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China

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Political front

- Simplified protocol for Chinese leaders' overseas visits garners applause (14th April)

Simplified protocol organized by Chinese embassies or consulates for Chinese leaders' overseas visits was first applied to President Hu Jintao's arrival in Washington on Monday. The latest reform of ceremonies has been praised as it is economic, efficient, practical and down-to-earth.

Once the news was reported, it was widely disseminated by Chinese media and topped Monday's news lists of major Chinese websites.

Many overseas Chinese said although it is a pity they could no longer take part in welcoming and seeing-off ceremonies at airports, they fully understand the central leadership's decision.

In the past, whenever hearing news about Chinese leaders' visits, overseas Chinese in destination countries would contact Chinese embassies or consulates for places in welcoming and seeing-off crowds. They were motivated by patriotism and esteem for their leaders. Thus, securing a place in the crowd would instill a feeling of pride.

"It used to be our glory to have close contact with national leaders when they came for visits. We are deeply moved by the central leadership's concern for our time and energy and consideration of our efforts on traffic," said Fu Xuhai, president of an association of young Chinese in Belgium.

"I think the simplified protocol embodies realistic and pragmatic styles and the pioneering encouragement to blaze new trails," said Yang Hao, a Chinese businessman in Australia.

"We feel pity emotionally, but fully support the practical move rationally," said Luo Yuhong, chief editor of a newspaper catering to Chinese businesspeople in Belgium.

The simplification of welcoming and seeing-off arrangements would promote efficiency and reduce time and energy spent on organization, said Chen Xi, president of the association of Chinese scholars and students in Singapore.

"We understand and applaud the new arrangement, and we overseas students can express our passion for the homeland by other means," Chen said.

"It was a decision out of consideration and affection, and it sent warmth into our hearts," said Li Changzuo, vice president of a Chinese association in South Korea.

He Xiaohui, president of a Chinese association in Washington, said the simplification of protocol procedures has been an important act since the reform and opening-up policy was adopted -- it indicated that Chinese leaders' working styles are keeping pace with the times.

There was also a passionate response back in China. Liu Jiayang, an international affairs scholar from Tsinghua University, said that during past years, simplification has been the trend of China's protocol system reform, and the public was the starting point of the reform.

"Such actions showed our leaders' notion of putting people first and running the government for the benefit of the people," he said.

Zhou Jiali, a diplomatic protocol expert of China Foreign Affairs University, said the reform of China's protocol system was a case in point of how the leadership attaches importance to practical affairs and cares little about formalities.

"What it reflected on a deeper level was the working style, and its exemplary significance was much more profound than the protocol system reform itself," Zhou said.

Throughout the Internet world, Chinese netizens also voiced their opinions about President Hu's taking the lead in the latest protocol simplification reform. Some believed the reform of the central government set a good example for leading cadres of all levels. Others regarded the latest measure as a step in the process toward a more practical, open and progressive Chinese society.

Source: Xinhua

Foreign relations

- Chinese president offers condolences to Poland over plane crash (11th April)

President Hu Jintao on Saturday sent condolences to Polish parliamentary speaker Bronislaw Komorowski, who became acting president by law, over the death of Polish President Lech Kaczynski in a plane crash.

Hu said in the message that he was shocked and grieved to learn of the death of Kaczynski and his Polish state delegation in a plane crash in the Russian city of Smolensk.

"On behalf of the Chinese people and in my own name, I express my deep condolences to President Kaczynski and all other victims, as well as sincere sympathies to their families and the Polish people," Hu said.

Premier Wen Jiabao and Foreign Minister Yang Jiechi also sent their condolences to Polish Prime Minister Donald Tusk and Foreign Minister Radoslaw Sikorski over the plane crash.

A chartered plane carrying Kaczynski crashed in thick fog near the Smolensk airport in western Russia on Saturday, killing all 96 people on board the aircraft.

Source: Xinhua

- A familiar cycle for Sino-US relations (12th April) COLUMN

By

Li

Hong

Tensions between China and the United States have eased significantly in recent days, with the countries now working together on eradicating nuclear proliferation dangers, and with the Obama administration backing off a politically charged clash over China's currency.

Chinese believe that cooperation is always better than confrontation. As the past few months of unnerving tensions between Washington and Beijing have enlightened both that a strained relationship serves neither interest. It has resulted in lose-lose.

Typically, after President Barack Obama approved in late January selling Taiwan \$6.4 billion worth of missiles, helicopters and other weaponry, Beijing retaliated severing military and security dialogues with Washington and threatening to punish American companies involved in the deals. From then on, bilateral resonance on multilateral security talks, including Iran's nuclear program, also has ebbed.

Later, Obama's decision to meet the exiled Dalai Lama at the White House further alienated him with vast numbers of Chinese residents who used to be his acute well-wishers. It is by no accounts a sound calculation to invite the wrath of a 1.3 billion nation, whose rapidly growing economy has been the major bedrock to bolster an anemic recovery in America from a chilling crisis.

If history is any guide, governments are never too late to readjust foreign policies. In receiving China's new ambassador to the United States, President Obama spoke lavishly of China's attainments and highly of its international role, which is construed as a fending speech here. Beijing accepted the move as good-will. After an hour-long phone chat between President Obama and President Hu Jintao, Beijing announced that it was Hu himself who would make his presence at this week's 47-nation summit in Washington on global nuclear security, orchestrated by the Obama administration.

The two countries, and the whole world, have much at stake for the governments to establish normal and collaborative working relations. It is important for the policy-makers in Washington and Beijing to set aside the clichéd psychology of "friend or enemy" of each other, and distance them from proponents who are either China-bashers or America skeptics at their jurisdictions. As World Bank President Robert Zoellick has put it, theirs ought to be two "responsible stake-holders" relationship, or, two trenches of efforts towards building a better world system.

Now, both the United States and China have kept qualms about one another, and it is not abnormal as one sees the other challenge its decades-old dominance in world affairs. There are also people in China thinking America is deliberately obstructing its rise to a major political power. However, it is up to the two countries' top leadership to think of globally, of the future, and of true statesmanship, to nourish a spirit of cooperation and oppose hostility towards each other.

The two must eliminate the "zero-sum" game mindset, for drastically worsening relations between the two will lead the world to disarray, which could easily be taken advantage of by the unruly. After 30 years of rapid development, people in the West, including in America, have come to recognize that China cannot be "contained", on accounts that the people here are too hard-working while intelligent, and the country is now far too interwoven into the global system.

Some have pointed out that aligning the two countries' policies of economy and national security will prove to be the most constructive feat in the 21st century. But, it will take a time for Americans to accept it. Western media has struck the discordant line, by assembling and propagating Chinese "triumphalism" -- America has passed its crest and China will soon take the hype, and now "nationalism" and "mercantilism" -- using very competitive, or even predatory means, to grab wealth from American families.

In their descriptions, China looks like a different place from the previous scripted polite, harmony-seeking "Middle Kingdom" many Westerners have anticipated. Seldom anyone asks the truthfulness of those craved lexicons to vitriol China.

But, the media never fathom to the essence why, for most of the past 30 years, American Presidents arrived in office bashing China and left praising it? Were all of the leaders misjudging? Or is China truly a magic land?

<http://english.people.com.cn/90002/96743/6947870.html>

- Chinese president appoints new ambassadors (13th April)

Chinese President Hu Jintao has formally appointed five new ambassadors to foreign countries, according to a statement from the Standing Committee of the National People's Congress (NPC) on Tuesday.

Hu made the appointments in line with decisions made by the NPC Standing Committee.

Wang Leyou was appointed ambassador to Comoros, replacing Tao Weiguang.

Bu Jianguo was appointed ambassador to Laos, replacing Pan Guangxue.

Pan Guangxue was appointed ambassador to Cambodia, replacing Zhang Jinfeng.

Tian Changchun was appointed ambassador to Armenia, replacing Hong Jiuyin.

Zhang Xinsen was appointed ambassador to the Republic of Korea.

Source: Xinhua

- Hu presents 5-point proposal for boosting China-U.S. ties (13th April)

Chinese President Hu Jintao on Monday put forward a five-point proposal for improving China-U.S. relations in a meeting with his U.S. counterpart, Barack Obama.

The two sides should persistently stick to the right direction of bilateral ties, and take concrete moves to establish a partnership to jointly deal with common challenges, said Hu.

Second, China and the United States should respect each other's core interests and major concerns. This is key to the healthy and stable development of bilateral ties, he said.

The Taiwan and Tibet issues concern China's sovereignty and territorial integrity and its core interests. China hopes the United States would keep its promises and handle these issues with caution, so that further setbacks in China-U.S. ties could be averted.

Third, the two sides should keep exchanges at different levels, said Hu, adding that he is willing to keep close contact with Obama.

China and the United States should jointly push for positive results at the second round of China-U.S. strategic and economic dialogue, said Hu.

Fourth, the two countries should deepen practical cooperation. China would like to strengthen exchanges and cooperation with the United States in economics and trade, counter-terrorism, energy, environment, and law enforcement.

China is also willing to explore cooperation in civil aviation, high-speed train and infrastructure, said Hu.

China expects outstanding U.S. exhibitions at the upcoming Shanghai Expo and welcomes U.S. citizens to the event.

Fifth, China and the United States should strengthen communication and coordination on major international and regional issues. The two sides should continue to strengthen macroeconomic policy coordination, and their cooperation in the framework of the Group of 20.

Hu and Obama met on the sidelines of the Nuclear Security Summit slated for Monday and Tuesday.

Source: Xinhua

- Chinese premier to visit three southeast Asian nations (13th April)

Chinese Premier [Wen Jiabao](#) will pay an official visit to Brunei, Indonesia and Myanmar, announced Foreign Ministry spokeswoman Jiang Yu Tuesday.

Wen's trip from April 22 to 25, is at the invitations of the Sultan of Brunei Darussalam Hassanal Bolkiah, Indonesian President Susilo Bambang Yudhoyono and Myanmar Prime Minister Thein Sein.

During his stay in Brunei, Wen will hold talks with Brunei's Sultan Hassanal Bolkiah and meet with Brunei's royal family members. While in Indonesia, he will meet with President Yudhoyono and other leaders. In Myanmar, he will hold talks with Prime Minister Thein Sein and meet with Chairman of the State Peace and Development Council (SPDC) Than Shwe and other Myanmar leaders.

Jiang said that during the visit, Wen will exchange views with leaders of the three southeast Asian nations on bilateral relations, mutually beneficial cooperation as well as international and regional issues of common concern.

Wen will also attend celebrations marking the 60th anniversaries of the establishment of diplomatic relations with Indonesia and Myanmar with the respective leaders, she said.

"We hope Premier Wen's visit will promote China's traditional friendship with the three countries, enhance mutually beneficial cooperation and further boost China's relationship with the Association of Southeast Asian Nations (ASEAN)," Jiang said.

Source: Xinhua

- Chinese president engages in bilateral meetings before nuclear summit (13th April)
Chinese President Hu Jintao engaged in several bilateral meetings with leaders of states Monday shortly after his arrival here for the Nuclear Security Summit.

During a meeting with U.S. President Barack Obama, the first between the two since the Obama's China tour last November, Hu said the sound and stable development of China-U.S. economic and trade ties is good for China, for the United States and for the world economic development.

Both countries should properly solve their economic and trade rifts through consultations on an equal footing, Hu said.

On the Iran nuclear issue, Hu said China hopes various parties will continue to step up diplomatic efforts and actively seek effective ways to resolve it through dialogue and negotiations.

China and the United States have the same overall goal on the Iranian nuclear issue, the Chinese president said.

China stands ready to maintain consultation and coordination with the United States and

other parties within the 5-plus-1 mechanism, and in the United Nations and through other channels, he added.

The 5-plus-1 mechanism involves the permanent UN Security Council members -- Britain, China, France, Russia and the United States -- plus Germany.

Source: Xinhua

- Hu says China hopes to resolve Iranian nuclear issue through dialogue, negotiations (13th April)

China hopes various parties will continue to step up diplomatic efforts and actively seek effective ways to resolve the Iranian nuclear issue through dialogue and negotiations, Chinese President Hu Jintao said Monday.

During a meeting with his U.S. counterpart Barack Obama, Hu also said China and the United States share the same overall goal on the Iranian nuclear issue.

Hu said China stands ready to maintain consultation and coordination with the United States and other parties within the 5-plus-1 mechanism, which includes the permanent UN Security Council members Britain, China, France, Russia and the United States and Germany, and in the United Nations and through other channels.

Hu stated China's principled position on the Iranian nuclear issue, saying China is always committed to upholding the international nuclear non-proliferation regime and peace and stability in the Middle East.

Source: Xinhua

- Chinese, U.S. presidents meet on bilateral ties, Iranian nuclear issue (13th April)

Chinese President Hu Jintao and his U.S. counterpart, Barack Obama, met here Monday to discuss bilateral relations, the Iranian nuclear issue, the Renminbi (RMB) exchange rate and other matters of common concern.

In the meeting, Hu put forward a five-point proposal for improving China-U.S. relations.

First, the two sides should persistently stick to the right direction of bilateral ties, and take concrete moves to establish a partnership to jointly deal with common challenges, said Hu.

Second, China and the United States should respect each other's core interests and major concerns. This is key to the healthy and stable development of bilateral ties, he said.

Third, the two sides should keep exchanges at different levels, said Hu, adding he is willing to keep close contact with Obama.

Fourth, the two countries should deepen practical cooperation. China would like to strengthen exchanges and cooperation with the United States in economics and trade,

counter-terrorism, energy, environment, and law enforcement.

Fifth, China and the United States should strengthen communication and coordination on major international and regional issues.

On the RMB issue, Hu said China would firmly stick to the path of reforming its currency exchange rate formation mechanism based on its own economic and social development needs.

He said detailed measures for reform should be considered in the context of the world's economic situation, its development and changes, as well as China's economic conditions.

Hu said China and the United States should properly solve their economic and trade rifts through consultations on an equal footing and jointly uphold the larger interests of China-U.S. economic cooperation and trade.

He also said the sound and stable development of China-U.S. economic and trade ties is good for China, for the United States and for the world economic development.

On the Iranian nuclear issue, Hu said China hopes various parties will continue to step up diplomatic efforts and actively seek effective ways to resolve it through dialogue and negotiations.

China and the United States have the same overall goal on the Iranian nuclear issue, he said.

China stands ready to maintain consultation and coordination with the United States and other parties within the 5-plus-1 mechanism, and in the United Nations and through other channels, he added.

The 5-plus-1 mechanism involves the permanent UN Security Council members -- Britain, China, France, Russia and the United States -- plus Germany.

Hu also stated China's principled position on the Iranian nuclear issue, saying China is always committed to upholding the international nuclear non-proliferation regime and peace and stability in the Middle East.

On his part, President Obama said his country respects China's sovereignty concerning the RMB exchange rate issue.

He said he hoped the two sides could find a solution through dialogue and cooperation.

Washington is willing to work with China to build even stronger ties through bilateral and multilateral dialogues and cooperation in such frameworks as the Strategic and Economic Dialogue and the Group of 20 (G20) summits, Obama said.

Obama reiterated Washington's stance on one-China policy, saying that his country would respect China's sovereignty and territorial integrity and its core interests, and

address sensitive issues with due care.

The two leaders met on the sidelines of the Nuclear Security Summit, which mainly discusses prevention of acts of nuclear terrorism.

Since the Obama administration took office, China-U.S. relations have witnessed positive development thanks to joint efforts.

In November 2009, Obama paid a state visit to China, during which Hu and Obama held in-depth, productive and candid discussions on bilateral relations and other issues of common interests. The two sides reached agreement on advancing U.S.-China relations in the new era.

Source: Xinhua

- Mr. Obama and Mr. Hu EDITORIAL New York Times (13th April)

We think President Obama made the right decision — for now — not to pick too public of a fight with China over its currency manipulation.

The administration postponed a report to Congress due this week on Chinese monetary policy. After Mr. Obama met with President Hu Jintao of China in Washington on Monday, the White House made a low-key statement that Mr. Obama had pressed Mr. Hu on the need to “move toward a more market-oriented exchange rate” and played up China’s pledge of cooperation on sanctions for Iran.

Beijing’s aggressive undervaluation of the renminbi is a serious problem for the American economy and the global economy. Going one on one is likely to backfire. The best hope for persuading China to change its ways is with sustained pressure from many countries. It will certainly make it harder for Beijing to hide behind claims of sovereignty and accusations of big power bullying.

That means that Mr. Obama will have to work hard to rally others to jointly press the issue. The best forum is coming in June when the leaders of the world’s biggest economies gather at the Group of 20 meeting in Toronto. They need to use that occasion to tell China, in no uncertain terms, that it cannot keep building up its own economy by undercutting the rest of the world’s exports.

They need to leave no doubt in Beijing’s mind, that its global standing will suffer if it does not listen. Few countries have benefited as much as China from the open trading system. Under sufficient pressure from its trading partners, Beijing would be likely to relent.

It’s still not clear how hard they will have to push.

