
Report No.	HIAS-E-46
Title	GROWTH, UPGRADING AND EXCESS COST IN CHINA'S ELECTRIC POWER SECTOR
Author(s)	Tomas G. Rawski ^{(a),(b)}
Affiliation	<p>(a) University of Pittsburgh</p> <p>(b) Hitotsubashi Institute for Advanced Study, Hitotsubashi University</p>
Issued Date	July 2017
Abstract	<p>China's electricity industry has recorded immense achievements in many areas: growth, technical upgrading and innovation, improved reliability, and universal service. This record of excellence coexists with massive inefficiency. Despite China's multiple cost advantages, the unit cost of producing, transmitting and delivering electricity is at least 30 percent higher in China than in the United States. Latent potential for cost reduction clusters in coal-fired generation that supplies about two-thirds of total output. New reforms that deepen the influence of market forces will strengthen financial pressures and thus increase the likelihood of achieving potential cost reductions, perhaps increasing the output and share of coal-fired thermal plants.</p>
Keywords	China; electricity; reform; upgrading; coverage; cost; inefficiency
JEL	L2, L6, O14, O25, O32
