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SUMMARY OF ARTICLE

Chinese Lessons

This article by Warren Cohen reviews the book "Nixon and Mao: The Week That Changed the World," by Margaret MacMillan.

This article focuses on ups and down in china-US relations. It begins with thaw in China-US relations in Nixon's era. Instead of focusing on Vietnam, Nixon and Kissinger focused their policy on Soviet Union and China. US and China both identified USSR as their common enemy and this resulted in secret visit of Kissinger in 1971 and much publicized visit of Nixon in 1972. The U.S.-Chinese rapprochement of 1971-72 is declared as major turning point in world history. Nixon regime became indifferent of Taiwan issue and even gave statement in favor of "one China" policy. MacMillan did an excellent job in covering important aspects of Nixon's visit to China.

US-China rapprochement of 1972 changed the shape of cold war. But after the collapse of USSR in 1991 China was no longer USA's enemy's enemy. China's importance for US became less and factors like human rights and political system in China again became focal point. Various incidents in Carters and Reagan's era resulted in deterioration of China-US relations but it in 1989, due to Tian'men square incident, their was outcry against the "butchers of Beijing" and calls for sanctions against China.

As US was lone superpower in the world, so it changed its strategy toward China and in Clinton era Winston Lord's appointment as assistant secretary of state for East Asian and Pacific Affairs in 1993 heartened human rights activists and visionaries who still hoped for an American-style democracy in China. But the Democrats' threat to deny China most-favored-nation treatment for its exports proved hollow. Clinton's ultimate concern for revitalizing the U.S. economy forced him to surrender to pressures from businesspeople less interested in human rights in China than in importing the inexpensive products of cheap Chinese labor or in exporting their wares to the billion potential Chinese customers. By late 1990's China extraordinary economic growth due to Deng's market-oriented reforms made it more difficult for US to maintain cold relations with China.

However there were various episodes of tension between US and China throughout nineties mainly due to Taiwan issue or due to attack on Chinese embassy but both realized importance of each other and US termed china as its "strategic partner".

In post 9/11 era there was new degree of cooperation between both states. China's grand strategy led it to pose as a responsible power in the international community, in order to minimize anxiety in Washington and elsewhere about its growing economic and military power. The Chinese also chose to play a major role in efforts to defuse the crisis over North Korea's nuclear weapons. China is trying to influence all parts of world, whether it is East Asia, Middle East or Africa for its political and economic gains.

Taiwan will remain a threat to China-US fragile relationship. The U.S.-Chinese relationship requires adjustments to China's new status. At the moment, it appears that Washington is better adjusted to that need than Beijing is. U.S. leaders understand that China has become a great power with worldwide interests and, however unhappily, are adapting to that reality. Chinese leaders spend less time these days posing as historic victims, but they remain loath to accept the obligations that come with great power. The

world still waits--and will likely wait for some time--for China to behave as, in the words of former Deputy Secretary of State Robert Zoellick, a "responsible stakeholder."

National report

Political front

- CPC learns from European political parties (25th May)

(Xinhua) -- Political analysts said Tuesday that holding high-level talks between European political parties and the Communist Party of China (CPC) had helped the CPC's understanding of the continent's political systems.

The China-Europe High-Level Political Party Forum, with the theme "Global Challenges and China-European Cooperation," closed Tuesday in Beijing, after an in-depth two-day discussion on common problems and challenges in managing state affairs and capacity building.

Men Honghua, associate professor of the Party School of the CPC Central Committee, said the experience was a "valuable" one for the CPC.

Officials from both the ruling and opposition parties in Europe attended the forum.

"A thorough study of European political parties' administrative ideas, systems, styles and patterns, can greatly enhance the CPC's capability and reinforce its status," Men said.

Li Changchun, member of the Standing Committee of the Political Bureau of the CPC Central Committee, called on political parties in China and Europe to communicate openly with each other about the issues and challenges of state governance.

Prof. Dai Yanjun of the Party School of the CPC Central Committee said, "Although the political system of China and those in Europe differ fundamentally, they share similarities in the pursuit of economic development, improvement of people's livelihoods and realization of social harmony and stability."

The CPC has established ties with more than 570 political parties in more than 160 countries and regions, including communist, socialist, conservative, Christian Democrats, liberal, among other types of parties.

In western Europe, the CPC has established ties with political parties on the left, center and right.

China and the United States held the first high-level dialogue between political parties in March. Senior CPC officials and representatives from the U.S. Democratic and Republican parties took part in the event in Beijing.

- China to establish more competitive, innovative workforce (26th May)

(Xinhua) -- President Hu Jintao has called for the creation of a more competitive and innovative workforce in the country, with the focus on training more top-notch specialists. At a central work conference on human resources in Beijing from Tuesday to Wednesday, President Hu Jintao said human resources were essential to the development of the Party and the state, and the quality of China's workforce was still poor compared to that of developed countries.

China would enhance its workforce's strength, and the fostering of high-caliber professionals would be a priority, Hu said in a statement released after the meeting.

He said China would work to have a large high-quality workforce and to be a strong world power in terms of human resources by 2020.

Party committees and governments at all levels must create an environment where talent can emerge and be put to use, he said.

He also said innovation would be fully encouraged and supported by the government, and it was a strategic task to foster young talents.

At the conference, Premier Wen Jiabao pledged more support to high-caliber creative specialists that are urgently needed in China.

The government would encourage and help them and overseas Chinese students find employment or start up businesses in China, he said.

Wen said China would increase its funding for the training and education of high-caliber specialists, with investments coming from the government, individuals, enterprises and social organizations.

Vice President Xi Jinping said the government would promptly introduce major human resource programs to help realize the national goal.

All members of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee attended the conference.