At Monday’s White House meeting, Mr. Hu reportedly told Mr. Obama that China planned to move away from its fixed currency peg to the dollar. He didn’t say when. And according to remarks released by the Foreign Ministry, he also stated that the objective of changing China’s currency strategy “won’t be advanced by any foreign pressure.” Mr. Hu’s next stop is Brazil. Finance Minister Guido Mantega said last week that China’s exchange rate peg is hurting Brazil’s manufacturing. We hope that Brazilian officials are just as direct in their meetings with the Chinese president.

This is a global problem. The renminbi's fixed and artificially cheap exchange rate is undercutting exporters throughout the developing world. It also is seriously complicating economic policy-making among China's neighbors. So long as the Chinese currency remains so cheap, they cannot afford to combat burgeoning inflation by allowing their own currencies to rise because it could further undercut their exports.

China would also benefit from shifting from exports to internal consumption as a source for growth. It would improve the living standards of its citizens. It would ease the job of its central bank in trying to keep inflation at bay. And it would establish China as a more responsible player on the global economic stage.

The Chinese bureaucracy is clearly split. Central bank officials have been arguing for some time that a stronger currency would help them combat rising inflation. The Commerce Ministry is adamantly opposed. Ministry officials latched on to the fact that China recorded its first monthly trade deficit in six years in March — a one-time blip because of fast imports of raw materials for China's export industry — to argue that their cheap currency is not the cause of global trade and financial imbalances.

It is. China should not be allowed to forget it. Barring a change of exchange rate policy, China's trade surpluses are going to bloat again in the months to come.

This is not a problem just between the United States and China. It is a problem between China and most of the world. The challenge for President Obama now is to get the rest of the world's leaders to deliver that message as clearly and urgently as they can.

<http://www.nytimes.com/2010/04/14/opinion/14wed1.html?ref=opinion>

- Highlights of Chinese president's tour to U.S. (14th April)

Chinese President Hu Jintao Tuesday delivered a speech at a nuclear security summit in Washington, offering five proposals to boost global nuclear security.

Hu also held talks with German Chancellor Angela Merkel on the sidelines of the summit, which wound up late Tuesday.

The following are highlights of the two activities of President Hu.

WASHINGTON -- Chinese President Hu Jintao Tuesday called for concerted action by all countries to enhance nuclear security while stressing the need to properly address the challenge.

In a speech to the nuclear security summit, Hu put forward five proposals on ways to strengthen nuclear security.

First, the Chinese president said, all countries need to honor their commitments and responsibilities by adopting effective measures to secure nuclear materials and facilities.

Second, Hu said, they should consolidate the existing international legal framework on nuclear security, which consists of the Convention on the Physical Protection of Nuclear Material and International Convention for the Suppression of Acts of Nuclear Terrorism.

Hu's third proposal is to strengthen international cooperation by sharing experience,

exchanging information and cooperating on law enforcement.

Fourth, he said, there is a need to help developing countries enhance their nuclear security capacity. Therefore he called for the International Atomic Energy Agency (IAEA) and the developed countries to offer greater assistance to developing countries in that respect.

Finally, the president said that all countries should properly handle the relationship between nuclear security and the peaceful use of nuclear energy.

WASHINGTON -- Chinese President Hu Jintao and German Chancellor Angela Merkel Tuesday agreed to further the ties of the two countries.

China and Germany enjoy good opportunities to move forward their ties under the current complex and changeable international circumstances, said Hu. China is willing to join hands with Germany to raise bilateral ties to a new high, he added.

He said China welcomes German President Horst Kohler's visit to China in May and his attendance of the Shanghai World Expo.

Merkel said Germany-China ties are developing well, with President Kohler's upcoming visit to China and participation in the Shanghai World Expo being a good example.

Despite the impact of the international financial crisis, trade between Germany and China has maintained growth, she said.

Germany will host a ministerial meeting on climate change in May and expects to cooperate with China closely to secure the success of the Mexico conference.

Source: Xinhua

- Chinese president urges concerted action to enhance nuclear security (14th April)
Chinese President Hu Jintao on Tuesday called for concerted action by all countries to enhance nuclear security while stressing the need to properly address the challenge.

"The potential threat of nuclear terrorism cannot be neglected and the risk of nuclear material diversion and illicit trafficking is on the rise," Hu said in a speech delivered at the Nuclear Security Summit here.

In the speech, Hu put forward five proposals on ways to strengthen nuclear security.

First, the Chinese president said, all countries need to honor their commitments and responsibilities by adopting effective measures to secure nuclear materials and facilities.

Second, Hu said, they should consolidate the existing international legal framework on nuclear security, which consists of the Convention on the Physical Protection of Nuclear Material and International Convention for the Suppression of Acts of Nuclear Terrorism.

Hu's third proposal is to strengthen international cooperation by sharing experience, exchanging information and cooperating on law enforcement.

Fourth, he said, there is a need to help developing countries enhance their nuclear security capacity. Therefore he called for the International Atomic Energy Agency (IAEA) and the developed countries to offer greater assistance to developing countries in that respect.

Finally, the president said that all countries should properly handle the relationship between nuclear security and the peaceful use of nuclear energy.

"Nuclear security measures should help foster an enabling environment for peaceful use of nuclear energy by all countries and facilitate related international cooperation," Hu said.

Hu also briefed participants at the summit on China's stance and policy on nuclear security.

Hu said China has made vigorous efforts to build nuclear security capacity, honoring international nuclear security obligations, valuing and taking an active part in international cooperation on nuclear security, and actively providing nuclear security assistance to other developing countries.

He said that in recent years, China has provided assistance to other countries in the region through technology demonstration and personnel training.

Hu reiterated China's firm commitment to a nuclear strategy of self-defense and its adherence to the policy of no-first-use of nuclear weapons at any time and under any circumstance.

The two-day summit focuses on the international threat of nuclear terrorism and illicit trafficking of nuclear materials. Participants included heads of state, government leaders and representatives from 47 countries and heads of international organizations.

Source: Xinhua

- Senior CPC leader meets German president (14th April)

Li Changchun, a senior leader of the Communist Party of China (CPC), met with German President Horst Koehler here on Tuesday.

Li, a member of the Standing Committee of the Political Bureau of the CPC Central Committee, conveyed Chinese President Hu Jintao 's greetings to Koehler, and welcomed Koehler's scheduled visit to China next month for the Shanghai World Expo 2010 and relevant events of the "German day," due on May 19.

The Sino-German relations have witnessed healthy development with intensive high-level exchanges. Despite the serious international financial crisis, the trade volume

between the two countries still exceeded 100 billion U.S. dollars last year, Li said.

The project of "Germany and China -- Moving Ahead Together," a three-year festive activity since 2007 which invited the two presidents, Koehler and Hu, as joint patrons, received positive responses widely, showing the great development potential of Sino-German cooperation, Li noted.

He said that the Chinese government has always promoted bilateral ties with Germany from a strategic height and long-term perspective. Under the complex and volatile international political and economic situation, it was particularly important for both countries to boost communication and mutually beneficial cooperation in various fields.

Source: Xinhua

- Chinese president urges closer cooperation among BRIC nations (16th April)
Chinese President Hu Jintao on Thursday urged closer cooperation among the BRIC nations (Brazil, Russia, India and China), saying that China is ready to host the third BRIC summit to maintain and advance dialogue and cooperation.

"BRIC cooperation now faces both valuable opportunities and severe challenges. We should set clear objectives for cooperation among the four countries and advance the BRIC cooperation process from a strategic height," said Hu in a speech to the second-ever BRIC summit here.

The world's leading emerging powers gathered last June in Russia's Yekaterinburg for the first BRIC summit.

He said BRIC nations should "base our cooperation on political mutual trust, and treat each other with sincerity, mutual respect, mutual understanding and mutual support."

"We should focus on practical cooperation and make our cooperation more dynamic through concrete actions. We should strengthen institutional building to support increased cooperation in broader areas. We should aim for mutual benefit by combining our respective strengths and sharing the fruits of cooperation to the fullest extent."

He also said BRIC nations should "view openness and transparency as the prerequisite of our cooperation and strengthen communication and exchanges to make our cooperation an open process."

The Chinese president said the international situation is now "very complex," and that the global pattern is undergoing "profound readjustment."

"No matter how the international situation may evolve and what changes the international system may experience, we should remain firmly committed to the goal of mutual benefit, the principle of democracy and equity, the approach of mutual respect and the spirit of solidarity and cooperation."

Hu called for all parties to "firm up the foundation of the world economic recovery and strengthen macroeconomic policy coordination."

"The international community coordinated the 'entry' strategy in response to the financial crisis, and we must also act in coordination with respect to the 'exit' strategy and maintain the continuity and stability of macroeconomic policies," he said.

He also called for all parties to address "imbalances in the global economic governance structure."

"It is important to achieve on schedule the quantified reform targets of international financial institutions set by the G20 Pittsburgh Summit and increase the representation and voice of emerging markets and developing countries," Hu said.

On trade liberalization and facilitation, Hu urged all parties to properly handle trade disputes and reject protectionism.

"The main parties to the Doha Round negotiations should demonstrate sincerity and flexibility to reach comprehensive and balanced outcomes at an early date and facilitate the establishment of an open and mutually-beneficial multilateral trade regime," he said.

On the improvement of the international financial supervisory and regulatory regime, Hu said it should expand its scope, specify responsibilities, adopt universally accepted standards and norms and strengthen mechanisms.

"There should be supervision over the macroeconomic policies of major reserve currency issuing economies and over sovereign credit rating agencies."

- Highlights of Chinese president's tour to Brazil (16th April)

Chinese President Hu Jintao left Brasilia Thursday for home after attending a summit of the BRIC nations -- Brazil, Russia, India and China, and paying a state visit to Brazil.

Hu headed home earlier than scheduled because of a strong earthquake in northwestern China and postponed visits to Venezuela and Chile.

Hu delivered a speech at the one-day BRIC summit and on its sidelines held talks with Indian prime minister, and his Brazilian, South African and Russian counterparts.

The following are highlights of the several activities of President Hu.

BRASILIA -- Chinese President Hu Jintao and Indian Prime Minister Manmohan Singh agreed here on Thursday to take the 60th anniversary of the establishment of diplomatic ties between China and India as a good opportunity to further promote the Sino-Indian strategic and cooperative partnership.

Looking back on the development of the bilateral ties in the past six decades, Hu said friendship and cooperation have been the mainstream and unstoppable trend, adding that the two sides are partners instead of rivals.

Hu said the two countries should seek common development and a win-win situation as their common interests far outweigh their differences.

BRASILIA -- Chinese President Hu Jintao, on a state visit to Brazil, met his Brazilian counterpart Luiz Inacio Lula da Silva here on Thursday to exchange views on bilateral ties and other issues of common concern, with both vowing to enhance bilateral cooperation.

Hu put forward a three-point proposal on advancing the bilateral ties: firstly, to enhance political mutual trust, secondly, to promote the construction of the cooperation mechanism, and thirdly, to lift the level of strategic cooperation on international affairs.

BRASILIA -- Chinese President Hu Jintao met here Thursday with South African President Jacob Zuma, with both leaders agreeing to promote the strategic partnership between their two countries.

Hu said China was willing to work together with South Africa to inject new impetus into the development of the strategic partnership between the two sides in the following aspects:

-- To intensify bilateral high-level contacts, enhance political mutual trust and strengthen exchanges on statecraft.

-- To boost smooth and healthy development of bilateral trade, expand existing good cooperation in the sectors of mining and finance, and explore new fields of cooperation such as infrastructure construction, clean energy, space technology and nuclear power.

-- To enhance bilateral exchanges in the sectors of education, culture, journalism and tourism.

-- To promote consultation and coordination in international organizations such as the United Nations, and within the multilateral framework including the Group of 20, the climate change process and the Doha round world trade talks, to deal with global challenges together.

BRASILIA -- Chinese President Hu Jintao and his Russian counterpart Dmitry Medvedev vowed on Thursday to jointly push forward the bilateral strategic cooperative partnership.

Hu put forward a four-point proposal on enhancing bilateral cooperation this year: firstly, both countries should increase mutual support on issues concerning each other's core interests to establish solid strategic support and safeguard their mutual interests.

Secondly, China and Russia should maintain coordination and cooperation on international and regional affairs and make good use of such cooperation mechanisms as the Shanghai Cooperation Organization (SCO) and BRIC to push for change in the international order that favors the interests of the developing countries.

Thirdly, the two countries need to push forward cooperation on major projects and interregional cooperation, and the fourth point is comprehensively deepening people-to-people and cultural exchanges by organizing such activities as the "Year of the Chinese language" in Russia and exploring new ways of cooperation.

BRASILIA -- Chinese President Hu Jintao on Thursday urged closer cooperation among the BRIC nations (Brazil, Russia, India and China), saying that China is ready to host the third BRIC summit to maintain and advance dialogue and cooperation.

He also said on the summit that China's development is a strenuous, peaceful, inclusive, commonly beneficial and responsible process.

Source: Xinhua

- Chinese president arrives in Brasilia for BRIC summit, state visit (15th April)

Chinese President Hu Jintao arrived in Brasilia on Wednesday for a summit of Brazil, Russia, India and China slated for Thursday and Friday, and a state visit to the Latin American state.

At the summit of the four countries -- collectively known under their acronym BRIC, the leaders will discuss the global economy and financial situation, reform of the international financial system, climate change and cooperation among the four countries, Chinese diplomats said.

President Hu has chosen Latin America as the destination of his first overseas trip so far this year. His visit to Brazil, Venezuela and Chile is seen as an important move to enhance ties between China and Latin American countries.

In a statement released upon his arrival at the airport, Hu said his visit aimed to enhance political trust, expand strategic cooperation and advance the China-Brazil strategic partnership to a higher level.

Hu said both China and Brazil are working to maintain world peace and promote common development.

Hu said under the joint effort of both sides, political trust between the two countries have been deepened as cooperation in various fields bear rich fruits. The two countries have cooperated closely with each other on international affairs and joined efforts to safeguard the interests of developing countries.

"China places great importance on developing the strategic partnership with Brazil," Hu

said in the statement. He expressed the readiness to work with Brazil to advance bilateral links in a comprehensive way.

This is the second state visit that the Chinese president has made to Brazil since he first visited this country some six years ago.

During the visit, Hu will hold talks with Brazilian President Luiz Inacio Lula da Silva to exchange views on strengthening bilateral relations and major regional and international issues in an extensive way.

Hu and Lula will also witness the signing of documents on bilateral cooperation and hold a joint briefing for the media.

Hu will also meet with Michel Temer, president of the Chamber of Deputies of the National Congress of Brazil.

China and Brazil established diplomatic relations in 1974. The two countries established a strategic partnership in 1993. They have cooperated closely on international issues and maintained good communication and coordination within the United Nations, the World Trade Organization, and within such multilateral framework as the BRIC countries, BASIC countries and five major developing countries.

In recent years, China and Latin American countries have continually improved mutual trust, expanded mutually beneficial cooperation and added more content to cultural exchanges. The two sides have maintained close communication and coordination on international affairs. The China-Latin America relations have seen a sound momentum of comprehensive and rapid growth.

Brazil is the second leg of President Hu's America trip. Before arriving in Brazil, Hu took part in the Nuclear Security Summit in Washington, the United States, from April 13 to 14. He will leave for Venezuela on April 17.

During his stay in Brasilia, Hu will attend the second summit of BRIC nations, which is slated for April 15-16.

Hu said in his statement that the international situation is currently undergoing complicated and profound changes while the recovery of world economy is yet to find a solid foundation.

"Under such circumstances, it's of great significance for the leaders of the BRIC countries to get together again for converging consensus and strengthening cooperation so as to better deal with global challenges," Hu said in the statement.

"I wish the second official meeting of the leaders of the BRIC countries a complete success," Hu said.

The summit gathers Hu, Lula, Russian President Dmitry Medvedev and Indian Prime Minister Manmohan Singh. Hu will make a speech at the meeting and hold separate

meetings with leaders of other countries.

In a telephone call with Lula in February, Hu said the four BRIC countries share the same or similar opinions on many global issues and have great potential in bilateral and multilateral cooperation.

Hu said China attaches great importance to the cooperation platform of BRIC countries and is willing to strengthen communication and cooperation with Brazil, Russia and India.

The first summit of the BRIC countries was held in Yekaterinburg, Russia in June 2009.

Source: Xinhua

- Senior CPC official: Sino-Turkish economic cooperation has broad perspective (15th April)

Li Changchun, a senior official of the Communist Party of China (CPC), said in Istanbul Wednesday that the economic cooperation between China and Turkey has "broad perspective."

Li, a member of the Standing Committee of the Political Bureau of the CPC Central Committee, was on an official goodwill visit to Turkey.

He addressed businessmen from Turkey and those Chinese enterprises who operate in this country in the crossroad of Asia and Europe.

"Mutual trust is the pretext for bilateral cooperation," he said, urging both sides to consolidate political foundation for promoting economic cooperation in line with mutual respect, mutual benefit, equality and common development.

Dual-track trade registered 12 folds growth in the first decade of the new century. The trade volume increased 69 percent in the first quarter of this year, of which Turkey's export to China scored a year-on-year growth at 152.8 percent.

