24 Construction projects shall adopt the design options, construction and decoration materials, construction structures, fixtures and equipment resulting in energy and water conservation and other environmentally-friendly and resource-conserving construction planning options.

Construction or decoration materials must comply with national standards therefor. The production, sale and utilization of any construction or decoration materials containing toxic or hazardous content exceeding national standards therefor is prohibited.

Article 25 Mining exploration and exploitation activities shall adopt methods and technologies geared towards reasonable utilization of resources, environmental protection and pollution control and prevention, to increase the utilization level of resources.

Article 26 To the extent economically and technically feasible, enterprises shall recover and utilize their own wastes or wasted heat generated from the processes of production and/or provision of services or transfer these wastes to other enterprises or persons with the ability to do so.

Article 27 If any product or package is listed in the compulsory recycling directory, enterprises engaged in their production or sale shall recycle the discarded product or used packaging. The relevant department for economics and trade under the State Council will formulate the compulsory recycling directory of products and packages and its detailed methods for recycling.

The state will devise economic measures favorable to recycling and utilization of the products and packages listed in the compulsory recycling directory; the relevant departments for economics and trade under the local people's governments at or above county level shall periodically monitor the implementation conditions of the compulsory recycling products and packages, and make timely reports to the public regarding the results of such monitoring. The relevant departments for economic and trade under the State Council shall formulate concrete methodologies to effectuate these objectives.

Article 28 Enterprises shall monitor resource consumption and generation of wastes during the course of production and provision of services, and conduct cleaner production audits with respect to production and service procedures according to need.

Enterprises that exceed the national or local discharging standards or exceed the total volume control targets for pollutants set by the relevant local people's governments shall conduct cleaner production audits.

Any enterprise using toxic and hazardous materials in production or discharging toxic and hazardous substances shall periodically conduct cleaner production audits, and report the audit results to the relevant administrative departments for environmental protection and the relevant departments for economic and trade under the local people's government at or above county level.

The administrative procedures for conducting cleaner production audits shall be formulated by the relevant departments for economic and trade under the State Council jointly with the relevant administrative department for environmental protection under the State Council.

Article 29 After an enterprise attains a national or local discharge threshold standard, the enterprise may enter into a voluntary agreement or agreements for further resource conservation and pollution discharge reduction with the relevant local administrative departments responsible for economics and trade, and the relevant administrative department responsible for environmental protection. The relevant local administrative departments for economics and trade, and the relevant administrative departments for environmental protection shall publicize the name of the enterprise and the results of its resource conservation and pollution control and prevention in the primary local media.

Article 30 Enterprises may voluntarily submit applications for certification to state-authorized certification organizations, in accordance with the regulations promulgated pursuant to the national environmental management certification system, to qualify under the environmental management certification system standards as having improved the cleaner production tableau.

Article 31 In accordance with the provisions of Article 17 of this Law, enterprises appearing on the list of names of enterprising generating significant pollution, in accordance with regulations promulgated by relevant departments responsible for environmental protection under the State Council, must periodically publicly publish the status of their discharge of their major pollutants, and submit to public supervision.

CHAPTER IV INDUCEMENT MEASURES

Article 32 The Nation establishes a system of commendation and reward for cleaner production. The people's governments shall give commendations and rewards to those units and individuals that have made conspicuous achievements in the work of realizing cleaner production.

Article 33 With respect to conducting cleaner production research, demonstration projects and training, implementing key national cleaner production technological innovation projects and implementing individual technological innovation projects listed in the voluntary pollutant reduction agreements entered into per the provisions of Article 29 of this Law, the above activities and projects shall fall within the scope of the support parameters of the Special Technological Development Funds set aside by the fiscal management departments of the State Council and its coordinate local people's governments at or above county level.

Article 34 Funding from the Small- and Medium-Sized Enterprise Development Fund established in accordance with national regulations shall be set aside to support cleaner production for small- and

medium-sized enterprises in accordance with their needs.

Article 35 With respect to products produced from wastes and materials reclaimed from wastes, the taxation authorities shall reduce or exempt these from Value-Added Tax in accordance with relevant national regulations.

Article 36 Expenses incurred for cleaner production auditing and training may be booked as enterprise operating costs.

CHAPTER V LEGAL LIABILITY

Article 37 If any enterprise or individual violates the provisions contained in Article 21 of this Law or fails to affix a label stating the material composition, or fails to provide such information truthfully and accurately, the relevant departments responsible for quality and technological supervision under the people's government at or above county level shall order such party to make rectification within a specified time limit and may further impose a fine in an amount not to exceed RMB 50,000 yuan.

Article 38 If any enterprise or individual violates the provisions contained in the second paragraph of Article 24 of this Law by producing or selling toxic or hazardous construction and decoration materials whose toxicity or degree of hazard exceeds the national standards therefor, such enterprise or individual shall be prosecuted in accordance with the corresponding respective administrative law, civil law or criminal law.

Article 39 If any enterprise or individual violates the provisions contained in the first paragraph of Article 27 of this Law, and fails to discharge the product or package recycling obligations corresponding thereto, the relevant departments responsible for economics and trade under the people's government at or above county level shall order such party to make rectification within a specified time limit, and may further impose a fine in an amount not to exceed RMB 100,000 yuan if the party fails to make rectification.

Article 40 If any enterprise or individual violates the provisions of the third paragraph contained in Article 28 of this Law, fails to implement cleaner production auditing, or has conducted cleaner production auditing but fails to accurately report the results thereof, the relevant departments responsible for environmental protection under the people's government at or above county level shall order such party to make rectification within a specified time limit, and may further impose a

fine in an amount not to exceed RMB 100,000 yuan if the party fails to make rectification.

Article 41 If any enterprise or individual violates the provisions contained in Article 31 of this Law, or fails to publicly publish, or fails to publicly publish in accordance with the requirements therein its pollutant discharge information, the relevant departments responsible for environmental protection under the people's government at or above county level shall publish the subject information relative to the circumstances of such party's pollutant discharge, and may further impose a fine in an amount not to exceed RMB 100,000 yuan.

CHAPTER VI SUPPLEMENTARY ARTICLES

Article 42 This law shall come into effect as of January 1, 2003.

(This English version is for your reference only. In case any discrepancy exists between the Chinese and English context, the Chinese version shall prevail.)