Foreign relations

- China calls for further co-op with S Korea, Japan in economy (23rd May)

(Xinhua) -- Chinese Minister of Commerce Chen Deming on Sunday called for close communication and coordination among China, South Korea and Japan to further strengthen three-way economic and trade cooperation.

The China's top trade official made the remark at the seventh trilateral economic and trade ministers' meeting held here. He said to his South Korean counterpart Kim Jong-hoon and Japanese Economy, Trade and Industry Minister Masayuki Naoshima that the three nations should maintain the momentum and further enhance collaboration, noting that since uncertainties still remain unresolved in global economic conditions, the close cooperation among China, South Korea and Japan will not only be conducive to the regional economic development in Asia, but also contribute to the recovery and prosperity of the world economy.

Regarding to the issues related to a three-way free trade area (FAT), Chen said the three nations are conducting a joint research by governments, businesses and academic circles, and investment negotiations are also moving forward.

China hopes that any possible disputes arise in the process of the joint research can be resolved in a more flexible and practical way, so as to complete the research ahead of a trilateral leaders' summit in 2012, Chen said.

He also said the three nations should make more efforts to gain substantive progress in the investment negotiations, to reach a balanced, practical and mutually beneficial three-way investment agreement in an early date.

Echoing Chen's views, Kim and Masayuki Naoshima agreed to further promote trilateral cooperation in economy and trade field.

The meeting also reviewed the course of the trilateral cooperation, and exchanged views on how to further boost their cooperation and work together with other countries in the region and the world.

The three ministers also had in-depth discussions on ways to push forward the process of the Doha negotiations, reinforce cooperations under the framework of the Group of Twenty (G20) and the Asia-Pacific Economic Cooperation (APEC) and other issues of common concerns.

- President Hu calls for closer China-U.S. coordination on global issues (24th May) (Xinhua) -- Chinese President Hu Jintao on Monday called for closer China-U.S. coordination on regional hot-spot and global issues.

At the opening ceremony of the second round of China-U.S. Strategic and Economic Dialogue, Hu said the two countries should step up communication and coordination on regional hot-spot issues through bilateral channels and multilateral mechanisms.

"The two sides should increase consultations and cooperation on such global issues as climate change, nuclear security, energy security, food security, disaster reduction and preparedness, fighting transnational crimes, and prevention and control of serious communicable diseases," he said.

He called on both countries to work with the rest of the international community to make the international system more just and equitable.

The second round of China-U.S. Strategic and Economic Dialogue opened Monday in the Great Hall of the People in Beijing.

About 50 representatives from more than 40 departments of both countries would participate in the two-day dialogue, which was expected cover a host of topics ranging from bilateral links to regional and global issues.

- Geithner highlights common interests in China, U.S. cooperation, citing Chinese idiom (24th May)

(Xinhua) -- Quoting a Chinese idiom, U.S. Treasury Secretary Timothy Geithner said on Monday the United States and China are "in the same storm-tossed boat" and should meet common challenges together.

"When we approach our relationship in the spirit of mutual respect and cooperation, with determination at the highest levels to overcome our differences, we will have great success - from leading the global to conquer the financial crisis, to forging a global accord on climate in Copenhagen, to charting a common response to the challenge to international security," said Geithner.

While addressing the opening ceremony of the second round of the China-U.S. Strategic and Economic Dialogue (S&ED) on Monday at the Great Hall of the People in Beijing, he said both countries, sharing important interests and responsibilities, have worked hard to build a stronger relationship since the last S&ED first convened in Washington D.C. last July.

Geithner also highlighted such words as "common interests", which ran through his remarks.

He said both the United States and China could find a wide range of common interests in building a stronger and more resilient world economy for more balanced growth, a more stable financial system less prone to crisis as well as a more open global trading system with fair balance of benefits and responsibilities.

He added the common interests between the two countries could also be found in structuring a stronger global framework for cooperation, in the Group of 20 and in the international financial institutions.

Geithner, along with U.S. Secretary of State Hillary Clinton, as representatives of U.S. President Barack Obama, will co-chair the second round of S&ED from May 24 to 25

with Chinese Vice Premier Wang Qishan and State Councilor Dai Bingguo, representatives of Chinese President Hu Jintao.

The annual S&ED mechanism, which succeeded from China-U.S. Strategic Dialogue and China-U.S. Strategic Economic Dialogue, has been designed to enhance mutual understanding and trust between the two sides and will cover a host of topics, ranging from bilateral links to regional and global issues.

The very mechanism was decided on April 1, 2009 by President Hu and President Obama during their meeting on the sidelines of the G20 financial summit in London.

- Chinese vice premier pledges closer ties with Latvia (24th May)

(Xinhua) -- Chinese Vice Premier Hui Liangyu said Monday that China will make joint efforts with Latvia to push forward bilateral ties.

In a meeting with Latvian Prime Minister Valdis Dombrovskis, Hui spoke highly of China-Latvia ties, saying the two countries should further increase political mutual trust, expand trade and cultural cooperation and cement party-to-party exchanges.

Latvia values ties with China and will promote political and economic cooperation between the two countries, said Dombrovskis.

Dombrovskis, also leader of New Era party, the largest party in Latvia's ruling coalition, is in Beijing to attend China-Europe political party forum to be held from Monday to Tuesday.

The Communist Party of China will host the first-ever China-Europe High-Level Political Party Forum in Beijing under the theme "Global Challenges and China-European Cooperation."

- Pakistan, China strengthen military cooperation (24th May)

(Xinhua) -- Pakistan and China agreed to further increase military cooperation and strategic communication at all levels so as to overcome the challenges being confronted by the two countries, according to top military officials of both countries.