"We are satisfied with and proud of such performance in the backdrop of international financial crisis," he said, adding the economic cooperation has become "a pillar" of bilateral relationship.

The recovery of the world economy still has certain instable and uncertain elements. Under the context, Li made proposals to further promote bilateral economic and trade cooperation.

First, he urged the two sides to cherish the traditional friendship and nurture the sound development momentum of bilateral economic and trade cooperation.

Second, he required the relevant governmental departments to enhance policy-oriented guidance to the enterprises. The two sides should use different channels, including the

dispatch of procurement delegations to the other country, so as to steadily expand trade volume.

Source:Xinhua

- China voices hope to see early resumption of Palestinian-Israeli peace talks(15th April)

China on Wednesday voiced its hope to see an early resumption of the peace talks between Palestine and Israel, saying that the political talks are the only right way to solve the Middle East issue.

The statement came as Long Zhou, counselor of the Chinese Mission to the United Nations, was taking the floor at an open debate at the UN Security Council on the situation of the Middle East.

"It is our hope that all parties concerned will firm their faith in peace talks, display their political will and make more efforts to pave the way for the early resumption of the peace talks," he said.

The Israeli announcement to build more settlements in East Jerusalem runs counter to the joint peace efforts of the international community, he said, calling on Israel to be active in making efforts for the early resumption of the peace talks with Palestinians.

China is ready to join its hands with the international community in continuing the efforts to bring to the Middle East the comprehensive, just and lasting peace in the Middle East, he added.

Source:Xinhua

- American newspapers should stop bashing China (15th April) OPINION
Patrick Mattimore

U.S. President Barack Obama told Zhang Yesui, China's new Ambassador to the U.S., that the President is determined to improve his country's relationship with China. Despite some warming of relations between the two countries in recent days, President Obama should start by reviewing just how nasty and unfounded U.S. rhetoric towards China has become.

A good place for America's President to begin his enquiry is with some of the editorial pages from America's leading newspapers. The top five newspapers according to circulation numbers are: "The Wall Street Journal, (WSJ)" "USA Today," (USAT) "The New York Times, (NYT)" the "Los Angeles Times," (LAT) and the "Washington Post," (WP).

Those newspapers consistently bash China. Even a story about the economic success of

China's Hainan Island, which appeared in The NYT, characterized the "success" as being emblematic of China's excesses.

Here are some of the other nuggets the newspapers are throwing out lately.

China has an undervalued currency which threatens the world's economy. This recurrent drumbeat is apparently meant to deflect attention from the fact that America's policies precipitated the world's worst financial crisis in seventy years.

China's aid to foreign countries is characterized as a means by which China can exert its influence elsewhere. Whether or not that is so, American foreign aid always comes with strings attached.

A WP columnist wrote recently that in America's intensifying contest with China much of the world is at stake. The author predictably linked many of his "world at stake" references to Soviet-U.S. tensions during the Cold War.

All of the newspapers praised Google's "courageous" decision to stop censoring Internet content in China. That move was characterized as striking a blow for freedom- principled and brave.

Less principled was the newspapers' omission in not publishing financial figures as to the amounts of money that exchanges hands with Google by way of those "powered by Google" ads which appear on their web pages.

One op-ed suggested that China's specialty is masquerading weakness as strength, whatever that means.

A WSJ writer bemoaned his defeat by some Chinese swimmers many years ago and then enigmatically connected his loss to government surveillance today and why foreigners can't win in China.

The most patronizing of the editorials was written by The NYT's Nicholas Kristof. After acknowledging the importance of the relationship between China and the U.S. and opining that it is deteriorating rapidly, Kristof explains why.

According to Kristof, China's leaders have their backs to the wall. They are insecure; trying to protect a system that Kristof believes is beginning to crack because Chinese citizens are becoming annoyed with government censorship, specifically Internet censorship.

Kristof selectively finds an outpouring of support for Google because of the wreaths of flowers left at the company's headquarters. He ignores or possibly doesn't realize that poll after poll of Chinese expressed support for the Government's action and only a minority of citizens are bothered by Google's decision to leave.

In Kristof's view, the decisions by the government to keep the yuan's valuation constant and to force Google to obey its laws are signs of the Government's weakness. From that dubious proposition, Kristof concludes the Government is vulnerable while nevertheless admitting that Americans exaggerate the disaffection of Chinese toward their Government. It certainly appears Kristof is guilty of the same exaggeration.

China bashing has become de rigueur in the U.S. Watching and listening to the behavior and words of American louts and politicians address China is like observing an obnoxious drunk at a party. The drunk has no self-awareness and believes he is infallible. His reasoning is impaired. Unfortunately, he's often a danger to himself and others.

President Obama has his work cut out for him. His ability to lead a once-great country, restore its luster, and mend fences with China will surely be yardsticks upon which the first-term of his Presidency is judged. His recognition that the China fences are in need of repair is an encouraging sign.

The author is a fellow at the American-based Institute for Analytic Journalism.

<http://english.people.com.cn/90001/90780/91345/6952186.html>

- Memo to the Presidents of America and China on Peaceful Coexistence (16th April)

John Milligan-Whyte and Dai Min

America economically and militarily reciprocating the Principles of Peaceful Coexistence with China is essential. It is what is "the architecture of peace and new grand strategy for the 21st century" and the "bold massive jolt to the system" that can restore the confidence in the capital markets that America's economic crisis can be sustainably managed. It is also what is essential to enable China's policymakers and people's to trust Americans' noble intentions in seeking to export American definitions of human rights.

America reciprocating the Principles of Peaceful Coexistence are the fundamental changes required in American policymakers' "complex" relationship with China. It is the unexpected answer to questions about how to achieve global peace, prosperity and human rights, which Fareed Zakaria raised in Newsweek as President Obama entered office.

America's current policies simultaneously clash with China on issues vital to China's economic and national security while seeking China's collaboration on issues vital to America's economic and national security. They make it difficult for China's policymakers to fulfill their responsibilities to the Chinese people and assist America's policymakers to fulfill their responsibilities to the American people. American policymakers' clash with and seek to collaborate with China approach is too complex and unfair to work very well for America or China. A simpler and fairer collaborative approach will work brilliantly and benefit all nations.

Three generations of China's leaders have laid the foundations for a 21st century military

and economic alliance with America by unilaterally implementing the Principles of Peaceful Coexistence with all nations throughout three Democratic and three Republican Presidents' administrations. That is 30 years more reassurance of China's policymakers' desire for peace than American policymakers have given China. China's policymakers are drawn from 3,710,000 local level party organizations and trained throughout their careers in 2600 Party Schools. Two books by American authors have been translated and published by the Central Party School Publishing House in China. The first was Paul Kennedy's *The Rise and Fall of Great Powers* in 1989. The second is *China and America's Leadership in Peaceful Coexistence* which it published in January 2010 with the title in Mandarin that translates into English as: *Sino-US Relations in the Obama Administration: Facing Shared Challenges*.

China's policymakers' implementation of the Principles of Peaceful Coexistence is a priceless national security asset for Americans. It is the most effective and neglected defense asset that America has and it is tax-free. Not to reciprocate the peaceful aspirations of 22% of mankind toward America is a mistake that undermines America's and all nations' economic and national security.

It is time for American policymakers to reciprocate because aligning America and China's 21st century economic and national security in a "new era of partnership" that implements the Principles of Peaceful Coexistence in an American military and economic alliance with China is the only way American policymakers can restore America's economic and national security, which underpins the charisma of America's global leadership and the moral authority of America's desire to expand human rights.

So far in the 21st century, American policymakers have not relied on the Principles of Peaceful Coexistence. America has relied on unsafe national security and unsustainable economic strategies. As a result, Americans do not have economic or national security although they have the largest economy and over fifty percent of the total military assets and spending of all 194 nations.

China has implemented the Principles of Peaceful Coexistence and as a result has been economically successful and at peace with all nations. Although it is one of the world's poorest nations with a per capita income that is about 12% of America's, China has been able to create the second largest and fastest growing economy and has been able to deter aggression and defend itself with military spending that is less than 12% of America's.

China's population is 500% larger than America's and its economy is likely to become much larger than America's. Its economy has grown at a sustained average of 10% a year during the thirty years prior to the global economic crisis, which is two or three times faster than America's economy. In 2008 and 2009 China's annual GDP growth rates reached 8.2% and 8.7% in spite of the crisis. The world is changing quickly and China and America must quickly and permanently align their economic and national security, which means that both of the world's most influential nations and largest economies must now successfully implement the Principles of Peaceful Coexistence.

American policymakers have focused on attempting to persuade China to be a

"responsible stakeholder," as defined by American policymakers, in an international system that is not implementing the Principles of Peaceful Coexistence. China instead is demonstrating that the Principles of Peaceful Coexistence embedded in the United Nations Charter, which American policymakers played the leading role in drafting can be successfully implemented. As a result of implementing the Principles of Peaceful Coexistence, China is a responsible major power that has become the major engine of global economic growth by improving the productivity, standard of living, and savings of a huge portion of the world's 6.5 billion people.

For these and many other reasons explained in the eight books in the new America - China Partnership Book Series, achieving America's economic and national security and goal of expanding human rights ideals globally can only be successful in the 21st century if American policymakers help China's policymakers create a new collaboration of civilizations, which the Chinese call a "harmonious society and world."

In *The Rise and Fall of Great Nations* Paul Kennedy asserted that over a period of decades America, which comprises 5.6% of mankind, has been in the process of having the 45% share of global wealth it had in 1945 reduce to what he estimated would become 16% to 18%. He recognized that if America responded to external challenges by increasing defense expenditures, and reacted to the budgetary crises by slashing the existing social expenditures that may run the risk of provoking an eventual political backlash. He stated in 1986, "This brings us, inevitably, to the delicate relationship between slow economic growth and high defense spending.... Defense expenditures formed 10% under Eisenhower and 9% under Kennedy, and the United States' relative share of global production and wealth was at that time around twice what it is today; and the American economy was not then facing the challenges to either its traditional or its high-technology manufacturers."

What American policymakers have done since *The Rise and Fall of Great Nations* was published is to increase America's military and social expenditures by using America's credit and borrowed money. That unsustainable process reached a self-evident crisis in 2008, which American policymakers are now trying to manage by borrowing and using still more of America's credit.

That is a temporary stimulus that bought some time in which new American economic and military policies should be designed and deployed. That needs to begin immediately in a permanent and therefore fundamental improvement of America and China's economic and military relations. America's 20th century success is broken. America's economic crisis must be fixed with new policies quickly or it will not be manageable by anyone. Existing American policies and strategies do not achieve that.

China's economic and national security success result, in part, from China's policymakers unilaterally implementing the Principles of Peaceful Coexistence. Americans' traditional economic and national security mindsets and strategies did not prevent America's economic and national security current crises and cannot solve them.

President Obama must "look for truth in facts" and find unconventional economic and

foreign policies and defense strategies to bring America back from the brink of economic collapse. That is what Deng Xiaoping successfully did beginning in 1978 by economically and militarily implementing the Principles of Peaceful Coexistence with America and all other nations.

Today America's federal deficit, debt and use of credit have reached levels that are unsustainable. In 2009, 18% of America's federal budget went to military spending. Paul Kennedy warned in 1986 that if America continued to devote 7% or more of its GDP to defense spending while other nations allocate a far smaller proportion, it would have less funds available for civilian investment, commercial research and development and divert a higher proportion of its scientists and engineers from the design and development of consumer products for the world market. In that case, he stated, "it seems inevitable that the American share of world manufacturing will steadily decline, and its economic growth will be slower" than those countries "dedicated to the market place and less eager to channel resources into defense."

Kennedy stated, "These tendencies place the United States on the horns of a most acute dilemma over the longer term. Simply because it is the global superpower, with far more extensive military commitments than a regional power like Japan or Germany, it requires much larger defense forces - in just the same way as imperial Spain and Victorian Britain. A low investment in armaments, may for a globally overstretched power like the United States, leave it feeling vulnerable everywhere; but a very heavy investment in armaments, while bringing greater security in the short term, may so erode the commercial competitiveness of the American economy that the nation will be less secure in the long term."

The analysis in *The Rise and Fall of Great Nations* strengthened China's policymakers' commitment to Deng Xiaoping's policies of China opening up to foreign investment and not over investing in military assets. American policymakers can only solve the dangers for America that Kennedy spotlighted 25 years ago by aligning America and China's economic and national security in a new era of the American and Chinese civilizations' collaboration.

<http://english.people.com.cn/90001/98705/99725/6953944.html>

- China, India seek closer cooperation (16th April)

President Hu Jintao met with Indian Prime Minister Manmohan Singh and the two leaders discussed Sino-Indian relations as well as international and regional issues of mutual interest on April 15 in Brasilia.

The year 2010 marks the 60th anniversary of the establishment of diplomatic relations between China and India. Over the past six decades the two Asian giants witnessed consistent growth of bilateral ties. In the new century, the two countries established a strategic partnership aimed at maintaining regional peace and prosperity, and also developed the "ten strategies" to deepen bilateral relations.

Comprehensively strengthening exchanges and cooperation in politics, economy, trade and in the humanitarian sphere, the two countries coordinate their actions and cooperate

closely in international and regional affairs.

On April 1 this year, President Hu Jintao and his Indian counterpart Pratibha Patil exchanged congratulatory telegrams on the occasion of the 60th anniversary.

Hu said in a telegram that China considered the relationship with India as one of the most important bilateral relations, and the development of long-term and stable relations of strategic cooperation is a constant policy of the Chinese government.

"We are ready to deepen friendship, enhance mutual trust and expand cooperation with India to jointly combat global challenges, promote the interests of developing countries and contribute to the stability and deepen the strategic partnership between the two countries," Hu said.

Patil responded in a telegram, attesting to the global and strategic importance of Indo-Chinese relations.

"Our close collaboration with China is in the interest of peace and stability in Asia and around the world. India looks forward to furthering close cooperation with China and boosting bilateral relations to a new level," Patil said.

By People's Daily Online

- China glad to see order being restored in Kyrgyzstan: FM (16th April)

China is glad that the situation in Kyrgyzstan was tending towards stability and public order is gradually being restored, Foreign Ministry spokeswoman Jiang Yu said Friday in a statement.

China appreciated the Kyrgyzstan interim government's efforts in stabilizing its domestic situation, she said.

China and Kyrgyzstan, which are both members of the Shanghai Cooperation Organization(SCO), were good neighbors, Jiang said.

China was willing to reinforce the friendship with Kyrgyzstan, based on the principles of mutual respect, equality and mutual benefit, non-interference in each other's internal affairs, and strictly following the spirit enshrined in a bilateral treaty of friendly cooperation.

China was ready to advance cooperation with Kyrgyzstan in areas such as trade and economy, and strengthen bilateral coordination in combating the "three forces" of separatism, terrorism and extremism, Jiang said.

She said China was also willing to cement collaboration with Kyrgyzstan within multilateral frameworks, including the United Nations and the SCO, so as to contribute to regional peace, stability and development.

Ousted Kyrgyz President Kurmanbek Bakiyev reportedly arrived in Kazakhstan on Thursday and has signed a letter of resignation.

Last week, thousands of protesters clashed with security forces throughout Kyrgyzstan, driving out local governments and seizing government headquarters in Bishkek. Opposition parties formed an interim government led by Roza Otunbayeva, a former foreign minister.

Source: Xinhua

- Chinese, Russian presidents meet on bilateral relations (16th April)

Chinese President Hu Jintao met his Russian counterpart Dmitry Medvedev Thursday in Brasilia to discuss bilateral ties and other important issues of common concern.

It was the first meeting between the two leaders since they met on the sidelines of the Economic Leaders' Meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Singapore last November.

Hu and Medvedev were meeting on the sidelines of a summit of BRIC nations, namely Brazil, Russia, India and China.

At the BRIC summit slated for Thursday, leaders of China, Brazil, Russia and India will discuss the global economy and financial situation, reform of the international financial system, climate change and cooperation among the four countries.

In recent years, China and Russia have strengthened their strategic cooperative partnership with enhanced mutual political trust, and fruitful cooperation in all sectors. The countries also have had close interaction and coordination in dealing with international and regional affairs.

Last year witnessed the celebration of the 60th anniversary of diplomatic ties between China and Russia, as well as the hosting of the "Year of Russian language" in China, which brought about new breakthroughs in the Sino-Russian strategic partnership of cooperation.

Despite some impact on bilateral trade by the global economic crisis, the quality of bilateral economic cooperation between China and Russia has improved, with trade structure optimized and significant progress achieved in energy sector cooperation.

"Relationship with Russia is one of the priorities of China's diplomacy. The two countries have enjoyed mutual support on issues that concern each other's core interests," Chinese Foreign Minister Yang Jiechi said at a press conference on March 7.

Last year, the two countries signed a series of important cooperation agreements covering oil, natural gas, coal, electricity, nuclear energy and high-speed rail, said Yang, adding

that the relevant cooperation projects are now well underway.

"We expect the China-Russia oil pipeline project to be completed by the end of this year and the pipeline will enter into operation next year. Moreover, the two countries are also committed to promoting cooperation between China's northeast region and Russia's Far East and eastern Siberia region," the minister said.

