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## State Grid starts RMB2.7 billion emergency purchasing plan

China State Grid Corporation (State Grid) will increase investment in construction of national power grids in the coming two year, and plans to expand the investment scale to RMB1.16 trillion in three years, according to sources with the State Grid.

Of the RMB1.16 trillion investment plan, RMB240 billion will be used in trans-national and -regional grid linking projects, and RMB310 billion in power transmission from large hydropower, coal-fueled power and wind energy plants, RMB300 billion in city grid transformation, RMB250 billion in rural grid construction, and RMB20 billion in anti-disaster capacity, and RMB40 billion in hydropower construction.

According to statistics, the State Grid invested RMB189.3 billion in grid construction in 2006 and RMB225.4 billion in 2007, which is expected to reach RMB252 billion in 2008. The more than RMB1 trillion investment plan requires the State Grid to add more than RMB100 billion of investment annually in the coming 2-3 years. For fund sources, the State Grid said it would get financial support from state investment and loans.

At the same time, the State Grid has recently launched a huge emergency purchasing plan involving more than RMB2.7 billion for 2008 to enhance the infrastructure construction in China and boost domestic demand with investment of RMB2.727 billion. Of this, RMB1.4 billion will be earmarked for urban grid construction and renovation in central and western China, and RMB1.327 billion for the rural grids in central and western parts.

The investment scale for the urban power grid, and rural power grid construction and transformation and relevant construction volume in central and western parts for 2008 has been fixed. The specific construction plan includes construction and renovation of 2,072 kilometres of 220 kv transmission line with 10.02 million kva substation capacity, 1,708 kilometres of 110 kv transmission line with 4.7055 kva substation capacity, 36 kilometres of 35 kv transmission line, 1,877 kilometres of 10 kv transmission line with 958,600 kva distribution capacity and 297 kilometres of 0.4 kv transmission line.

Currently, the State Grid is stepping up verification of the equipment and materials list, and organising the purchases in accordance with the plan so as to ensure payment to manufacturing enterprises in a short period of time from the central investment.

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