During a meeting held here Monday at the Pakistani Ministry of Defence between Minister for Defence Chaudhry Ahmad Mukhtar and Chinese Defence Minister General Liang Guanglie, the two sides exchanged views on bilateral defence cooperation, geo-strategic situation of the region and the anti-terror efforts made by Pakistan.

The meeting discussed the security environment of the region and emphasized the need for making joint efforts to weed out terrorism. It was also agreed to share intelligence gathering which was essential for defeating the terrorist elements.

General Liang Guanglie assured his Pakistani counterpart that China would continue to provide military and economic assistance to Pakistan so as to make it a stronger and prosperous country.

He also assured that his country would continue to support Pakistan's stance on different issues on every international forum.

Appreciating the unflinching support provided by the People's Republic of China to Pakistan, the Pakistani Defence Minister said that Pakistan was highly indebted to China for supporting Pakistan in difficult times and specially its role in developing and strengthening the defence sector of Pakistan.

- Pakistan, China enjoy special relations: PM (24th May)

(Xinhua) -- Pakistani Prime Minister Syed Yousuf Raza Gilani said Monday that Pakistan and China enjoy "special" relations, which are characterized as "all-weather and time-tested."

Talking to visiting Chinese Defence Minister General Liang Guanglie, Gilani said that the friendship and comprehensive partnership between the two countries has matured over the years into a vibrant multi-dimensional "strategic cooperative partnership" which is of great importance for peace and security of the region, according to a statement from the PM office.

The prime minister stated that Pakistan highly values Chinese support and cooperation. He specially mentioned about Chinese assistance on different occasions especially the budgetary support, during the earthquake and for the Internally Displaced Persons (IDPs). He said that China and Pakistan share common perceptions on regional and international security and strategic issues, adding that Pakistan-China Defense and Security interaction is playing a positive role in this direction.

The prime minister appreciated regular communication between Pakistan military and the People's Liberation Army of China.

The prime minister congratulated the Chinese administration on the excellent conduct of the 60th anniversary of the People's Republic of China and impressive opening ceremony of the ongoing Shanghai Expo-2010. He also wished good luck and success for the excellent conduct of upcoming Asian Games 2010.

He thanked the Chinese government for allowing the opening of Khunjerab Pass after the Hunza landslide in January 2010.

The Chinese defense minister said that the purpose of his recent visit is to further improve the relations in the defence field. The agreement signed and the meetings held with officials at the highest level, he said, were very useful and fruitful.

General Liang Guanglie said that Pakistan and China are not only good neighbors and friends but also reliable partners. He said the friendship is not only beneficial for both countries but also for the stability and development of the region.

- China, U.S. start strategic track of annual high-level talks (24th May)

(Xinhua) -- Chinese State Councilor Dai Bingguo and U.S. Secretary of State Hillary Clinton started on Monday the strategic track of annual high-level talks between the two countries.

The second China-U.S. Strategic and Economic Dialogue, held in the Diaoyutai Guesthouse in Beijing, will last for two days.

The dialogue was initiated by presidents of both countries last year.

- Clinton says U.S.-China ties "back on positive track" (25th May)

(Xinhua) -- U.S. Secretary of State Hillary Clinton Tuesday said the U.S.-China relationship was back on the "positive track."

"... We might experience setbacks, but this dialogue mechanism helped put us rapidly back on a positive track," Clinton told reporters after the conclusion of the China-U.S. Strategic and Economic Dialogues Tuesday in Beijing.

Clinton recalled the setbacks in bilateral relations earlier this year, saying the relationship had faced uncertainties then.

She hailed the two-day dialogue, saying "it has proven its value and it reflects maturity, durability and strength of our relationship."

She said the dialogue was the premier forum for one of the most important and complex relationships in the world.

"The breadth and depth of our delegation continue to grow because it reflects the agenda that we are working together," she said.

During the dialogue the two sides discussed a wide range of complex bilateral, regional and global challenges.

Clinton said the dialogue had not solved all of the countries' shared problems, "but it did create concrete results."

She said the bilateral relationship should be extended beyond government to homes, businesses and schools. "These exchanges offer people opportunities to collect and collaborate. They remind us of how much we have in common."

The two sides had very frank and detailed conversations about international security challenges and regional hot-spots including Iran and the Democratic People's Republic of Korea, she said.

The United States and China agreed that they must meet the challenges of the time, from climate change to curbing proliferation of nuclear weapons and balancing the global economy.

About 50 representatives from more than 40 departments of both countries participated in the two-day dialogue, the second since its inauguration in April last year.

- Arms sales to Taiwan remain "biggest" obstacle to China-U.S. military ties: Chinese military official (25th May)

(Xinhua) -- A senior Chinese military official said Tuesday that U.S. arms sales to Taiwan remain the biggest obstacle to China-U.S. military ties.

At the request of the U.S., Ma Xiaotian, deputy chief of the General Staff of the Chinese People's Liberation Army made the remarks when meeting with U.S. Commander-in-Chief of Pacific Command Robert Willard and Wallace Gregson, Assistant Secretary of Defense for Asian and Pacific security affairs, who are attending the second round of China-U.S. strategic and economic dialogues in Beijing.

The meeting was the first high-ranking military talks between the two sides since China in January partially halted military exchange programs between the two countries in protest over U.S. arms sales to Taiwan.

Ma said the arms sales, frequent reconnaissance by the U.S. naval ships and aircraft in the waters and airspace of China's exclusive economic zones, and some laws have long remained the foremost obstacles to stable China-U.S. military relations.

The U.S. Congress passed bills limiting military exchanges with China, as represented by the 2000 Fiscal Year Defense Authorization Law.

"The U.S. side should be fully responsible for the prevention of the growth of China-U.S. military relations," he said.

U.S. respect for China's core interests and major concerns was the key to the resumption of sound and steadily developing bilateral military ties, Ma said.