Source:Xinhua

Economic front

- China to unveil new rules on foreign investment: official (11th April)

China will soon release new regulations on attracting overseas investment, a deputy minister of the National Development and Reform Commission (NDRC), China's top economic planning agency, said in Boao Saturday.

Some details of the policy might be announced next Wednesday at a press conference jointly held by the NDRC, the Information Office of the State Council and the Ministry of Commerce, said Zhang Xiaoqiang.

China still wants foreign investment in high-tech and services sectors, but polluting and energy-gorging projects are no longer welcomed, he said at the ongoing annual conference of Boao Forum for Asia in Boao, a coastal town in south China's island province of Hainan.

"The rules would stipulate that China will more actively and efficiently encourage good foreign investment," Zhang said.

"We welcome foreign investment that is conducive to the transformation of the economic growth pattern," he added.

Source:Xinhua

- China's imports demand to ease on investment moderation, says JP Morgan Chase economist (11th April)

Although China registered the first monthly trade deficit last month in six years, that would be temporary as the demand for imports is likely to ease with the expected moderation in domestic fixed asset investment, said an economist of JP Morgan Chase.

"With an anticipated recovery in developed economies this year, Chinese exports should improve gradually over the coming months," said Jing Ulrich, chairman of China Equities and Commodities of the U.S. bank in a research note Saturday.

That will be proved by the forward looking new export orders component of China's official PMI (Purchasing Managers's Index) which increased to 53.7 in March from 50.3 in February, she said.

China reported trade deficit of 7.24 billion U.S. dollars in March, the first since April 2004, as exports rose 24.3 percent year on year, while imports jumped by 66 percent.

"The pace of China's export recovery and dynamics of imported inflation will shape the country's approach towards currency valuation. A return to the policy of gradual RMB appreciation would allow China to mitigate imported inflation and promote domestic consumption by boosting household purchasing power in local currency terms," she said.

She noted that in the longer-run, more flexibility in China's currency regime would allow the central bank to set monetary policy with greater independence from the U.S. Fed Reserves.

Source: Xinhua

- China's March deficit shows currency not cause of trade imbalance: spokesman (11th April)

China's trade deficit in March proves the exchange rate is not the decisive factor affecting trade balance, said Yao Jian, a spokesman for the Ministry of Commerce, Saturday.

Yao's remarks came after China posted a trade deficit of 7.24 billion U.S. dollars in March, its first monthly trade deficit since May 2004.

"China's trade surplus continued to fall and China even posted a trade deficit in March under a basically stable renminbi exchange rate," Yao said in a statement posted on the ministry's website.

"This proved again that in an era of economic globalization, it is market supply and demand, and other factors that decide trade balance."

The country's exports grew by 24.3 percent from March last year to 112.11 billion U.S. dollars, while imports jumped 66 percent to 119.35 billion U.S. dollars.

Yao called for the removal of restrictions by some developed countries of certain high-tech products exports to China "as soon as possible" to facilitate bilateral trade balance.

Yao said the continuous improvement of the trade balance had created conditions for China to keep the renminbi's value "basically stable."

"China never pursued a trade surplus purposefully," Yao said. "We will actively increase imports with stable exports and promote a balanced, coordinated and sustained growth of external trade."

He said the March deficit stemmed mainly from surging imports and soaring prices, boosted by the growing domestic demand for crude oil, iron ore, copper and other commodities such as automobiles.

Yao estimated China's trade surplus for the year would fall sharply after it dropped by 100 billion U.S. dollars, or 34.2 percent year on year, to 196.1 billion U.S. dollars in 2009.

Source:Xinhua

- China to unveil new rules on foreign investment: official (11th April)

China will soon release new regulations on attracting overseas investment, a deputy minister of the National Development and Reform Commission (NDRC), China's top economic planning agency, said in Boao Saturday.

Some details of the policy might be announced next Wednesday at a press conference jointly held by the NDRC, the Information Office of the State Council and the Ministry of Commerce, said Zhang Xiaoqiang.

China still wants foreign investment in high-tech and services sectors, but polluting and energy-gorging projects are no longer welcomed, he said at the ongoing annual conference of Boao Forum for Asia in Boao, a coastal town in south China's island province of Hainan.

"The rules would stipulate that China will more actively and efficiently encourage good foreign investment," Zhang said.

"We welcome foreign investment that is conducive to the transformation of the economic growth pattern," he added.

Source:Xinhua

- Commerce Ministry: China's monthly trade deficit likely to continue in H1 (12th April)

Monthly trade deficits will likely continue in the remaining months of the first half of 2010 and will possibly improve in the second half, said Yao Jian, spokesman of China's Ministry of Commerce (MOFCOM).

China's foreign trade rose nearly 43 percent in March to more than 231 billion U.S. dollars, according to statistics from the General Administration of Customs (GAC). Of that number, exports amounted to 112.1 billion U.S. dollars and imports to nearly 119.4 billion U.S. dollars with a trade deficit of over 7.2 billion U.S. dollars. This is the first time China recorded a trade deficit since May 2004.

In March, China's trade surplus with the United States and EU was down almost 4 percent and over 13 percent, respectively, compared to the same period of the previous year. Meanwhile, China's trade deficit with China's Taiwan region, Japan, South Korea and ASEAN was up by 3.5 billion U.S. dollars, 5.1 billion U.S. dollars, 2.7 billion U.S. dollars and 2.7 billion U.S. dollars, respectively.

Domestic demand drives imports

The main reason behind the trade deficit lies in the shrinkage of labor-intensive exports as a result of rising costs, the deterioration of external markets and the Chinese Spring Festival holidays, said Huang Guohua, head of Statistical Analysis Office of Comprehensive Statistics Department under the GAC. The rise in prices and quantity of imported raw materials also played a role, he said.

"The principal reason behind the trade deficit is the overly rapid rise in imports," said Yao. In March, China's exports stood at 112.1 billion U.S. dollars, an increase of more than 24 percent from the previous year, far below the 66 percent growth in imports.

China's import value rose by 66 percent in March with a surge in the imports of vehicle products as a result of the domestic consumption structure upgrade. China imported 85,000 vehicles in March, up by 270 percent from the previous year, with the import value rising by 240 percent to over 3.2 billion U.S. dollars. The import value of vehicle components rose by 140 percent to over 1.7 billion U.S. dollars. The combined import value of the two categories of products was up by almost 3.3 billion U.S. dollars, equivalent to 45 percent of the trade deficit in March.

China expected to maintain trade surplus in 2010

Yao believed that currently, there is neither a fundamental change in the global investment and consumption situation nor a remarkable recovery in foreign demand, so China's exports will stand at a low level for a rather long period. China's trade deficit will likely continue in the first half of 2010 and improve over the second half.

"China is expected to maintain a trade surplus for the whole of 2010, although with considerable shrinkage," he said.

The entire year's trade surplus is estimated to further plummet after it decreased by as much as 100 billion U.S. dollars in 2009.

The trade deficit is not too serious because it was not caused by losses in exports.

"The shrinkage in trade surplus will not only help improve China's balance of international payments which will gradually lead to a general balance of international payments, but it will further balance the trade and economic relations between China and other countries around the world."

Transforming development mode is more important

China maintained a 20 percent annual growth rate in foreign trade between 2002 and 2008, with the total export and import value more than quadrupling. However, there is still a considerable gap between China and great trade powers in Europe and the U.S. in terms of the structure, technology, innovative capacity, per capita foreign trade value and profitability of the export industries.

"Although China's traditional foreign trade structure has not had significant changes, the trade value with emerging markets has surged," said Yao. In the first quarter of 2010, the trade value between China and ASEAN totaled about 62.9 billion U.S. dollars, an increase of over 61 percent. China has signed free trade agreements with ASEAN, Chile, Pakistan, New Zealand, Singapore, Peru, Costa Rica and other countries and regions that will surely promote closer economic and trade exchanges.

China exported mechanical and electrical products of nearly 189.1 billion U.S. dollars in the first quarter, representing an increase of nearly 32 percent from the previous year and accounting for almost 60 percent of China's total import and export value. The surge in mechanical and electrical products with higher technologies and added values reveals that China has secured the capacity to further participate in the reallocation of the global industrial value chain, and the competitiveness of China's equipment industry is improving.

Advancing the trade mode and structure is also a direction for promoting the upgrade and transformation of China's foreign trade. Customs statistics show that the value of China's general trade increased 48 percent in the first quarter to almost 309.7 billion U.S. dollars, almost 4 percentage points higher than that of China's total import and export value during the same period, or over 9 percentage points higher than that of processing trade. This indicates the continual advancement in China's trade.

By People's Daily Online

- China's forex reserves rise to \$2.45 trillion (12th April)

China's foreign exchange reserves hit a new high of 2.4471 trillion U.S. dollars by the end of March, up 25.25 percent year on year, the People's Bank of China (PBOC), the central bank, announced Monday.

China's foreign exchange reserves increased by 47.9 billion U.S. dollars in the first quarter, 40.2 billion U.S. dollars more than that of the same period last year, the PBOC said in a statement on its website.

The central bank said in January that China's foreign exchange reserves topped 2.399 trillion dollars by last December.

The central bank did not specify the reasons for foreign exchange reserves rise in the statement.

According to the newly released data, M2 (the broad measure of money supply), added 22.5 percent from a year earlier to 65 trillion yuan (9.5 trillion U.S. dollars) at the end of March. The increase was 3.03 percentage points lower than that of last month.

The narrow measure of money supply, M1 (cash in circulation plus current corporate deposits), increased by 29.94 percent year on year to 22.94 trillion yuan. The increase

was 5.05 percentage points lower than that of last month, said the PBOC.

Source:

Xinhua

http://paper.people.com.cn/rmrb/html/2010-04/13/nw.D110000renmrb_20100413_4-10.htm?div=-1

- Crisis good opportunity for Chinese companies to go global (12th April)
Guo Min, a director in charge of the overseas acquisition business of a Guangdong-based private company, said he became extremely busy over the last one year as the financial crisis gave a good opportunity for Chinese companies to go global.

Guo expects the strenuous pace of life to continue, due to the robust momentum of mergers and acquisitions that Chinese companies are expected to be involved in over the next three years.

The financial crisis has given Chinese companies a shortcut for making more acquisitions overseas, as the latest high-profile deal between Chinese automaker Geely and global giant Ford shows.

There would have been little chance for both sides to reach the \$1.8-billion deal without help from the financial crisis, said Long Yongtu, secretary-general for the Boao Forum for Asia (BFA).

"The end of 2008 and the beginning of 2009 was a challenging period in terms of raising new short-term or long-term funds for the automotive sector," Par Ostberg, an executive of the Swedish Volvo Group, said.

And, opportunities continue to pour in as some overseas companies have yet to get out of the tight credit situation in a weak global economic recovery.

In addition to the economic scenario, China's commercial banks started providing the country's first batch of annexation loans to domestic companies for acquisition projects from last January.

Entrepreneurs said the annexation loans also drive forward the fever for mergers and acquisitions, both inside China and abroad.

China's foreign investment exceeded \$9.4 billion in 2009, up 54 percent year on year in 2009, according to the Ministry of Commerce.

Chinese firms are going global in various industries such as automotive, steel, metals, energy and computers to explore new markets and acquire raw material and energy resources.

China's mining and metal industry mergers reached \$16.1 billion in 2009, accounting for

27 percent of the total volume of business in the world, according to the latest report by Ernst and Young.

Overseas mining and metal acquisitions will continue growing in 2010 and underdeveloped areas such as Africa, Asia and South Africa will be the new focus for investment. Rare metals will attract more investment, it said.

But the Chinese companies, which have yet to become competitive global players, are facing a host of strategic, operational and culture hurdles in overseas acquisitions.

The overseas investment environment experienced deterioration and rising protectionism since the financial crisis, as nations started to protect their own industries.

"As the factory of the world, Chinese companies have served other countries with its products, along with its resources and energies," said Xiong Weiping, the president of Aluminum Corporation of China (Chinalco) at the forum. "But China itself is facing scarcity of energy and resources," Xiong said.

Source: China Daily

- Mainland, Taiwan see rosy economic prospect after signing of ECFA (12th April)
Entrepreneurs and economists of the Chinese mainland and Taiwan have considered the expected signing of a cross-strait economic pact as a top priority in further development of their trade relations.

The long-awaited Economic Cooperation Framework Agreement (ECFA), aiming to normalize mainland-Taiwan economic ties and bring the two economies closer, is hoped to be signed by the end of June.

Fredrick Chien, chief advisor of Taiwan's Cross-Straits Common Market Foundation, said here Sunday the ECFA will be an "extremely important" agreement to strengthen future development of cross-strait relations.

"As long as we make this stride, the cross-strait economic and trade exchanges will get much closer," Chien said at the Boao Forum for Asia annual conference which concluded Sunday in southern island province of Hainan.

He jointly presided over a round-table meeting with Dai Xianglong, chairman of the mainland's National Council for Social Security Fund.

Dai, who is also former central bank governor, said he had been promoting cross-strait economic cooperation since 1990 when he was general manager of the mainland's Bank of Communications.

Taiwan's Chung-hua Institution for Economic Research (CIER) has predicted that the ECFA would push the island's economic growth rate by 1.65 to 1.72 percentage points

while adding 257,000 to 263,000 more job opportunities.

CIER President Daigee Shaw said Taiwan's export-oriented economy and cross-Strait marine transport will benefit from the economic pact.

Frank F. H. Lu, chairman and CEO of Taiwan's Yang Ming Marine Transport Corporation, said the ECFA will be convenient for its clients as the pact can improve logistic chains across the Taiwan Strait and promote integration of transport, customs clearance and insurance.

Christina Y. Liu, chief economist of Taiwan's Chinatrust Financial Holding Co., Ltd, said business opportunities brought by the ECFA will be continuous so as to maintain safety of cross-Strait mutual investment and trade.

She said the economy of the two sides is mutually supplementary as "the mainland has advantages in human resources, capital market and international competition, and Taiwan is very strong in research and development, designing, marketing, management and science and technology, as well as in areas of accounting, law, company management, environmental protection and medicines."

"Worries about the ECFA are unnecessary," Liu said.

Zhu Yun, president of the Beijing-headquartered China International Capital Corporation Limited, said Taiwan's high-tech enterprises can further explore the mainland market and expand cooperation area, which will help upgrade the mainland's industrial structure.

Wei Jiafu, president and CEO of the mainland's China Ocean Shipping (Group) Company, said trade, investment, shipping and logistics, among other areas, will first gain advantage after the ECFA signing.

He predicted that hundreds of thousands of Taiwan businessmen will change their mainland investment strategies after the signing of the pact, as most of them will seek long-term development in the mainland instead of the previously short-term one.

According to the Ministry of Commerce, by the end of February, the mainland had approved more than 80,000 Taiwanese-invested projects, involving nearly 50 billion U.S. dollars of direct investment. This makes up 5.2 percent of total overseas investment on the mainland.

The mainland remains Taiwan's first trade partner and a major source of trade surplus, with Taiwan's export to the mainland reaching 85.7 billion U.S. dollars last year, or 42 percent of the island's total export.

"Trade talks between countries are often based on the calculation of their own benefit. But there is no such thing during the ECFA negotiations," CIER President Shaw said. "The process is very sincere and honest."

Source: Xinhua

- U.S. rejects charge of putting up trade walls (12th April)

A senior U.S. official on Saturday rejected charges that the country was protectionist on matters relating to trade, saying instead that Beijing and Washington were working together to help the global economy recover.

Under Secretary of State Robert Hormats made the remarks on the same day that the United States set final anti-dumping duties ranging from 30 percent to 99 percent on more than \$1 billion worth of China-made steel pipe imports. "When you look at the mechanism of trade, I don't see protectionism. There are some trade frictions, but it involves very few products, compared to the huge volume of trade. Any measures that have been taken are a very small part compared to the overall volume of trade," Hormats was quoted by China Daily as saying.

Last year, trade disputes between the two powers escalated after the US slapped a series of anti-dumping duties on Chinese products.

Hormats is the first incumbent senior US official to take part in the Boao Forum and his participation comes at a time when the two countries are making efforts to patch frayed ties. "One reason I came here for this meeting is to underscore how strongly committed we are to a close and constructive economic and political relationship with China," he said.

China and the United States have argued over topics including Taiwan, Tibet and trade. However, despite these public squabbles, neither country can disregard the other.

Beijing needs Washington to have a strong economy to feed its growth while Washington wants Beijing to support its positions on international affairs such as to back fresh sanctions against Iran. A recent flurry of diplomatic efforts has brought the two powers back on track.

"Both countries stimulated their growth, and therefore, are contributing to the global economic recovery, and they are cooperating very nicely under G20. I think there is a lot of positive cooperation between the two sides," Hormats said.

Referring to the Sino-US Strategic Economic Dialogue to be held in the Chinese capital in May, Hormats said both sides were just beginning to chalk out the agenda. "There is a lot of work to do. There are many issues, but there is also a very positive environment to resolve those issues," he said.

Unlike other U.S. officials, Hormats, who will be one of the key officials representing the U.S. side in the China-U.S. Strategic Dialogue, refused to talk about the currency issue.

