

**CHINA'S WATER MANAGEMENT:
POLICIES, REGIONAL/
INTERNATIONAL INITIATIVES
AND POLITICAL ISSUES**

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EAI Background Brief No. 1583

Executive Summary

1. About 70% of China's rivers and lakes are polluted, rendering more than 25% of China's surface water unsuitable for use as potable water. China has only one-fifth of the world's average water availability, a reason for the frequent shortage; its water use is still mainly for agriculture, while pollution is aggravating the scarcity.
2. China holds six per cent of global freshwater resources with availability per capita at 25% of world average; much water is wasted in low value agriculture to meet the needs of approximately 200 million small farmers (with average farm size of 0.60 hectares per household).
3. Since taking office, Chinese President Xi Jinping has paid strong attention to water infrastructure development, noting in 2014 that the significance of strategic infrastructure was to "optimize water resources, boost sustainable economic and social development, and improve people's livelihoods".
4. In September 2019, Xi urged optimal utilisation of water resources in the Yellow River through rational balancing between agricultural and industrial use to strongly eliminate resource wastage. Many Chinese river basins (e.g. Yellow River basin) have integrated basin-sized water resources allocation system to manage sub-regional and sectoral water consumption needs.
5. In 2015, the Xi administration started the Water Pollution Prevention and Control Action Plan to set up water quality targets for 2030, stimulating massive clean-up campaigns with US\$100.2 billion invested in almost 8,000 water projects.
6. To combat the shortage of water, central and local authorities funded thousands of billions of renminbi to upgrade wastewater treatment plants and adopted pollution mitigation measures to improve the aquatic environment and manage sub-basins with inferior water quality levels. Ground water is also utilised for community distribution.

7. Despite overall water scarcity in China, the country has flooding problems. Floods typically occur in rainy summer months, disrupting transportation services and logistics. To prevent floods and harness some of these rivers' powerful currents for profitable electricity generation, China started numerous dam projects.
8. A 2019 record drought disaster saw Mekong water levels plunge to their lowest in over a century due to climate change. However, some experts attributed it to China's 11 hydro dams in the Mekong upper stream, a claim which China categorically denied as reducing water supply to millions in downstream Mekong.
9. According to Chinese state-owned media in end-October 2020, China initiated an information-sharing platform and officially started sharing year-round hydrological data collected from the upper reaches of the Mekong River (known as Lancang in China) in downstream countries
10. Critics, however, accused China of setting up Lancang-Mekong Cooperation (LMC) as a separate organisation under its leadership to dominate the region. LMC's rivalry with US-backed Lower Mekong Initiative and Mekong River Commission has the potential of opening up a second geopolitical front in Southeast Asia in addition to the South China Sea disputes.