The United States was expected to show sincerity in addressing major and sensitive issues, including arms sales to Taiwan and reconnaissance by the U.S. naval ships and

aircraft in China, to create conditions for the resumption and healthy development of China-U.S. military ties, Ma said.

Ma said China always attaches importance to mutual trust and cooperation in the military field with the United States and was willing to conduct exchanges and cooperation with the U.S. side in the principle of respect, equality, mutual trust, and reciprocity.

- China calls for peaceful solution to Iranian nuclear issue (25th May)

(Xinhua) -- China hopes the Iranian nuclear issue will be solved quickly through dialogue and negotiation, said China's Foreign Ministry spokesperson Jiang Yu here Tuesday.

"The Security Council discussing the Iranian nuclear issue does not mean the end of diplomatic efforts," she said. "We value and welcome the agreement reached among Brazil, Turkey and Iran on Tehran's research reactor."

China hopes Iran and the International Atomic Energy Agency and other concerned parties will reach an agreement on the specific arrangements at an early date and peacefully solve the Iranian nuclear issue through dialogue and negotiation, she said.

- Chinese president meets Clinton, Geithner after high-level dialogues (25th May)

(Xinhua) -- Chinese President Hu Jintao Tuesday said he hoped the China-U.S. Strategic and Economic Dialogues would play a greater role in boosting bilateral relations.

In a meeting with U.S. Secretary of State Hillary Clinton and Treasury Secretary Timothy Geithner, Hu said the two rounds of the dialogues held so far reflected the vitality and vigor of the mechanism, which he and U.S. President Barack Obama initiated in April last year.

Hu said both countries exchanged views on a range of strategic, comprehensive, and long-term issues through the dialogues.

Hu's special representatives, Vice Premier Wang Qishan and State Councilor Dai Bingguo, co-chaired the two-day event in Beijing with Clinton and Geithner, who were Obama's special representatives.

Hu thanked the four special representatives for their hard work and efficiency.

"I hope the four special representatives, and both teams will seriously implement the achievements, draw on their experiences, and strengthen the building of the mechanism so it can play a greater role," Hu said.

Hu recalled his last meeting with Obama on the sidelines of a nuclear security summit in Washington in April, saying they reached important consensus.

Hu said he and Obama, through their addresses to the opening session of the dialogues, elaborated on their positive attitudes to China-U.S. relations.

Clinton said she appreciated the "substantial speech" made by Hu at the opening session of the dialogues, and thanked him for receiving the U.S. team for the exchange of views.

"The two teams worked hard to realize the vision between Obama and you," Clinton told Hu.

She said the two sides had deepened cooperation in the second round of talks with the largest-ever delegation.

Hu said China would like to work with the United States to keep the bilateral relationship on the right track.

Hu proposed the two countries maintain high-level exchanges, properly address sensitive issues, strengthen substantive cooperation and seek stronger coordination on international issues.

"We should boost economic growth, promote the sustainable recovery of the world economy, maintain the sound development of bilateral trade relations and build a positive, cooperative and comprehensive relationship," Hu said.

Clinton and Geithner said the United States stood ready to work with China to strengthen dialogues and exchanges in all fields, carry out the consensus of both presidents and ensure the growth of bilateral ties.

They also discussed Korean Peninsula nuclear situation, the Iran nuclear issue and other regional and international issues.

Their meeting took place at the Great Hall of the People in Beijing after the conclusion of the high-level dialogues. About 50 representatives from more than 40 departments of both countries participated in the two-day dialogues.

- U.S.-China dialogue attracts global attention (25th May)

(Xinhua) -- China and the United States held the second round of the Strategic and Economic Dialogue (S&ED) Monday in Beijing.

The talks, which will discuss key issues including trade, investment, and global economic recovery, have received a lot of attention from international organizations and media around the world.

The U.S.-China Business Council (USCBC) said in a statement Monday that the S&ED provided a forward-looking, high-level, cross-agency mechanism for dealing with key issues in the U.S.-China relationship.

"Current tensions on the Korean Peninsula underscore the strategic value of the dialogue. At the same time, America's commercial relationship with China is critical to our nation's economic growth," USCBC President John Frisbie said in a statement.

Frisbie said the United States and China need to cooperate more on issues such as regional security, energy and the environment, maintaining open trade and investment regimes, and coordinating economic recovery policies.

"(Chinese) President Hu Jintao's opening statement today touched upon all of these issues, and we look forward to hearing more tomorrow when the S&ED concludes," Frisbie said. The AFP reported Monday that the high-level talks were attended by a 200-strong U.S. delegation.

"We will not agree on every issue. But we will discuss them openly, as between friends and partners," U.S. Secretary of State Hillary Clinton said.

China's Vice Premier Wang Qishan said that with increasingly close ties, the economies of the United States and China have become inseparable.

He said the two sides should regard this meeting as a good opportunity to evaluate the current situation and coordinate policies so as to ensure the continuous development of the two economies.

As the special representatives of President Hu, Wang and State Councilor Dai Bingguo are co-chairing the two-day S&ED together with Clinton and U.S. Treasury Secretary Timothy Geithner, the special representatives of U.S. President Barack Obama.

About 50 representatives from 40-plus government departments of the two countries are also participated in the talks.

Succeeding the China-U.S. Strategic Dialogue and China-U.S. Strategic Economic Dialogue, the S&ED was established on April 1, 2009, by President Hu and President Obama during their first meeting in London on the sidelines of the G20 financial summit.

- Chinese investment in Egypt offers job opportunities: official (25th May)
(Xinhua) -- Chinese investment in Egypt offers local people with tens of thousands job opportunities, Abdel Gelil El-Fahkrani, governor of Ismailia, told Xinhua in a recent exclusive interview.