Instead, he said that the US, being a leading economy, should be both a leader and a

listener.

Source: Xinhua

- Why some made-in-China goods are cheaper abroad (13th April)

People who often go to Europe and the United States know that at the shopping malls the clothes, shoes, caps, PCs and other products are cheaper than the same products sold at Chinese markets, despite the fact that many of them are made in China.

For example, a Coach handbag may be sold for 2,000 yuan at Beijing Xidan, which amounts to nearly 300 U.S. dollars, but at a U.S. outlet store, it may be sold for less than 100 U.S. dollars. And a Hugo Boss formal suit is usually priced at 300 or 400 U.S. dollars but it may cost more than 10,000 yuan, about 1,470 U.S. dollars, at a Chinese store.

Maybe you have learned that the made-in-China iPhone sells in the United States for less than 200 U.S. dollars, but in China it goes for anywhere between 3,000 to 4,000 yuan, some 440 to 590 U.S. dollars.

Another thing may surprise you. In Washington, some 30 minutes drive from the city proper, you can spend 400,000 U.S. dollars to buy a detached villa, including the land and a garden. But an economist from the U.S. Department of Commerce was shocked speechless when he heard that such a thing would be impossible in Beijing.

So you can find many Asians, especially Chinese, at the shopping stores in the United States during the shopping season after Thanksgiving Day. In some Coach specialty stores, I even found eight out of ten customers in line were from China. Why? Because the prices are much cheaper.

Many factors cause the phenomena and tax is the main reason. But even if we exclude taxes, such as those levied on imported luxury cars, there is still a large price gap.

In the era of globalization, Chinese earn only a small profit from the manufacture of goods in China, but the Americans earn large profit from the brands.

Why are products produced in China priced much cheaper in the United States, but higher in China? It makes little sense because the freight costs of shipping the items overseas should add quite a bit to the price.

This also arouses some Americans concerns that they believe China is guilty of dumping goods or pumping up subsidies. This becomes an excuse that the United States uses to impose countervailing duties and anti-dumping sanctions against Chinese goods. But we know it is not true.

Some people think we should examine the Chinese system to find an answer. For example, the poor distribution channel and the lack of credit transactions in China force

the manufactures to turn to foreign markets. Furthermore, monopolies and huge profits in some industries drive them to seek maximization of profit.

But what is certain is that the price gaps between markets at home and abroad are not caused by just one factor.

While the income level of Chinese people has increased significantly, there is an obvious gap compared to that of the developed countries. China strives to promote economic restructuring, but Chinese people still rush overseas to buy cheaper goods produced in China. This may cause the external flow of Chinese purchasing power and become a barrier to expand domestic consumption.

By People's Daily Online

- ADB: China's economy to grow 9.6% (13th April)

The Asian Development Bank has forecasted China's economy will grow 9.6 percent in 2010, while predicting a moderate lift in the value of the currency, the yuan.

The Manila-based ADB raised China's growth rate from its previous estimate of 8.9 percent growth for 2010, done in September. However, the bank said China's economy is likely to rise at 9.1 percent in 2011 as Beijing is prepared to phase out its huge stimulus measures introduced in late 2008 to stark off the global financial crisis.

China has powered out of the downturn -- it grew 10.7 percent in the fourth quarter of 2009 -- on the back of US\$585 billion dollars in stimulus spending and massive bank lending.

China's next five-year plan, an economic blueprint set to be unveiled in 2011, was an opportunity for Beijing to "add momentum to restructuring efforts" necessary to ensure sustained growth in the years ahead, the ADB said.

Expanding the services sector -- such as banking and insurance -- would "strengthen the domestic engine of growth, generate new sources of employment and raise living standards", the bank said.

It also said that it is China's own interest to let the yuan resume appreciation, a process that was halted by the financial crisis.

"Now as the global economy picks up it would be... in China's interests but also in the interests of the economies in the region to gradually shift towards greater exchange rate flexibility," ADB country director Robert Wihtol told reporters. The bank said in its outlook report that China may "tolerate" a slight increase in the yuan in 2010 and 2011 amid sustained economic growth, revived inflation and a trade surplus.

Speculation is growing that Beijing may soon alter its exchange rate policy as international moves intensified for a stronger yuan -- effectively pegged at around 6.82 to

the dollar since mid-2008.

People's Daily Online

- China levies anti-dumping tariffs on US and Russian electric steel (13th April)
China's Ministry of Commerce (MOFCOM) announced today on its Web site that it has imposed anti-dumping tariffs on grain-oriented flat-rolled electric steel (GOFES) imported from the United States and Russia as of April 11.

The statement said that companies from the two countries have dumped electric steel on the Chinese market and this has caused substantial damage to the domestic industry.

China will impose anti-dumping duties of 7.8 percent on AK Steel Corp. and 19.9 percent on Allegheny Ludlum Corp., the two American producers that responded to its request for information. AK Steel faces anti-subsidy duties of 11.7 percent and Ludlum faces 12 percent.

Other U.S. producers will be assessed for anti-dumping duties of up to 64.8 percent, and anti-subsidy duties of up to 44.6 percent.

Russian silicon steel producers OJSC Novolipetsk Steel and VIZ-Stal, Ltd. face anti-dumping duties of 6.3 percent, while others face duties of 25 percent.

On June 1, 2009, the MOFCOM announced the launch of an anti-dumping investigation into imports of grain-oriented flat-rolled electric steel (GOFES) from the United States and Russia, as well as an countervailing duty investigation into 22 subsidies related to U.S. GOFES.

Around three months later, the ministry said that it will investigate another six U.S. steel subsidies, including U.S. government coal subsidies and power and natural gas offered at low prices.

That was China's first countervailing duty investigation and first dual trade remedy investigation into its imports from the same country.

The complaints were filed by Baosteel Group Corp. and Wuhan Iron & Steel Group, whose gross output of electric steel between 2006 and January to February 2009 accounted for 100 percent of the gross output of this type of product in China during that period.

By People's Daily Online

- Understanding causes of insufficient consumer demand (13th April)
Several renowned economists from China and Australia discussed the pressure facing China's future development as well as macroeconomic policies China should adopt during a forum on April 12. They believe that there are six major reasons behind the

insufficient consumer demand in China.

The forum was sponsored by the Chinese Academy of Social Sciences (CASS), during which, the CASS launched a book from its "China Economic Frontier" series titled "China under the International Financial Crisis."

Sufficient labor supply curbs rises in wages

Wang Xiaolu and Fan Gang, from the China Reform Foundation's National Economic Research Institute, pointed out that about 150 million Chinese migrant rural workers currently work in urban areas, and several million migrant rural workers enter the urban labor pool every year. Despite the high-speed economic growth and increasingly higher per-capita GDP, the sufficient supply in the labor market has restrained the rise in wages, causing the continued decline of the percentage of labor income in terms of total income. This has in turn widened the income gap, curbed mass consumption growth and eventually resulted in the consumption growth rate lagging behind the GDP growth rate.

Income gap leads to high savings

According to statistics on urban household incomes from the National Bureau of Statistics, the rate of consumption for 10 percent of the poorest urban households was as high as 96 percent, while the figure for 10 percent of the richest urban households was only 63 percent. The widened income gap indicates that the income growth rate for high-income residents has been higher than that for low-income residents, resulting in the rise in average urban household savings rates and the fall in the rate of consumption.

Related systems need to be perfected

Following reform in China, the labor market has replaced government intervention as the method of determining wage levels, but legislative, social security, public welfare and other systems have not been fully developed. Labor income is solely determined by supply and demand in the labor market and there is not a sufficient social security system to supplement it.

Therefore, there is no guarantee that the labor income and consumption level can grow at the same pace as economic growth. Despite the significant development of the social security system over recent years, it still needs to be further improved.

Enterprise savings raise the overall savings rate

The rapid rise in enterprise savings is the main reason behind the rise in the overall savings rate. Currently, China lacks a rational resource tax system and a state-owned enterprise (SOE) dividend allocation system that would enable enterprises in the oil, natural gas, coal and other resource industries and SOEs to allocate their profits. This has caused the continued rise in the amount of undistributed profits that have become the major source of enterprise savings.

Lack of incentive measures to enhance public services

Local government bodies at various levels have been passionate about expanding the GDP and accelerating economic growth, but there is a lack incentive measures to perfect public services and achieve full employment. These government entities have overly encouraged the investment in large, capital-intensive projects and the development of large and medium-sized enterprises, while paying less attention to the development of small, labor-intensive enterprises. This has changed the allocation of productive factors and has led to the continued rise in both enterprise scale and industrial capital intensity. It has also reduced job opportunities accordingly, widened the income gap and accelerated the decrease in the rate of consumption.

Loopholes in the public fund-management system

There are loopholes in the public fund and resources-management system because the system is unsound and lacks transparency. Particularly, the lack of oversight on the collection and use of extra-budgetary funds has caused the misuse, leakage and embezzlement of public funds. This has severely worsened the income allocation structure.

By People's Daily Online

- Geithner: China 'going to move' on currency rates (14th April)

U.S. Treasury Secretary Timothy F. Geithner said China is likely to move toward a more flexible currency because its practice of pegging the yuan to the dollar limits that nation's ability to conduct monetary policy, the Bloomberg News reported Tuesday.

"As a strong, large, independent, growing economy, it doesn't make sense for that country to run a monetary policy exchange-rate regime that effectively lets the (U.S.) Federal Reserve set interest rates for their economy," Secretary Geithner said at an American Society of News Editors conference in Washington on Tuesday.

"That's why I think -- why I'm confident that they're going to move," Geithner said.

Secretary Geithner has visited Beijing and conducted a meeting with Chinese vice-premier Wang Qishan at the Beijing International Capital Airport on currency issues.

U.S. President Barack Obama on Monday urged President Hu Jintao at a Washington nuclear security meeting to move to a "more market-oriented" exchange rate. The Xinhua News Agency cited President Hu as saying the country wouldn't move under outside "pressure."

Separately, New York University economist Nouriel Roubini said China would allow its currency to start appreciating gradually, possibly starting as early as May, said the Bloomberg News report.

Roubini said China would limit the yuan 's appreciation to a maximum of 3 percent or 4 percent a year due to the economic slowdown there. The move would be enough to allow the Obama administration to say its efforts were paying off, he said in an interview today on Bloomberg Television 's "InBusiness with Margaret Brennan."

"It 's not at all a game changer, absolutely, but politically that 's the maximum that China can do," Roubini, who predicted the global financial crisis, said in New York. The move would "allow at least the U.S. to signal there is some movement and prevent the U.S. from declaring China as a currency manipulator."

People's Daily Online

- US: Trade deficit with China narrows (14th April)

The U.S. trade deficit with China narrowed to its lowest level in nearly a year in February, while its overall trade gap widened as strengthening domestic demand triggered a surge in imports from abroad.

Analysts said Tuesday's data may provide China a reason to resist revaluing its currency "substantially".

"The decline in the bilateral trade deficit with China might take a little of the pressure off the Chinese to allow their currency to appreciate against the dollar," said Paul Ashworth, senior U.S. economist at Capital Economics in Toronto.

Chinese President Hu Jintao, attending a nuclear security summit in Washington, told President Barack Obama Monday that China would not be pushed by external pressure to revalue the yuan and would be guided instead by its own domestic needs.

The closely watched bilateral U.S. trade gap with China narrowed to US\$16.5 billion in February, the lowest since last March, the Commerce Department said. Imports from China fell 7.2 percent to US\$23.4 billion, the lowest since May, according to a Reuter report.

China's own monthly data released on Saturday showed it ran a US\$7.24 billion trade deficit in March, the first time its balance had been in the red since 2004.

A jump in imports of consumer goods and other products widened the overall U.S. trade gap in February to US\$39.7 billion from January's \$37.0 billion deficit. U.S. exports grew only marginally.

While the economy continues to recover from the worst downturn since the 1930s, small business owners have little confidence in the recovery and are in no rush to hire or expand, a survey released on Tuesday showed.

People's Daily Online / Agencies

- China vows further support for foreign investment (14th April)

China's State Council on April 13 released new guidelines for foreign investment in China, encouraging foreign funds to flow to high-end manufacturing, hi-tech and eco-friendly sectors and to mid and western China, but restricting funds to environmentally unsound projects.

China also promises more favorable policies for foreign-funded companies, including tax incentive measures.

Better structure

According to the new regulations, China still welcomes foreign investment in high-tech industries, services sectors, energy-saving and environmental protection, but polluting and energy-intensive projects or those in industries running at overcapacity are not wanted. Foreign capital is also welcome in outsourcing services sectors.

Qualified foreign-funded companies will also win the policy support in China's stimulus package for 10 key industries.

In addition, foreign-funded projects that are in the "encouraged" category will be able to enjoy lower land prices.

Transnational companies are encouraged to establish regional headquarters, R&D centers, purchase centers, financial management centers and other functional departments in China. Imports for scientific and technological development by qualified foreign-funded R&D centers will be exempt from tariffs, importing value-added tax and goods and services tax by the end of 2010, according to the regulations.

"Go West"

Foreign-funded enterprises are encouraged to increase their investment in China's central and western regions, particularly in eco-friendly and labor-intensive companies.

Tax incentive policy for qualified foreign-funded companies will continue in order to maintain the trend of growing foreign investment in the western regions of China. Foreign companies that go from China's coastal regions to the western area will also receive policy support and more convenient procedures.

>>[China's "west delta" new magnet for overseas investment](#)

Various ways of foreign capital utilization

According to the regulations, the State Council said China will continue to support Chinese A-share listed companies in further introducing strategic investment from home and abroad and standardize foreign companies' investment in domestic securities and

corporate merger and acquisition moves.

A national security examination mechanism will be built as soon as possible for foreign-funded companies' merger and acquisition operation in China, according to the regulations.

Qualified foreign-funded companies are allowed to go public, issue corporate bonds or medium-term bills in China.

>>[Draft norms for overseas listings in Shanghai soon](#)

Reform of management mechanism

To create a favorable environment to attract foreign investment, China will organize and standardize the administrative fee and inspection regulations involving foreign investment and further transfer the jurisdiction for examining and approving foreign investment to lower government levels. It will make great efforts to promote online examination and approval procedures and improve foreign-invested enterprises' joint annual inspection system.

By People's Daily Online

- China's FDI up 7.7% in Q1: official (14th April)

Foreign direct investment (FDI) to China increased 7.7 percent year on year to 23.44 billion U.S. dollars in the first quarter, vice commerce minister Ma Xiuhong said here Wednesday.

A total of 5,459 overseas-funded ventures were established in the past three months, up 19.9 percent from the corresponding period last year, Ma told a press conference.

Source: Xinhua

- Nearly 60% of global institutional investors willing to invest more in China (14th April)

China will see most investment growth from global institutional investors, according to a recent survey conducted by Fidelity International and the Economist Intelligence Unit. Fidelity International expects that massive funds will flow into China in 2010.

The survey covered 109 mutual funds, pension funds, insurers and investment banks worldwide. In 2010, institutional investors' are expected to increase their allocation to Asian asset classes in the hope of better returns and improved diversification.

58 percent of institutions surveyed say that they will invest more in China this year, and 63 percent say that they will invest in the stock market. Most of the financial institutions noted that the Asian market involves more risks than EU and U.S. markets, but will also contribute more returns.

As for China's A-share market, transparency and the quality of regulatory infrastructure are among institutional investors' top concerns.

Zhan Long, head of Fidelity China, noted that the majority of those surveyed believed that returns will be greater across all asset classes in Asia than with equivalent investments in Western markets, "reflecting a great transition of views of major European and Asian pension funds and other institutions."

According to Fidelity International, 57 percent of European institutional investors and 62 percent of Asian institutional investors name China as their top choice for funds allocation.

By People's Daily Online

- China to boost low-income housing building: housing authorities (14th April)
China's housing authorities on Monday urged local governments to put more efforts into the building of low-income housing.

The national goal for 2010 is to build 3 million apartments for low-income families, renovate 2.8 million in urban shantytown areas, and expand renovation of dilapidated houses in rural areas, an unidentified official with the Ministry of Housing and Urban-Rural Development (MOHURD) told a teleconference.

The ministry urged governments at all levels to strictly implement preferential policies in land provision, funding, tax reduction and credit support for low-income housing projects, to ensure the realization of the annual construction goals.

MOHURD also called for efforts to curb the precipitous rise of housing prices in some cities by increasing the supply of small and medium-sized houses and to rein in the speculation on rising house prices.

Source: Xinhua

- China raises petroleum prices (14th April)
Beijing - China raised gasoline and diesel prices by 320 yuan (\$47) per ton, or 4 to 5 percent, starting Wednesday.

The increase is the first price hike in five months and pushes domestic prices to new highs.

This equals a price hike of 0.24 yuan per liter of gasoline and 0.27 yuan per liter of diesel, said the National Development and Reform Commission (NDRC) late Tuesday.

The move is in line with increases in global crude prices. The moving average of international crude has changed more than 4 percent over a period of 22 working days,

according to the NDRC.

This round of price hikes is mild, as domestic oil supply is not tight at present, said Dong Xiucheng, professor at China University of Petroleum.

