



Feature No. 26: Beijing Shenwu Thermal Energy Technology Co.

As China continues to experience growth of about 8 percent GDP per year, the country must increasingly face challenges that threaten to undermine its future economic success including high dependence on external energy sources and rising costs associated with environmental damage. In order to continue generating high levels of productivity in the long-term, industrial manufacturers are seeking out energy-efficient technologies and processes. Dr. Wu Dao Hong founded Beijing Shenwu Thermal Energy Technology Co. in 1999 to tap into this new demand by offering solutions for some of the country's most important but also most wasteful sectors.



Beijing Shenwu manufactures equipment that reduces industrial fossil fuel consumption and carbon emissions while generating major energy and cost savings for its clients in the steel, petroleum, chemical and other sectors. The company utilizes a proprietary patented combustion technology that the World Bank has recognized as one of world's best energy saving solutions. Shenwu's products, based on high temperature air combustion (HTAC) and other technologies, reduce energy consumption by 30 to 60 percent while increasing output by 10 percent - a competitive edge that has generated over \$50 million per year in

revenues for the company. The technology also reduces carbon emissions by 30 percent, ensuring the company's long-term viability in a carbon constrained economy. Shenwu was the first Chinese enterprise to join the Chicago Climate Exchange and this year alone, will eliminate 6 million tons of CO2 emissions from 170 separate installations. Dr. Wu plans to maintain his enterprise's leadership in energy efficiency by doubling its carbon savings to 12 million tons within the next two years.

The company's forward-thinking approach and strong emphasis on research and development have made it a leader in combustion technology: Shenwu has captured 60 percent of the Chinese market for industrial furnaces using HTAC technologies and seeks investment to continue expansion in the broader thermal energy market. The company currently holds twelve patents that have earned accolades from Chinese governmental organizations and helped Shenwu to double its market share every year since its founding. With its innovative business model, this enterprise of 240 employees has made a profound impact on Chinese industry and led a new competitive drive for low emissions technology in the world's second largest economy.

For more information about Beijing Shenwu, visit <http://www.shenwu.com.cn/en/index.htm> or see the company's profile at www.new-ventures.org.

Written by Derek Newberry for the World Resources Institute ©2006 - The Rising Ventures Series features innovative small and medium businesses (SMEs) in emerging markets that deliver social and/or environmental benefits. These businesses have been identified through the New Ventures (www.new-ventures.org) and Development through Enterprise (www.nextbillion.net) projects. To view other Features in the Series, visit <http://www.new-ventures.org/risingventures>.