The governorate has attracted huge Chinese investment to its industrial zones and the Qntra Shraq area, said the official.

Progress has been made on the Chinese side to establish a new industrial project to produce aluminum with an investment of 4.5 billion Egyptian pounds (about 796 million U.S. dollars), he said.

Ismailia is a city on the west bank of the Suez Canal in northeast Egypt. Thanks to its convenient transport, Chinese investment has been increasing here.

El-Fahkrani said that the new project will produce various kinds of aluminum to be used in different industries.

"The Chinese side has asked us to provide 20,000 square meters of land for the new project, which will bring more than 3,000 job opportunities," the governor said.

In 2009, some 135 Chinese-funded projects were approved in the industrial zones in Ismailia. These can provide more than 20,000 jobs for local people.

Some 30 Chinese projects were approved during the first quarter of this year in the governorate, which are expected to offer some 1,800 jobs.

On May 14, Egyptian Investment Minister Mahmoud Mohieldin said that Egypt and China were eyeing cooperation in many fields other than trade of traditional goods.

The two countries will tap trade potentials in sectors of services, auto, transport and logistics, Mohieldin said.

China and Egypt established strategic cooperation partnership in 2009. Bilateral trade surpassed six billion U.S. dollars last year.

- Premier Wen's Asia tour to boost cooperation, says vice FM (26th May)
(Xinhua) -- China will strengthen cooperation with the Republic of Korea (ROK), Japan, Mongolia and Myanmar through Premier Wen Jiabao's four-nation tour from May 28 to June 3, a senior Chinese official said Wednesday.

"Premier Wen's upcoming visits would be 'a journey of peace, friendship and cooperation', and are expected to boost neighborly friendship and cooperation with the four nations," Chinese Vice Foreign Minister Zhang Zhijun said at a news briefing ahead of Wen's visit.

Wen would pay official visits to the ROK, Japan, Mongolia and Myanmar from May 28 to June 3 and attend the third three-party leaders' meeting of China, the ROK and Japan on ROK's Jeju island.

He was scheduled to visit the ROK from May 28 to 29 in his first visit since the two countries forged a strategic cooperation partnership in 2008. His trip to Japan from May 30 to June 1 was also the first since Hatoyama Yukio took office as prime minister.

In the ROK, Wen would hold talks with President Lee Myung-bak and meet with Speaker of the National Assembly Kim Hyong-o and Prime Minister Chung Un Chan to exchange views on bilateral, regional and international issues, said Zhang.

Wen would also talk to people from different sectors and inspect the Seoul-based Chinese culture center.

Zhang said China hoped to speed up the establishment of the free trade area (FTA) with the ROK and increase cooperation in education, science, culture and tourism.

China also hoped to enhance communication and coordination with the ROK in international and regional affairs, Zhang said, adding trade cooperation papers would also be signed during Wen's visit.

In Japan Wen would meet with Emperor Akihito, hold talks with Hatoyama Yukio, meet with speakers of the senate and house.

Wen's contacts with the Japanese would be wide, including business people, intellectuals and members of the public, and he would give an interview with Japan's NHK, said Zhang.

"Honoring the average Japanese who contributed to China-Japan friendship and meeting with people from the cultural circles is an important and special arrangement, which will send a positive signal that the Chinese government attaches importance to the friendship among the grassroots and people-to-people and cultural exchanges between the two countries," said Zhang.

China and Japan would sign agreements on food safety, energy conservation, environmental protection and e-commerce.

Wen's visit to Mongolia would be the first by a Chinese Premier in 16 years. On June 1 and 2, Wen would hold talks with Prime Minister Sukhbaataryn Batbold, meet with President Tsakhia Elbegdorj and Damdingiin Demberel, Chairman of State Great Hural of Mongolia.

Wen would also attend the opening ceremony of the China-Mongolia trade cooperation forum and unveil a Chinese culture center in Ulan Bator. The two sides would sign agreements of cooperation in the fields of finance, energy resources, science and technology, and infrastructure, Zhang said.

Wen's visit to Myanmar on June 2 and 3 was also the first by a Chinese premier in 16 years. He would hold talks with Prime Minister Thein Sein, meet with Than Shwe, Chairman of the State Peace and Development Council, and other leaders.

Wen would attend celebrations marking the 60th anniversary of diplomatic ties with Myanmar, and the two sides would ink documents of cooperation in the economic and trade, finance, energy resources and science and technology sectors, Zhang said.

China would offer assistance, within its capacity, particularly in transportation and education, to help Myanmar develop economy and improve people's livelihood, Zhang said.

- U.S. urged to respect China's core interests (26th May)

(Xinhua) -- A senior Chinese military official here Wednesday called on the United States to respect and accommodate China's core interests and major concerns to facilitate the resumption of healthy development of bilateral military ties.

Xu Caihou, vice chairman of China's Central Military Commission, made the remarks in a meeting with former Deputy Chairman of the Joint Chiefs of Staff of the U.S. Armed Forces William Owens and former U.S. Air Force Chief of Staff Ronald Fogleman.

Xu said that the U.S. side is expected to earnestly respect and accommodate China's core interests and major concerns, properly handle sensitive issues and further strengthen the foundation of mutual trust, so as to create good conditions for the resumption of the development of bilateral military ties.

- Positive outlook for energy efficiency cooperation between China, U.S.: officials (26th May)

(Xinhua) -- Future cooperation in energy efficiency between China and the United States looks promising, Zhang Xiaoqiang, vice chairman of the National Development and Reform Commission, said Wednesday.

China has been working hard to improve its energy efficiency while the United States has good energy-saving technologies and experiences, which means the two countries could complement each other, Zhang said at the first Sino-U.S. Energy Efficiency Forum in Beijing.