Lin Boqiang, professor with Xiamen University, said the price hike would have little impact on the consumer price index, pushing it up by only 0.1 percent.

China adopted a new oil pricing system last year, under which domestic oil prices are adjusted when the moving average of a basket of international crude (Brent, Dubai and Cinto) changes more than 4 percent over a period of 22 working days.

The country's last price hike on refined oil products was on Nov 10, when gasoline and diesel prices were raised by 480 yuan per ton, or 7 percent.

Under the oil pricing system adopted in 2009, domestic oil prices are linked with global crude prices. However, it also started debate on whether the fuel price or the pricing system was reasonable.

It seems that each price hike is synchronized with the rise in international crude prices, but each price cut is always delayed, said an industry insider who did not want to be named.

Many industry insiders believe that global oil prices will fluctuate between \$60 and \$80 this year. At such a level domestic fuel prices will not rise much, they said.

Source: China Daily

- China's GDP grows 11.9% in Q1, fueling overheating fears (15th April)

China's economy expanded 11.9 percent year on year in the first quarter, indicating a solid recovery of the world's third largest economy, but also fanning concerns of asset bubbles.

The gross domestic product (GDP) in the first three months totaled 8.07 trillion yuan (1.19 trillion U.S. dollars), the National Bureau of Statistics (NBS) announced Thursday.

The rise was 5.7 percentage points higher than the same period last year, when it dropped to 6.2 percent, the lowest in a decade, and was higher than the 10.7 percent of the fourth quarter last year.

"With the implementation of the stimulus package to combat the global economic downturn, the Chinese economy achieved a good start this year as the recovery momentum continues to consolidate, laying a solid foundation to meet the annual economic target (of 8 percent growth)," NBS spokesman Li Xiaochao said at a press conference on Thursday.

"The 11.9-percent growth in the first quarter is largely a result of last year's low comparison base, and the government's stimulus," Li said.

The better-than-expected growth was largely driven by domestic demand, as retail sales surged 17.9 percent year on year in the first quarter, and fixed-asset investment rose 25.6 percent.

"The growth is strong, and above potential, but there are signs of overheating," said Steven Green, head of research of Standard Chartered Bank (China).

He said with stimulus already partly ended, the key was whether the authorities could steer the economy on to a more sustainable growth path, or whether inflation or asset bubbles would occur in the second half of the year and trigger a bigger policy-induced slowdown in 2011.

Despite the rosy figures, government remained cautious. Li Xiaochao said economic conditions remained "very complicated" with many difficulties still existing.

The severe drought in southwest China and the rapid price increase of industrial products were challenges to achieving 8 percent annual growth, he said.

"The world economy is gradually reheating in an unbalanced manner and faces uncertainty, as commodity prices have risen sharply and many countries have reported sovereign debt crises," he said.

"Although the task is daunting and the difficulties are still there, 8 percent growth could be realized this year," he said.

In response to questions about the continuation of the stimulus package, Li said the government would keep the economic policy stable and consistent as problems and difficulties remained.

"We will also make policy-setting more flexible and targeted according to developments, such as increasing cost pressures for many businesses," he said.

After a cabinet meeting late Wednesday, the government said the proactive fiscal policy and relatively easy monetary policy would continue given the current "very complicated" economic conditions.

It also warned of real estate bubbles and other overheating industries, as housing prices were surging in cities, and the rising monetary and fiscal policy risks could not be ignored, said a statement issued after the meeting.

Following a government call to support economic recovery, China's banks lent a record 9.6 trillion yuan in new loans last year, which ignited fears of bad loans and asset bubbles.

With repeated government warnings of such risks since the end of last year, bank lending fell to 2.6 trillion yuan in the first quarter this year, 1.98 trillion yuan less than the corresponding period last year, the People's Bank of China, the central bank, said Monday.

Tang Jianwei, an analyst with the Bank of Communications, said macro-economic control policy should focus on preventing possible overheating.

"Although overheating has not become prominent, policy design should be preemptive in checking the looming risk," he said.

The relatively easy monetary policy should be phased out gradually, he said, but not in a way that could put the brakes on the recovery momentum.

The benchmark Shanghai Composite Index ended almost flat at 3,164.97 points on Thursday, down 0.04 percent, or 1.22 points, as the market anticipated monetary tightening measures.

INFLATION TARGET DIFFICULT

China's consumer price index (CPI), the main gauge of inflation, saw a moderate rise of 2.4 percent year on year in March, and a decline of 0.7 percent month on month.

The inflation rate was still below the government's upper limit of 3 percent inflation this year, but staying within the limit might be "difficult and challenging," said Li.

For the first quarter, the figure was up 2.2 percent from the same period last year.

China had set a ceiling of 3 percent for rises in consumer prices in 2010, according to a government work report delivered by Premier Wen Jiabao last month at the annual parliamentary session.

"China's consumer prices are basically stable," Li said, adding that the goal was still within reach with "concerted efforts and solid work."

Li attributed the rise in CPI to the relatively low comparison basis of the first quarter of 2009 and the freezing winter, which brought dramatic rises in food prices.

Li also noted that other factors -- rising international commodity prices, domestic producer prices and industrial costs -- had also started to push up the CPI.

Zhu Baoliang, chief economist at the State Information Center, said the government might find it difficult to achieve the 3-percent limit, but it could easily hold the inflation rate within 4 percent this year.

Consumer prices were growing at a moderate level, but there was still possibility of further inflation, due to excessive money supply, as well as the skyrocketing property

prices and the prolonged drought in south China, Zhu said.

But as the government was set to gradually scale back money supply, inflation pressure would eventually ease, he said.

Jing Ulrich, chairman of China Equities and Commodities of JP Morgan Chase, agreed that inflation was expected to rise before peaking around mid-year.

Considering the upward trend in consumer prices and the recovery in exports, China's central bank might begin to raise interest rates in the second quarter to keep inflation in check, she said, adding J.P. Morgan Chase expected the PBOC to raise interest rates three times in 2010.

However, she said Tuesday's price hike in fuel products had indicated policy makers' confidence in inflation control and "a measure of comfort with China's near-term inflation outlook."

She forecast that CPI growth would stand at 3.2 percent for 2010.

Source: Xinhua

- China's CPI rises 2.4% in March (15th April)

China's consumer price index (CPI), a main gauge of inflation, rose 2.4 percent year on year in March, the National Bureau of Statistics (NBS) announced here Thursday.

The figure was 0.7 percentage points lower than the previous month, and for the first quarter, it was up 2.2 percent.

The producer price index (PPI), a major measure of inflation at the wholesale level, rose 5.9 percent in March from a year earlier.

China's PPI went up 5.2 percent year on year in the first quarter, said NBS.

Source: Xinhua

- Urgent: China sets tougher property down payment requirement to rein in soaring prices (15th April)

The Chinese government raised down payment for people buying their second homes to a minimum of 50 percent of the property value from 40 percent, in a bid to curb speculation in the country's property market.

The decision was announced in a statement released Thursday after the conclusion of an executive meeting of the State Council, or Cabinet, presided by Premier Wen Jiabao, on Wednesday.

First-home buyers have to pay more than 30 percent of property prices if the property

area is above 90 square meters, the statement said.

Source: Xinhua

- Senegal offers China huge iron ore deal (15th April)

As negotiations with the world's top three iron ore companies continue to drag on, the African country of Senegal is offering to sell 3.5 billion tons of iron ore reserves to China, presenting an opportunity for China's steel enterprises.

On April 13, 2010, dubbed "Senegal-China Business Cooperation Day," Senegalese senior officials and presidents of many companies presented projects seeking investments from China's state-owned and private companies, and an iron ore project is one of them.

According to a survey done by an iron ore company in Senegal, the country's iron ore reserves have reached 3.5 billion tons with iron content of up to 63%. There is also as much as 3.5 billion tons of potential magnetite.

In the past, more than 90 percent of foreign investment in Senegal came from France, while at present the proportion of investment from France has dropped to about 50 percent.

"With China's growing economic strength, and the increasing trade between Senegal and China, we can no longer ignore the power of China, and we are eager to win the support of China," said Karim Wade, Senegalese Minister of State. "Chinese enterprises would be welcome to invest in Senegal if they can comply with the local laws and customs.

Industry experts say that while Senegal's iron ore reserves are only one-tenth of those held by major iron ore exporters such as Australia and Brazil, this visit still is still a good sign in light of iron ore talks, which are currently at a standstill.

By People's Daily Online

- Planned housing land supply doubles in 2010 (15th April)

China's total planned housing land supply in 2010 will increase to 180,000 hectares, a big increase compared to the actual land supply of more than 76,000 hectares last year, according to the Ministry of Land and Resources.

Low-income housing, shantytown renovation and small and medium-sized commercial residential housing account for more than 70 percent of the planned land supply, said Liao Yonglin, director of the Department of Land Use and Administration.

Low-income housing, shantytown renovation and small and medium sized commodity housing account for 77 percent of the plan in 2010. Total land supply of small and medium-sized commodity housing will be about 80,000 hectares, exceeding the amount of national actual housing land use last year.

The planned land supply for low-income housing will increase in 2010, and is expected to meet the demand. The land allocated for low-income housing is more than 24,000 hectares, more than doubled compared with last year.

The land for low-cost housing accounts for 29 percent of the total low-income housing allocation, surging 472 percent compared to the actual land supply in 2009. The central government will also issue a construction mission of 3 million low-income houses.

In addition, shantytown renovation's land use plan is involved in the housing land supply management for the first time. China will finish 2.8 million units for shantytown renovation this year. The land use plan for it reaches 35,786 hectares at present, accounting for 19 percent of housing program. Amid it, low-income housing land in shantytown renovation is 20,462 hectares, accounting for 57 percent of total shantytown renovation land use. The land proportion for solving housing problems for low-income groups accounts for 24 percent of total land.

People's Daily Online

- BRIC trade helps stabilize economies during crisis (15th April)

Trade between Brazil, Russia, India and China, collectively known as BRIC countries, helped to stabilize the four nations' economies amid the international financial crisis in 2009, scholars said at a seminar in Brasilia Wednesday.

The scholars said trade among the four nations continued to grow even as global trade was shrinking in volume.

"There is no mistake to say that BRIC countries have put the crisis behind them," said Dr. Biswat Dhar of the India-based Research and Investigation Center. "The growth of trade was maintained despite the crisis. Now we need more export synergies to increase trade engagement," he said.

Some participating scholars said trade among BRIC nations had grown faster than in similar downturn periods in history.

During the nine years ending 2008, trade within the four nations grew nine fold, while global trade only doubled, said Zhang Yuyang, professor of international economics at the Chinese Academy of Social Sciences.

"Even so, trade between the BRICs has substantial room to develop," Zhang said.

The term BRIC was coined in 2001 by Jim O'Neil, chief economist of U.S. investment bank Goldman Sachs. He predicted that the four nations would constitute a dominant force in the world economy by 2050.

Source: Xinhua

- China becomes fastest-growing US overseas market (15th April)

From 2001 to 2009, U.S. exports to China increased 262.8 percent, while its overall exports growths was only 45.5 percent.

"China has become the United States' fastest-growing overseas market," said Yao Jian, spokesman of China's Ministry of Commerce (MOFCOM) Wednesday.

Data from the U.S. government showed that its exports to China increased by 55.2 percent in the first two months of 2010, 38 percentage points higher than its overall exports growth.

In 2009, impacted by the global financial crisis, U.S. exports to China dipped only 0.22 percent and the trade deficit with China fell 15.4 percent, while its overall exports dropped nearly 18 percent.

"In 2009, among the U.S. automakers' 10 largest overseas markets, China was the only one that witnessed growth. The U.S. aircraft producers' exports to China grew 36.5 percent in 2009 while its total exports fell 1.8 percent," said Yao.

The growth of the U.S. exports to China was facilitated by China's opening-up policies and its huge market.

"Among China's 150 services sectors, over 110 are open to foreign capital. China's openness was the highest among developing countries," Yao emphasized.

Facing accusations that China was responsible for the job losses in the U.S. manufacturing sector, Yao reiterated that Sino-U.S. trade and economic ties should be discussed in the context of globalization.

Robust Sino-U.S. economic and trade ties have benefited U.S. consumers, contributed jobs to services industries, and reduced risks of inflation in the United States, Yao said.

"The two countries have different economic structures. The jobs created by Sino-U.S. trade in U.S. service sectors outweigh the job losses in manufacturing industries."

Trade deficits in the tangible goods trade should not be the only focus in Sino-U.S. economic ties, Yao said.

"This is contrary to the spirit of globalization," Yao said.

According to statistics released by China's General Administration of Customs, Sino-U.S. trade turnover recorded of 78.11 billion U.S. dollars, showing a 25.8 percent of year-on-year growth in the first quarter of 2010. China's imports from the United States grew 42.7 percent to 23.66 billion U.S. dollars, while exports grew 19.7 percent to 54.45 billion U.S. dollars.

- Chinese shares close flat on expected quarterly data (15th April)

Chinese equities close almost flat Thursday as the nation's first quarter economic data were in line with market expectations.

China's statistics authority announced Thursday morning that the nation's gross domestic product (GDP) grew 11.9 percent year on year in the first quarter to 8.06 trillion yuan (1.19 trillion U.S. dollars), and the consumer price index (CPI), the main gauge of inflation, rose 2.4 percent year on year in March.

The benchmark Shanghai Composite Index on the Shanghai Stock Exchange ended slightly down at 3,164.97 points, down 0.04 percent, or 1.22 points.

The Shenzhen Component Index on the Shenzhen Stock Exchange ended at 12,513.29 points Thursday, down 44.4 points, or 0.35 percent, from the previous close.

Total turnover rose to 249.13 billion yuan from 248.5 billion yuan on the previous trading day.

Source: Xinhua

- Income of China's urban, rural residents continues to increase in Q1 (15th April)

The income of China's urban and rural residents continued to increase in the first quarter, data from the National Bureau of Statistics (NBS) showed Thursday.

In the first three months of the year, per-capita disposable income for urban people hit 5,308 yuan (778.3 U.S. dollars), up 9.8 percent year on year. After deducting inflation, though, actual growth was 7.5 percent, said NBS spokesperson Li Xiaochao.

Per-capita cash income for rural residents stood at 1,814 yuan in the first quarter, jumping 11.8 percent from a year earlier. But after deducting inflation factors, actual growth was 9.2 percent.

In a breakdown, urban people saw year on year increases of 9.7 percent, 13.3 percent, 7.5 percent and 17 percent on the wage income, transfer-payment income, operational income and property income respectively.

While rural residents' wage income, transfer-payment income, operational income and property income grew 16.3 percent, 13.8 percent, 7.6 percent and 15.6 respectively.

In 2009, the per-capita disposable income of urban people was 17,175 yuan, up 8.8 percent from a year earlier, according to the NBS.

Per-capita disposable income for rural residents last year stood at 5,153 yuan, with a growth rate 0.6 percentage points lower than that of urban residents.

After China introduced the household contract responsibility system to the countryside in

1978, rural residents initially saw their incomes grow faster.

Official figures showed that the income ratio, a gauge of balanced social development, has been widening since 1985, when the income growth of rural residents slowed as the focus of reform moved to the cities.

The NBS did not provide the income ratio between urban and rural residents in the first quarter this year.

Earlier data from the NBS showed that the income ratio between urban and rural residents was 3.33:1 in 2009, which meant city dwellers' average incomes were 3.33 times greater than the average for farmers. In 2008, the ratio was 3.31:1.

In comparison, the income ratio was 2.56:1 in 1978 when city dwellers' average incomes stood at 343 yuan while that of farmers was 134 yuan.

Source: Xinhua

- US companies value markets in central and western China (15th April)

The profits of U.S. companies in China have rebounded along with the global economic recovery, and they are willing to invest more in China, said Christian Murck, the newly-appointed president of the American Chamber of Commerce in China (AmCham-China), at a news conference in Beijing on April 14.

U.S. companies attach equal importance to coastal, central and western regions in China because what they truly care about are markets and profits, he said.

Moreover, it is of great significance that the Chinese government has further diversified utilization of foreign investments and encourages eligible foreign-funded companies to sell stock and medium-term notes in Chinese public offerings to expand financing channels. This indicates that China has become more confident about its stock market, Murck said.

By People's Daily Online

- China -- it's money COMMENTRY Los Angeles Times (15th April)

The U.S. Treasury Department wisely delayed its semiannual report on global exchange rates so that more sensible heads can prevail before we stumble into a trade fight with China.

The congressionally mandated report surveys exchange rates and other indicators of the global economy and determines whether any U.S. trading partners are guilty of "currency manipulation." Treasury Secretary Timothy F. Geithner announced this month that he would delay the scheduled April 15 release to give more time to negotiate with top Chinese officials. President Obama's meeting with Chinese President Hu Jintao in Washington this week brought no breakthrough, but it did raise expectations that China

will soon allow its currency to resume appreciating.

Among the less sensible heads are 130 members of Congress who wrote to Geithner last month demanding tough action against China. They argued that Beijing has artificially depressed the value of its currency to promote its goods in other markets and discourage exports to China.