Strengthened Sino-U.S. cooperation in energy and environment is needed to ensure energy security, cope with climate change and promote sustainable development, Zhang said.

Improving energy efficiency could not only reduce greenhouse gas emissions but also boost economic growth, U.S. Energy Secretary Steven Chu said in a videotaped message to the forum.

He stressed the potential of energy efficiency cooperation in the building sector because China will enormously increase the housing supply in the next 20 years.

Advanced technologies could help the building sector reduce energy consumption while ensuring the quality of living.

The forum focused on the two countries' energy policies, measures and accomplishments, attracting about 200 representatives from the two countries' governmental departments, research institutes and enterprises.

The forum was in line with a ten-year energy and environment cooperation framework signed in Washington in June 2008 by the Chinese and U.S. governments.

- Indian president starts China visit (26th May)

(Xinhua) -- Indian President Pratibha Patil arrived here Wednesday, kicking off her six-day state visit to China.

During Patil's stay in Beijing, Chinese President Hu Jintao, Chairman of the National People's Congress Standing Committee Wu Bangguo, Premier Wen Jiabao, and Jia Qinglin, chairman of the National Committee of the Chinese People's Political Consultative Conference will hold talks or meet with her respectively. Patil will also attend a reception marking the 60th anniversary of China-Indian diplomatic ties with Chinese Vice President Xi Jinping.

Besides Beijing, Patil will visit the pavilions of the Shanghai World Expo and go to Luoyang of central China's Henan Province, where she will attend the inauguration ceremony of a buddhist building of Indian style in the White Horse Temple, a famous temple in China.

Patil's visit is the first one by the head of state of India to China in recent ten years. In an exclusive interview with Xinhua Tuesday, Patil said she was looking forward to visiting China and holding discussions with the Chinese leaders. The president said that India and China are two large and populous developing countries and both of them focus on economic growth and social progress, so there are many areas in which the two countries can exchange views and learn from each other.

- Sino-Indian relations enter into maturity, stability period (26th May)
(Xinhua) -- Indian President Pratibha Patil will start a state visit to China on Wednesday at the invitation of Chinese President Hu Jintao.

This is another important high-level visit between China and India after the state visit to India by Chinese President Hu in 2006 and the official visit to China by Indian Prime Minister Manmohan Singh in 2008.

The Indian president's shows that the political trust between the two countries is increasing day by day and Sino-Indian relations have entered into a period of maturity and stability.

The visit comes at a time when the two countries are celebrating the 60th anniversary of the establishment of diplomatic relations, which provides an opportunity for further increasing trust, understanding and cooperation.

During the visit, the Indian president will discuss with Chinese leaders how to expand and deepen Strategic and Cooperative Partnership between the two countries, visit the Shanghai World Expo, attend a forum of businesspersons of the two countries and inaugurate an Indian Buddhist temple in Luoyang.

In an interview with Xinhua on the eve of the visit, Patil said that China is India's largest neighbor, and the two countries have a long history of cultural exchanges. To develop friendly cooperation with China is one of the priorities of India's foreign policy, she said. Patil said that President Hu Jintao's state visit to India in 2006 was a major milestone in Indian-Chinese relationship, which has generated a great deal of goodwill and during which the two sides agreed on a 10-pronged strategy to expand and intensify bilateral Strategic and Cooperative Partnership.

Subsequently, during the visit of Indian Prime Minister Singh to China in 2008, the two countries concluded a "Shared Vision for the 21st Century", which forms the basis for bilateral cooperation on global issues.

Patil said that India and China are both developing countries and are focused on enhancing economic growth and social progress. Hence, there are many areas in which the two countries can exchange views and learn from each other's experiences, she said.

She also expressed her happiness over the fast growth of bilateral economic and trade relations, as well as the fruitful cooperation in multilateral international frameworks carried out by the two countries.

In the long river of history, China and India had maintained friendly exchanges. Xuan Zhuang, a 9th century Buddhist monk who traveled widely in India, wrote a vivid description of ancient India. His work is still being quoted by scholars in China, India and

other countries. Some Indian Buddhist monk-scholars also lived in China to spread Buddhist scriptures.

In the 20th century, India's great poet and writer Rabindranath Tagore and Dr. Dwarkanath Kotnis, who died in China while assisting Chinese people in their resistance against Japanese aggression, became representatives of India in the eyes of the Chinese people. Moreover, Chinese people like Indian movies, music and dances, while Indians like Chinese food.

China and India experienced a "golden period" in their relations in the 1950s. But the two countries saw their relations plunge to the bottom of the valley in the early 1960s.

In 1988, former Indian Prime Minister Rajiv Gandhi visited Beijing and talked with Chinese leader Deng Xiaoping. During the visit, the two sides agreed to re-build friendly relations. In 1991, former Chinese Premier Li Peng visited India, which was the first for a Chinese premier to visit India in 31 years. The two countries from then on have moved on in normalizing and improving relations.

Over the past 20 years, China and India have seen their relations moving continuously in a healthy direction.

The two countries have established a political mechanism on consultation of boundary issues, and have held several rounds of boundary talks. The two governments have agreed that before they solve the boundary disputes, both sides should work for the maintenance of peace and calmness in the border areas. Both sides agreed to solve the boundary disputes in peaceful and friendly ways. The armed forces of the two countries have also opened channels of communications and carried out activities at the border areas to increase mutual trust.

Once an Indian army officer, who teaches Chinese in the barracks in Kashmir region, told the reporter that Indian army encourages its officers and men posted at the Chinese border to learn Chinese language. He also said that the border region is peaceful, contrary to some media hikes and allegations by certain personalities in India.

China and India share many similarities. Both countries have inherited an ancient civilization, have a large population and are emerging economies among developing countries. All these decide that the two countries also share common or similar interests and concerns.

Some Indian friends have pointed out that the population of the two countries make up one third of the global population. Hence, if the two countries carry out close cooperation, they will have form a huge common market. Close coordination and cooperation between the two countries in world financial institutions and world trade talks will not only protect the interests of the two countries, but also help push forward the democratization of the world economic order.

China and India have tasted the fruits of economic and trade cooperation in the past few years, with bilateral trade volume hopefully to attain 60 billion U.S. dollars this year. Chinese companies have also played an important role in infrastructure projects in India, besides power, telecom and steel. The economies of the two countries can well supplement each other in many fields.

Over the past few years, China and India have been working closely in the multilateral forums like the BRIC group, BASIC group and Group of 20 on the issues of financial crisis, climate change, pushing forward the forming of a multi-polar world structure,

democratization of international relations as well as protecting the interests of developing countries.

The collaboration between China and India at the UN Copenhagen Climate Change Conference drew world-wide attention and showcased cooperation of the two largest developing countries in a multilateral framework.

Chinese Ambassador to India Zhang Yan said that both China and India are faced with a rare opportunity of developing bilateral relations. The leaders of the two countries look at the relations at a strategic height and in a long-term perspective.

He said that with the establishment of Strategic and Cooperative Partnership oriented towards the 21st century, Sino- Indian relations have entered the track of comprehensive development. The common interests of the two countries are increasing and bilateral ties are becoming more and more mature.

The ambassador also pointed out that the development of the relations benefits not only the people of the two countries, but also contribute to world peace and development. The building of good neighborliness and friendship of the two countries has become an irreversible trend.

- China to invite 100,000 U.S.nationals to study Chinese over 4 years (26th May)
(Xinhua) -- China will facilitate 100,000 U.S. nationals studying Chinese over the coming four years, a Chinese education ministry official said here Wednesday.

Zhang Xiuqin, director of Department of International Cooperation and Exchanges of the Ministry of Education, briefed the press on the exchange programs agreement reached at the second round of the China-U.S. Strategic and Economic Dialogue.

The agreement includes the inviting to China of U.S. students, principals of U.S. primary and secondary schools and Chinese teachers of American nationality.

It also includes the inviting of U.S. college students to summer camps in China.

Also under the program, 10,000 Chinese postgraduates will go to the United States to undertake PhD programs.

Zhang said the program will allow China to send its top graduate students to prestigious U.S. universities and research institutes.

"Education serves as a lubricant for the steady development of China-US ties over the long run," said Zhang.

- New actions needed to promote China-Canada ties (26th May)
(Xinhua) -- The bilateral ties between China and Canada, which features a new era together with new opportunities and new expectations, need new actions, says Mei Ping, former Chinese ambassador to Canada.

This year marks the 40th anniversary of the establishment of diplomatic ties between China and Canada.

"In China, the fortieth year symbolizes an important turning point in one's life, because, at the age of 40, we are supposed to be mature and free from confusion. Relations between countries are the same. After 40 years, we should be mature, thoughtful and not to be swayed by emotions in our dealings with each other," Mei, also a member of the Chinese Foreign Ministry's advisory committee, said Tuesday in an interview by Xinhua.

He pointed out that economic cooperation and trade are important components of China-Canada relations. "However, the level of cooperation between us has yet to be upgraded.

Our trade volume accounts merely one percent and six percent of China and Canada's total volume respectively," he said.

"Not long ago, both Canadian and Chinese experts discussed the prospect of our trade and reached consensus that there is a potential to double our current trade volume to some 60 billion U.S. dollars in the next five years," he said.

He added this growth target is obtainable because Canada is a major developed country and China has a competitive labor force, huge market potentials and improving infrastructure.

Given the size of our economies and levels of development, bilateral trade and investment is still very low, said Mei. "There is huge room for further expansion."

He stressed that China's development offers rare opportunities. "In 2009, China's contribution to world economic development stood at 50 percent. China has become the world's No.2 importer and largest new emerging market. The ever-increasing economic scale, market potential and consumption demand are putting new impetus to the economic and trade cooperation between our two countries," said Mei.

Canada's trade diversification strategy opens new prospects for our economic cooperation. "Traditionally, Canada relied heavily on the United States in its foreign trade, with more than 70 percent of its total volume. Since the financial crisis, Canada's export to the U.S. declined dramatically and the Canadian government earmarked 500 billion Canadian dollars (467 billion U.S. dollars) to implement its global strategy and opened six new trade offices in China in a hope to promote and facilitate bilateral trade."

He also noted that the green economy has a big role to play in enlarging our economic cooperation. The Chinese government has vowed to develop new industries, which are closely related to a green economy, energy conservation, environmental protection, communication and high-end manufacturing sectors.

"In all of these, Canada has a cutting edge with advanced technologies and concepts, from which China has a lot to learn and benefit," said the former Chinese ambassador to Canada.

He also noted that apart from expanded economic cooperation, we need also modernize our political relations.

"We should modernize our perception of each other, and begin with adopting a new angle and stepping into the shoes of other side, if necessary, and abandon stereotyped and psychological bias against each other."

"People without prejudice will agree that China has become an important driving force behind the growth of the world economy as has been proved by what happened during the international financial crisis.

"We should feel optimistic and confident about the future of our bilateral relations, for things are constantly changing for the better and the main trend of our relations is development," concluded the former ambassador.

- Mexico export promotion body sees China as preferred trade, investment partner (26th May)

(Xinhua) -- Mexico's export promotion body ProMexico has listed China as one of the eight most desirable nations for trade and investment, ProMexico's president Bruno Ferrari said Tuesday.

"China is one of the eight priority nations for Mexico," Ferrari said during a conference on Mexico's economy organized by ProMexico.