One of the chief authors of the letter, Rep. Michael Michaud (D-Maine), charges in a press release that "China's currency manipulation . . . presents an insurmountable trade barrier to U.S. manufacturers" trying to export to China. The text of the letter claims that "U.S. exports to [China] cannot compete with the low-priced Chinese equivalents."

"Insurmountable?" "Cannot compete?" Nonsense. Regardless of its currency regime, China has been the hottest major export market for U.S. companies in the last decade.

Since China began to gradually appreciate its currency in 2005, U.S. exports to the Asian giant have shot up by 69%, according to the U.S. Commerce Department. That compares to a much more sluggish 19% increase in exports to the rest of the world.

Export of U.S.-manufactured products was up 47% during that same period, compared with an anemic 7% increase to the rest of the world. China alone accounted for half of the dollar-value increase in durable goods exports, led by civil aircraft, semiconductors and industrial machinery.

U.S. farmers have enjoyed great success in China's market. Since 2005, U.S. agricultural exports to China have more than doubled, from \$5.7 billion to \$13.8 billion. Farm exports to China have been growing three times faster than farm exports to other countries. China now buys more than half of U.S. soybean exports.

If American exports of goods and services had enjoyed the same rate of growth in the rest of the world as they have in China since 2005, U.S. exports would have increased by an additional \$600 billion during that period.

China's demand for U.S. exports was just as hot before it appreciated its currency beginning in 2005. From 2001 to 2005, when the Chinese currency was even more undervalued than it is today, U.S. exports to China more than doubled. The share of U.S. exports going to China has been rising steadily, from 2.7% in 2001 to 6.6% in 2009.

Also working in favor of U.S. exporters has been the continued opening of China under the conditions of its entry into the World Trade Organization. According to the U.S. Trade Representative's Office, the average base tariff China imposes on goods of greatest importance to U.S. exporters dropped from 25% in 1997 to 7% by 2006. Whatever trade

barriers remain in China, U.S. exporters have surmounted them with increasing ease.

The real motivation behind complaints about the Chinese currency regime is not to promote exports but to blunt imports. What really galls critics is the rapid rise of Chinese imports to the United States. Imposing tariffs on those imports would benefit a small slice of U.S. industry, but at great expense to tens of millions of American families.

A blanket tariff on imports from China would act as a regressive tax on shoes and clothing, biting into the budgets of American families that can least afford it. It would also make products created in the U.S. but assembled in China, such as iPhones, laptop computers and other consumer electronics, more expensive and less widely affordable.

If the Obama administration hopes to double U.S. exports in the next five years, as the president announced in his State of the Union address, it should praise China for its growing appetite for U.S. goods and services, not threaten it with trade sanctions. Any company hoping to double its sales in the next five years would be foolish to pick a needless fight with one of its best customers.

Daniel Griswold is director of the Center for Trade Policy Studies at the Cato Institute and the author of "Mad About Trade: Why Main Street America Should Embrace Globalization."

<http://www.latimes.com/news/opinion/la-oe-griswold15-2010apr15,0,2954950.story>

- China's central SOEs see profit leap in Q1 (16th April)

China's centrally-administered state-owned enterprises (SOEs) raked in a combined profit of 230.9 billion yuan (33.8 billion U.S. dollars) in the first three months this year, industry authorities announced Friday.

The profit figure in the first quarter represented a 93 percent growth year on year, said the State-Owned Assets Supervision and Administration Commission (SASAC) in a statement on its website.

The centrally controlled SOEs posted a combined operating revenue of 3.53 trillion yuan in the first quarter, up 49.7 percent year on year.

The statement did not specify the reasons for the profit and revenue surges, but experts from the SASAC research center attributed the jump to the low comparison basis last year, when many Chinese firms were reeling from the global economic downturn.

There are currently 126 centrally-administered SOEs under the SASAC.

Source: Xinhua

- China works toward balancing foreign trade (16th April)

The goal of China's foreign trade policy in 2010 was to improve its trade balance while maintaining steady export growth, said the Ministry of Commerce (MOC) spokesman Thursday.

The country's trade surplus was expected to shrink by another 100 billion U.S. dollars in 2010, said Yao Jian, the MOC spokesman, at a press conference.

The statement came less than a week after the country posted its first monthly trade deficit for March in six years, which was valued at 7.24 billion U.S. dollars, according to the General Administration of Customs (GAC) last Saturday.

The GAC said the March deficit mainly stemmed from shrinking exports of labor intensive products, surging imports volumes and rising commodity prices, and predicted the country's trade surplus might continue decrease for the rest of the year.

Echoing the GAC, Yao said the country's foreign trade was likely to keep heading toward a more balanced state, while some experts predicted China's trade would soon return to surplus.

"The trade deficit registered in March demonstrated expanding domestic demand accompanied by lukewarm demand in the international market," Yao said.

"Because such a situation would continue, the monthly trade deficit seen in March would remain, at least in the first half of 2010," he said.

The deficit also proved that, in an era of economic globalization, it was market supply and demand, and other factors that decided trade balance rather than exchange rates, said Yao.

Yao portrayed the deficit in March as the continuation of a shrinking trade surplus that started to appear in 2008, and also as a result of the central government's macroeconomic policy in balancing the economy.

In recent years, China has worked hard to restructure its economy away from excessive dependence on exports and the manufacturing sector, while a whole range of measures have been taken to expand domestic demand.

The goal of China's foreign trade policy was to further balance trade while maintaining stable growth in exports, he said.

Yao expected the ratio of China's trade surplus to its gross domestic product (GDP) to fall to 3 to 4 percent from last year's 5.7 percent.

When an economy's ratio stays between 5 percent and minus 5 percent, its trade can be considered as more or less balanced, said Yao Jian, citing a commonly accepted standard adopted in the economics field.

The conclusion coincides with another set of data provided by the GAC chief Sheng Guangzu in an exclusive interview with Xinhua on Wednesday.

Sheng said the ratio of China's trade surplus to its total trade volume declined to 2.3 percent in the first quarter this year from more than 10 percent registered between 2006 and 2008.

"When the ratio is below 10 percent, it means the country's foreign trade can be deemed as balanced," said Sheng citing an international standard.

Sheng also said that China never worked towards having a trade surplus and the country was committed to making its foreign trade more balanced.

China's trade surplus would continue to shrink as a result of the country's efforts to restructure and balance its foreign trade, he said, echoing the views of Yao.

Source: Xinhua

- China's central bank works to swiftly allocate relief fund (17th March)

The People's Bank of China, the central bank, said Friday it had set up special mechanisms to make sure relief funds could be promptly allocated from the State Treasury.

By 6 p.m. Thursday, the State Treasury Bureau had allocated a total of 260 million yuan (38 million U.S. dollars) for the relief, and its branches in the quake-hit Qinghai Province had allocated 612 million yuan.

Source: Xinhua

- Exchange rate largest concern for Chinese exporters (17th April)

Wan Linzhong runs a factory in eastern China's Jiangsu Province, exporting electronic LED signs, light boxes and neon signs to Europe and United States. His major concern is a stronger yuan, or China's currency renminbi.

Like most exporters attending the 107th China Export and Import Trade Fair, or Canton Fair in the southern city of Guangzhou, Wan worried that a stronger yuan would further squeeze the already thin profit margin in his company and make the products more expensive and thus less competitive.

"If the exchange rate of yuan increase one percent, our profits will drop more than 10 percent," said Wan, manager of the Yancheng Novelty Electronic Co., Ltd.

After China overtakes Germany to be the world's largest exporter, the country is under increasing criticism that it keeps the yuan undervalued to benefit domestic exporters. Some U.S. lawmakers even proposed legislation to impose tariffs on Chinese goods

unless China allowed the yuan to climb.

The central parity rate of yuan was 6.8261 per U.S. dollar Friday, according to the China Foreign Exchange Trading System. The currency is allowed to float on the interbank market within a daily limit of 0.5-percent each way of the central parity rate.

After China unpegged the yuan from the U.S. dollar more than four years ago and allowed it to fluctuate against a basket of currencies, the currency gained 21 percent before stabilizing against the dollar in the middle of 2008.

Wan said if the yuan did appreciate, he would have to cut exports and focus more on domestic market. He was now in talks with some local governments for road lamp projects.

However, many exporters might not be lucky as Wan to transfer to domestic market as their products were not fit for the market. The Jiaxing Dibeisi Electro-Acoustics Co. was one of them.

Zhu Guoqiang, the company's sales manager, said his company might have to cut production or even halt production if the yuan strengthened.

"If the yuan has to appreciate, I hope it will not rise too fast," Zhu said.

He said the company, which has 300 staff, has seen an uptick in orders this year and was still recovering from a heavy blow in 2008 when orders plunged.

"We are working on technological innovation in an effort to cut costs, but I don't think it will help a lot if the yuan exchange rate increases too much," he said, adding that costs of raw material and labor forces were also climbing.

Ramesh Kalachand, chairman and managing director of J Kalachand Co., one of the leading importers of Mauritius, said if the yuan exchange rate increased by two or three percent, Chinese products would still be competitive.

Renato Castro, executive director at the Asian Import and Export Management of the San Paulo-headquartered Baumann Group, said if the yuan appreciated too much, his company would stop purchasing from the Chinese market and shift to other countries for alternative, such as Vietnam, Cambodia and India.

However, the group would continue to stay in China because "if the country will not be a good place to purchase, it surely will be a good place to sell", he said.

Renato Castro said his company started to attend the Canton Fair, China's largest trade fair since 2006. The company planned to buy items ranging from home appliances, trucks to motor cycles from China this year.

"The quality of Chinese products is good, but their competitiveness is the attractive price," he said.

Source: Xinhua

- EU becomes largest export destination of China's trade hub (17th April)

The European Union surpassed the United States in the first quarter of 2010 as the largest export market for Suzhou city, a trade hub in east China's Jiangsu Province, said local customs.

Suzhou sold 8.83 billion U.S. dollars worth of goods to the EU during the first quarter, up by 57.1 percent year on year, while exporting 7.98 billion U.S. dollars worth of goods to the U.S. for the same period, up by 25.2 percent year on year, said a spokesperson with Suzhou Customs.

"The EU has been Suzhou's number one export destination for years except for the second half of 2009 when it was overtaken by the U.S.," said the spokesperson.

The trade rise was due to many countries' stimulus packages which raised their global purchasing power as well as China's policy incentives, such as export tax rebates, according to the spokesperson.

Suzhou's international trade was worth 59.95 billion U.S. dollars from January to March, which was the fourth largest in China after Shanghai, Beijing and southern Guangdong Province's Shenzhen. Suzhou covers 8,488 square km with a population of 8.26 million people in 2009.

Source: Xinhua

Social front

- Chinese gov't vows to manage religious affairs in line with law (11th April)

Chinese Vice Premier Hui Liangyu said Saturday that the government will improve its management of religious affairs in line with laws and regulations.

Government officials would be better educated in the laws and regulations regarding religious affairs and carry out their duties legally, said Hui at a function to mark the fifth anniversary of the Regulations on Religious Affairs, the first formal rules on religious affairs issued by the State Council.

In addition, religious groups and people should be more aware of abiding by the law in their religious activities, through proper education, he said.

He said the government would update the regulations and improve their application, though he gave no detailed plans.

With the assistance of religious affairs administrations, religious groups should improve their internal management, including internal rules and frameworks, he said, adding that they should keep better clergy records and standardize religious education.

"We hope all religious groups can follow the regulations in their daily operation and also can help improve legal awareness among religious followers so that they can be law-abiding citizens," he said.

Source: Xinhua

- Chinese white-collar workers seek higher salaries (12th April)

A new office trend has sprung up this year among Chinese white-collar workers involving the posting of photos of former Miss Hong Kong Li Jiaxin in their offices and making her picture their computer desktop image.

It is not that they are necessarily infatuated with her beauty. Rather, it is a humorous way of reminding their bosses about salary increases because the pronunciation of Jiaxin is the same as the Chinese phrase for pay rise.

There are also millions of teacups on sale imprinted with the slogan "I need a salary increase" at Taobao.com, Chinese largest e-shopping site. Many white-collar workers have placed them prominently on their desks or take them to meetings with their bosses.

Song Xi, a 27-year-old analyst working in Shanghai, said: "Of course, it is just a way that young Chinese - including me - are entertaining themselves. Most bosses still retain a distant look.

"I have been working at this consultancy for four years. In 2009, for the first time, I didn't get any salary increase. It used to be a 10 to 15 percent rise every year."

According to a recent survey by Zhaopin.com, a human resource service firm based in Beijing, around 66.3 percent of 6,000 respondents didn't get any increase in their salary in 2009.

The financial crisis placed a big burden on Chinese white-collar workers. About 41.1 percent of the survey respondents felt very unsatisfied with their salary in 2009 and 21.7 percent of them said that a pay rise was their top expectation this year.

- Former Google executive joins Baidu (16th April)

Wang Jin, the former vice director of Google China's Engineering & Research Institute, has joined Baidu as the vice president of its technical team, according to a Baidu insider on April 15.

Wang will be in charge of Baidu's research and development team management and construction in Beijing. He is also the first Chinese executive from Google to join Baidu.

Wang joined Google in June 2000 and was in charge of advertising in China. Previously, he had been eBay's CTO in China and also served with Oracle, Alibaba and other companies. When Google established a research institute in Shanghai in 2007, Wang and Yang Wenluo were invited to co-manage the institute.

By People's Daily Online

- Health reforms a boon for IT (16th April)

Since announcing plans last year to revamp the Chinese medical system with the injection of 850 billion yuan over the next three years, foreign technology firms have been scouting for opportunities amid healthcare reform plans in the world's most populous nation.

"The whole market is about to boom," said Ben Zhou, managing director, Dell Services Public Sector, China, who oversees the company's healthcare arm in China. "Everyone is getting prepared and those firms who previously don't have business in this sector are also coming into the market."

Zhou expects the details of the government's 850 billion yuan healthcare stimulus, which is expected to unleash huge IT demand for massive facility upgrades in hospitals and the establishment of a national healthcare system, will be unveiled as early as this year.

That, he said, would double the size of China's healthcare "informatization" market in the next two years and result in explosive demand for new software, hardware and IT services, especially from rural areas where there were few IT facilities.

The Chinese government announced last year its plans to invest 850 billion yuan over the next three years to ensure fair and affordable care for the entire 1.3 billion population.

That could translate into orders worth billions of dollars for hardware and software from the country's huge public health system and over 300,000 hospitals, where demand for IT systems and facilities has long been stifled by the country's rigid medical system.

Deng Haihua, spokesman for China's Ministry of Healthcare, said in January that the detailed health care plan has been sent to the State Council, China's cabinet, for approval.

That has raised expectations that a government-led healthcare reform covering China's entire population is in the offing.

Chien Dah-Chuen, general manager of IBM Greater China Group, said his company expects at least 1,000 Chinese hospitals to invest a minimum of \$1.5 million each on software and related services in the coming years, encouraged by the government's investment plan.

According to statistics from China Hospital Information Management Association, a non-profit industry organization, investment in computerization only amounted to 0.7 percent

of a Chinese hospital's total income, while the IT budget of hospitals in developed countries is on, an average, 2.4 percent of their total budget.

"In fact, investment in IT plays a critical role in China's medical reform plan because it is nearly impossible to provide fair and affordable healthcare service in such a huge country without the support of information technology," said Yao Zhihong, an expert from the Chinese Health Information Society.

With the current mix of a socialized and private healthcare, which was implemented in the early 1990s, China's hospitals, especially those in rural areas, are often without even basic IT infrastructure. At the same time, as a result of a government push to reduce funding and encourage hospitals to fend for themselves, most hospitals purchased medical equipment that directly generated revenue rather than computers and software.

Zhou from Dell Services admits that it is very difficult to quantify the return on investment in software applications, infrastructure and IT services in hospitals. But he expects the ongoing healthcare reform plans will encourage hospitals to spend more on IT facilities.

Source: China Daily

- China's high-speed urbanization to end in 2013 (16th April)

China's high-speed urbanization will start to end in or around 2013 (between 2011 and 2016), according to predictions from the first "Blue Book on Micro Economy" released by the Chinese Academy of Social Sciences (CASS) on April 15.

The blue book says that China's urbanization rate was nearly 46 percent and still accelerating in 2008. However, the speed of urbanization will begin to slow around 2013.

The book, published by the Social Sciences Academic Press (SSAP), also predicts that China's urbanization rate will reach over 52.3 percent in 2015, nearly 57.7 percent in 2020 and nearly 67.8 percent in 2030. The urbanization rate of around 68 percent is most likely the upper limit for the next 20 years, and after 2030, China's urbanization rate will stay around this level for some time.

Liu Xiaohui, the main author of the book and a researcher from the Institute of Economics under the CASS, said an urbanization rate of around 67.8 percent in 2030 means that the rate will increase by 1 percentage point every year. In other words, 14 million people will enter China's cities from China's suburban areas every year.

Liu also reminded people of the "real challenges" brought about by urbanization. He said the cost of China's current urbanization process is very high, and it will damage the competitive industrial power of China's cities, lead to pauses in the urbanization process and cause unsustainable economic development.

The blue book suggests that in order to control the cost of China's urbanization, the

government should adopt three measures. First, they should reduce their administrative costs. Second, they should firmly proceed with the construction of a nationwide social security system initiated by China's central government. Third, they should step up the development of affordable housing.

By Pepple's Daily Online

- China lacks global top-ranking universities, says academic (16th April)
China has no global top-ranking universities, said Xu Zhihong, a member of Chinese Academy of Science and ex-president of Peking University, at a lecture in the Huazhong University of Science and Technology on April 12.

Xu said global top-ranking universities have 3 characteristics: First, they have world-famous professors conducting high-level research. Second, they possess a collection of achievements that could affect human civilization and the development of society and the economy. Third, a large number of outstanding people who have made great contributions to human civilization have graduated from these universities.

"If a university has these characteristics, then it can be called a global top-ranking university." Xu added.

He also said Peking University may not produce fewer papers than Yale University, but the soft construction of domestic universities is still not on the same level as foreign top-ranking universities, and there is still a long way to go.

Xu believes the most important thing for universities is to cultivate good scholars and students.

He said: "If the soil of domestic universities becomes very fertile, China will finally produce some Nobel Prize winners."

By People's Daily Online

Ethnic issues

- Japan decides to grant visa to Rebiya Kadeer and Dalai Lama (17th April)
The government of Japan on Thursday decided to grant the visa to Rebiya Kadeer and the Dalai Lama.

Rebiya Kadeer, president of the so-called World Uygur Congress, expressed a desire to visit Japan on May 20, while the Dalai Lama has the same plan on June 18.

Despite China has been opposing any foreign country to grant the visa to Rebiya Kadeer and the Dalai Lama, the government of Japan persisted in its consistent stand that they will "not receive them as important person, and the visa is issued in accordance with the law."

It is the second time the government of Japan allows them to visit Japan since the establishment of the Yukio Hatoyama's government.

During her stay in Japan, Rebiya Kadeer will lecture in Kanazawa and Yokohama.

The Dalai Lama has visited Japan for 13 times.

Source: China Tibet Information Center

Environmental front

Regional report

North

Politics

- Officials penalized over N. China politician ID forgery scandal (12th April)

Two high-ranking officials of Shijiazhuang city, capital of north China's Hebei Province, had been given administrative penalties over involvement with a woman politician who forged identity documents to gain rapid promotions.

Zhang Zhenjiang, then deputy Party head of Shijiazhuang City and Li Jianhua, head of Shijiazhuang's publicity department were given administrative warnings, according to a statement from Hebei's discipline inspection commission Sunday.

On March 12, Wang Yali, a member of the Shijiazhuang municipal committee of the Chinese People's Political Consultative Conference, was arrested for forging documents to obtain government jobs and claim inheritance that did not belong to her.

Wang allegedly faked all her personal information, including name, age, education and work experience, except her gender.

Internet postings ridiculed Wang's resume, which showed that she was a pharmacist in an army hospital at the age of 12.

Despite the obviously problematic forgery, Wang had been rapidly promoted from 1998 to 2007.

Source: Xinhua

Social front

- Beijing staggers office hours starting Apr 12 (12th April)

The Beijing municipal government staggered the office hours of many institutions starting April 12, 2010, which will greatly alleviate the city's rush hour traffic jams.

Office hours of the Beijing-based Party and government organs at all levels, social organizations, public institutions, state-owned enterprises and urban collective enterprises have been staggered since April 12.

The old office hours of the afore-mentioned institutions were 8:30 a.m. to 5:30 p.m., and the new office hours are 9 a.m. to 6 p.m. Some 810,000 people must adapt to the new office hours. However, office hours of Beijing-based schools, hospitals, malls, and the central state organs and their affiliated organizations remain unchanged.

'9 to 6' office-hour plates have become fast selling products

Since the Beijing municipal government announced the plan of staggering office hours, the copper plate stores around Fuchengmen Bridge have taken the opportunity to sell new "9 to 6" office-hour plates which turned out to be a very popular product.

On the morning of April 11, over 10 copper plate stores around Fuchengmen Bridge opened, and a store at the western end of the road enjoyed particularly flourishing business. When reporters entered the store, several plates reading "9:00—18:00" were being put into a box to wait for the buyer to pick up.

The store owner said that because many institutions have to stagger office hours and use new office-hour plates, he once received dozens of orders within one day.

- Chinese city home prices soar nearly 12% in March as property market continues to hot up (14th April)

China's property market continued to hot up in March with home prices in major cities growing at a double-digit pace, even as the government tries to rein in prices, official data released Wednesday showed.

Home prices in China's 70 large and medium-sized cities including Beijing, Shanghai and Guangzhou increased 11.7 percent in March from a year earlier, the National Bureau of Statistics (NBS) said in a statement on its website.

The March year-on-year growth rate is 1 percentage points higher than that in February.

Prices of new homes nationwide rose 14.2 percent in March year on year, the NBS said.

Of major cities, prices of new homes in Haikou, capital city of Hainan Province, jumped the most with a surge of 64.8 percent year on year last month. Haikou home prices were boosted by a government decision taken last December to make the island an international tourist resort.

Prices of existing homes in the major cities advanced 9.5 percent year on year in March, the statement said.

Sanya, the second largest city in Hainan, saw its existing home sale prices rise 50.4 percent year on year, the most for any city, the statement added.

Source: Xinhua

Economic front **Northwest** **Politics**

Social front

- Chinese president, premier postpone trips because of earthquake (15th April)
President [Hu Jintao](#) and Premier [Wen Jiabao](#) have postponed planned overseas visits because of a strong earthquake in northwestern China that killed more than 600 people.

Hu postponed visits to Venezuela and Chile after a scheduled summit of Brazil, Russia, India and China slated for Thursday and Friday and a state visit to Brazil.

Before arriving in Brazil, Hu took part in the Nuclear Security Summit in Washington from April 13 to 14.

Wen Jiabao has postponed a scheduled visit to Brunei, Indonesia and Myanmar on April 22 to 25.

The 7.1-magnitude earthquake that hit China's northwestern Qinghai Province on Wednesday has left more than 600 people dead, another 313 missing and 9,110 injured. About 100,000 people were left homeless.

Source: Xinhua

Economic front

Northeast

Politics

Social front

Economic front

- China's heavy-industry center urged to transform development pattern (16th April)
China's top legislator Wu Bangguo has urged Jilin Province in northeast China, traditionally a heavy-industry center, to speed up transformation of its development pattern.

Wu, Chairman of the Standing Committee of the National People's Congress (NPC), visited car and train producers and petrochemical factories during his five-day visit to Jilin that finished Friday.

He urged the companies to push forward technical innovation and research on green energy products and energy efficiency and to adopt eco-friendly production methods.

He hopes the companies will transform themselves into corporations of international influence and competitiveness and boost the local economy.

Wu also visited a local research institute and two universities.

To transform the economic growth pattern and restructure its industry, the province needs to improve research and education and train more talents, he said.

In the past few years, farm produce processing has boomed in Jilin.

After inspecting a local agricultural firm, Wu said the province can increase the added value of its farm produce to increase farmers' income.

The local governments should improve infrastructure and speed up the urbanization process, Wu added.

Source: Xinhua

Southwest

Politics

Social front

- China's state firms donate to drought relief campaign (11th April)

China's central state-owned enterprises (SOEs) have donated 19.5 million yuan (2.86 million U.S. dollars) to drought-hit southwestern regions for disaster relief.

The sum comprised 10 million yuan allocated to Yunnan Province, while the remainder was distributed to Guizhou and Sichuan provinces, Guangxi Zhuang Autonomous Region and Chongqing Municipality, said a statement from the Chinese Red Cross Foundation, which channeled the fund.

Seventy percent of the money would be used to buy rice and drinking water, and the rest for building wells and reservoirs.

As of Thursday the drought had affected 25.95 million people and 18.44 million head of livestock, as well as 121 million mu (8.07 million hectares) of arable land, according to the Office of State Flood Control and Drought Relief Headquarters.

Source: Xinhua

- Drought eases in Chongqing, lingers in other affected regions (11th April)

Heavy rain has eased the drought conditions in southwest China's Chongqing Municipality, but dry weather and rising temperatures continue in other affected regions.

Zhang Xu, deputy director of the Office of State Flood Control and Drought Relief Headquarters, said that Chongqing had received more than 50 mm of rain since March 23, and more than 100 mm in the southeast area.

However, drought still persisted in other areas, including the provinces of Yunnan, Guizhou and Sichuan and Guangxi Zhuang Autonomous Region as rain in these regions was far from adequate.

As of Friday, drought had affected 25.39 million people and 18.08 million livestock, as well as 122 million mu (8.13 million hectares) of arable land nationwide, said the statement.

Source: Xinhua

- China stresses market supply in drought-hit areas (12th April)

Local governments should step up efforts to ensure market supplies in the drought-stricken southwestern areas, China's Ministry of Commerce said here Monday.

Local authorities in drought-hit provincial localities should enhance their awareness of the importance to ensure market supplies of daily necessity and production material for local residents, and beef up market supply supervision, the ministry said in a statement on its website.

The first priority in these areas is to help drought victims and livestock to get access to drinking water. Local governments must work out effective drought-relief emergency plans, Fang Aiqing, China's assistant commerce minister, said in the statement.

Since last autumn, the southwest Chinese provinces of Yunnan, Sichuan and Guizhou, Guangxi Zhuang Autonomous Region and Chongqing Municipality, were hit by a lingering drought, the worst one in decades.

Source: Xinhua

Economic front

- China's "west delta" new magnet for overseas investment (13th April)

The "west delta", the unofficial name for a planned economic zone in relatively less developed western China, is becoming a magnet for overseas investment thanks to policy incentives, low costs, a large, educated workforce and low competition.

The "west delta" comprises Chongqing Municipality, Sichuan Province and Shaanxi Province, and the term, first coined by Huang Qifan, mayor of Chongqing, in 2009, has yet to be officially recognized by the central government. Nonetheless, provincial governments have been strengthening cooperation in policy consolidation, resource sharing and personnel training.

Entrepreneur Martin J. Stroka, 26, from Chicago, set up SkyNet Media & Consulting, with ten employees, in 2009 in Xi'an, capital of Shaanxi Province.

"I started my business here because the area has low living and operation costs, but high quality employees, since as far as I know, Xi'an's college education is among the best in China," Stroka told Xinhua while attending the 14th Investment and Trade Forum for Cooperation Between East and West China, which was held in Xi'an from April 8 to 12.

More importantly, the competition in western China is less fierce than in eastern China or other developed areas in the world, where many established companies had already gained a secure foothold, he said.

James Wu, also present at the forum, is deputy director of the Chinese Mainland and Taiwan Companies Exchange Association, which aims to assist companies across the Taiwan Strait in exchanges and cooperation.

Wu told Xinhua more outside investment is being lured into western China thanks to tax incentives provided in the "go west" drive launched in 2000 and the bountiful workforce, which is a big draw given the labor shortages in China's coastal areas.

"It is becoming a trend for outside investment to cluster in China's west instead of the traditional magnet of east China. More and more Taiwan companies are investing in the west mainly because of tax breaks," Wu said.

Chongqing alone saw an influx of 4.016 billion U.S. dollars in 2009, up from 2.7 billion U.S. dollars in 2008, the fastest growth in China.

Provincial government statistics show more than 4,000 foreign companies invested in Shaanxi, with total foreign direct investment in 2009 of 1.511 billion U.S. dollars. Sichuan saw 3.253 billion U.S. dollars of foreign investment from January to November 2009.

The delta's foreign investment accounted for 9 percent of the national total of 90 billion in 2009, according to the Ministry of Commerce.

Stroka also plans to locate his new venture in the delta. His company is developing a new website, iChina.com, to make it "the ultimate destination for expats, travelers and Chinese, which will cover information sharing, social networking and e-commerce."

The team, based in Xi'an, started building the website at the end of 2009 and they expect to have it up and running by the fall 2010, Stroka said.

But not all foreign companies find it convenient to invest in the delta.

Stephen Sham, Mayor of Alhambra, California, who was also present at the forum, said some industries were not "the priority areas" for the local government, which had discouraged some foreign firms.

"I once introduced an American textile company to the Shaanxi provincial government, but the province's textile industry was not very well-developed since it had not been a top priority for the provincial government, and the American company later invested in Nanchang, capital city of east China's Jiangxi Province," Sham said.

The delta, included in the "go west" drive, spans 380,000 square km and has a population of 130 million. The area's GDP was 1.9 trillion yuan (278 billion U.S. dollars) in 2008, about seven percent of China's total.

The "go west" drive, initiated in 2000 to boost the less developed western regions, covers six provinces, five autonomous regions and Chongqing municipality, accounting for more than 70 percent of the mainland's area.

China's western development strategy involves infrastructure building, attracting of foreign investment, and increased efforts in ecological protection, education, and talent retention.

Source: Xinhua

South central

Politics

Social front

Economic front

- Guangdong's foreign trade returns to pre-crisis level (15th April)

China's major foreign trade powerhouse, Guangdong province, has strongly rebounded since the start of 2010. Its total first-quarter imports and exports exceeded 150 billion U.S. dollars, representing nearly 25 percent of China's total, returning to the level it was at prior to the international financial crisis.

Statistics from the General Administration of Customs Guangdong Branch show that Guangdong's imports and exports totaled 153.2 billion U.S. dollars in the first quarter, representing a 33 percent increase from the previous year. Exports rose more than 21 percent to 85.9 billion U.S. dollars and imports rose nearly 51 percent to 67.3 billion U.S. dollars.

According to expert analysis, Guangdong's foreign trade has rallied since November 2009 and has categorically been restored to the level it was at prior to the international financial crisis. The import and export growth rates have accelerated for general trade, private enterprises and trade between Guangdong and ASEAN countries.

The exports and imports of Guangdong's processing industry rose almost 24 percent to 83 billion U.S. dollars in the first quarter and the import and export value for private enterprises was up over 57 percent. The export and import values between Guangdong and Hong Kong, Europe, the United States, ASEAN countries, Japan and Taiwan all experienced double-digit growth. In particular, Guangdong's exports to ASEAN countries expanded by nearly 40 percent and its imports from those countries rose by 50 percent.

By People's Daily Online

East

Politics

- Inspirations from "open village committee" (16th April)

"Handling some affairs at the village committee office is just like dropping in on a neighbor," said a villager from the Shuanglou Village of Duji District, Huaibei in Anhui province. After the high wall of the village committee office was demolished and its iron gate was removed, villagers consider the office as their "new home."

Since the village committee office opened to the public, no piece of glass in the office has ever been broken, and there seems to be much more "chemistry." Handling affairs at the office has become more convenient, the village administrative affairs have become more transparent and the relations between cadres and general villagers have been more harmonious.

Why has the previous office with a high wall and locked gate become a place that every villager likes to visit? A village party secretary explained that both a visible office wall and an invisible wall between cadres and general villagers have been demolished.

The "open village committee" is like a mirror reflecting the new explorations and experience made by various levels of Party organizations in terms of actively improving the relations between the Party and the public as well as between cadres and the public during the campaign of implementing the Scientific Outlook on Development. It has also caused everyone to think about how to improve relations between cadres and the public under this new situation.

Close and harmonious relations between cadres and the public are directly determined by how the cadres treat the public. For instance, Shen Hao, a grassroots-level official in Xiaogang Village, has never had his office door closed in the day or his house door locked at night, so villagers can find him anytime if they have emergencies. "Seek help from Shen if you have difficulties" has become a daily mantra of local villagers.

To make the relations between cadres and the public more harmonious, it is critical for cadres at various levels to become emotionally connected with the people, better service the people, place importance on on-site investigations and research. It is necessary to create conditions to enable the people to monitor the government and to allow the government become closer to the people.

The key to a country's stability is to win the hearts and minds of the people. How can we advance the exchanges between cadres and the public and make their relations more harmonious through democratic and orderly approaches? It is a major task that each Party member, particularly cadres.

By People's Daily Online

Social front

Economic front

- Premier encourages spring farming efforts to ensure good harvest (12th April)

Chinese Premier Wen Jiabao has called for enhanced efforts during the country's spring ploughing season to ensure a good harvest.

Wen made the remarks during an inspection tour of east China's Anhui Province from April 9 to 11.

He said good work in the agriculture sector, especially in ensuring grain production, was significant for stabilizing the country's economy and prices.

He urged governments at various levels to take every possible measure to ensure spring farming was done well.

Wen visited farmland, villages, processing companies, farm supply centers, and irrigation projects in rural areas of Bangfu and Chizhou cities.

He also held seminars to solicit opinions from farmers and local officials.

Wen urged the authorities to guarantee the farm supplies, including chemical fertilizers, seeds, pesticides, and fuel for spring planting.

At a water control project on Huaihe River, China's third longest river, Wen called for coordinated control efforts by provinces through which the river runs.

Nineteen key water control projects under the Huaihe River management program have been completed, which improved greatly the ability to combat floods and droughts.

The 1,000-km-long river, one of the most flood-prone rivers in China, flows through four central and east China provinces including Henan, Anhui, Shandong and Jiangsu.

Source: Xinhua

HONGKONG AND MACAU

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