Ferrari said that Bardahl, the Mexican auto lubricants and accessories firm, had joined the nation's biggest breadmaker Bimbo and medium-sized restaurant chain Fogoncito in investing in and profiting from ventures in China.

Meanwhile, Ferrari said he was proud that Chinese copper tube manufacturer Golden Dragon had set up businesses in the state of Coahuila in northern Mexico, and that its investment there had topped 140 million U.S. dollars.

Mexico is now promoting itself as "the gateway to the Americas" in China, and Chinese businessmen are discovering Mexico as a shortcut to get into the U.S. market, he said. He added that many northern Mexican states are home to so-called maquilas: factories that buy intermediate goods for processing into final goods and export into the United States.

Agustin Carstens, governor of the Bank of Mexico, earlier told the ProMexico conference that Asian economies, especially the emerging markets, were "the horse pulling the world's growth cart."

It was the second time Carstens emphasized Asia's role in global economic recovery. In late April, he said that the possibility of a systemic crisis has been "diluted" because of Asian economic support.

- U.S.-China Strategic and Economic Dialogue strengthens vital commercial relationship: business group (26th May)

(Xinhua) -- The U.S.-China Strategic and Economic Dialogue (S&ED) again demonstrates that high-level dialogue with China is critical to setting policy directions on issues important to U.S. interests, including commercial relations, the U.S.-China Business Council (USCBC) said Tuesday.

"This year's meeting moved the ball forward on economic and commercial issues that impact American companies doing business with China," said USCBC President John Frisbie in a statement.

"The S&ED is not meant to solve every issue between our countries, but these meetings are a vital part of the ongoing process of resolving issues that matter to American companies," he said.

The two powers wound up the two-day dialogue on Tuesday, achieving consensus on bilateral relations, facilitating global economic recovery, anti-protectionism in international trade, pushing forward financial reforms and important international affairs. The two dialogue partners also signed agreements covering trade, environment, energy and disease control at or on the sidelines of the S&ED.

The renminbi issue was discussed during the two-day session, but, as USCBC predicted, were not featured prominently in the list of outcomes.

"We did not expect this bilateral forum to result in a major announcement on China's currency policy," said Frisbie. "We nonetheless welcome (Chinese) President Hu Jintao's affirmation to reform his country's exchange rate administration and China's desire for increased coordination in rebalancing economic growth models."

He noted that with the current Greek debt and euro pressures hampering global economic recovery, "it is essential that the United States and China work together with other G-20 nations to develop coordinated financial policies."

Addressing the opening ceremony in Beijing, President Hu reaffirmed the importance of developing China-U.S. relations. He said sound bilateral ties contribute to peace, stability and prosperity in the Asia-Pacific region and the world.

Hu called on the two sides to maintain close communication at the top and other levels and to develop a pattern of mutually-beneficial and win-win cooperation.

"The bottom line is that we benefit from the S&ED," concluded Frisbie. "Increased policy coordination helps economic recovery, and the S&ED's top-down direction gives support to detailed trade discussions at the Joint Commission on Commerce and Trade (JCCT) and in other bilateral exchanges."

- China, Turkmenistan vow to boost military cooperation (26th May)

(Xinhua) -- Visiting Chinese Defense Minister Liang Guanglie and his Turkmen counterpart Yaylym Berdiyev on Tuesday vowed to build on military cooperation between their two nations.

Liang, also a state councilor, said bilateral relations between China and Turkmenistan had been improving, with increased military cooperation in training and professional fields and exchanges of visits.

China will work with Turkmenistan to expand the exchanges and cooperation between the two countries' militaries, he said.

Berdiyev said Turkmenistan would attach strategic importance to, and work with China to build on, the bilateral military cooperation.

The two defense ministers also exchanged views on regional affairs.

Liang was on the second leg of a goodwill trip that has taken him to Pakistan. He will also visit Kazakhstan.

- China, U.S. talks achieve a long list of agreements: Clinton (26th May)

(Xinhua) -- U.S. Secretary of State Hillary Clinton said on Tuesday the second round of the China-U.S. Strategic and Economic Dialogue (S&ED) had achieved a long list of agreements.

Clinton, also the special representative of U.S. President Barack Obama, made the remarks while responding to a question from Xinhua at a press conference.

"High level discussions built in an enormous amount of understanding and create an environment in which both the United States and China are able to better appreciate the other's point of view to work through in an open and candid manner the problems we are going to encounter," Clinton said.

She said the two countries' relationship had gone through a rocky period since last year, but the dialogue had improved the countries' understanding, confidence and trust in each other.

Clinton said all the signed memorandums of understanding had taken the two governments months in preparation.

She also said the bilateral natural gas project reflected the long term commitment that the countries had in each other, and that the expanded student exchange program between the two sides was a tangible result of the dialogue.

- China reaffirms its hope for restraint over ROK warship sinking (26th May)

(Xinhua) -- China on Tuesday again urged all parties involved in the dispute over the sinking of the Republic of Korean (ROK) "Cheonan" warship, to exercise calmness and restraint and properly address related problems so as to avoid an escalation of tension. China has noted the investigation results released by the ROK and the response of all concerned parties, Foreign Ministry spokeswoman Jiang Yu said at a regular press briefing.

"China considers that international and regional matters should be handled in an objective and fair manner and based on facts," said Jiang.

"Under current circumstance, any measure taken by any side should be conducive to peace and stability of the Korean Peninsula, not to the contrary," she said.

Jiang said China has always been committed to maintaining stability in Northeast Asia and the Korean Peninsula, promoting the six-party talks and denuclearization of the Peninsula.

"It is better to have dialogue rather than engaging in confrontation, and an eased situation is better than tension," she said.

To safeguard peace and stability of the Korean Peninsula and Northeast Asia is in the common interests of all parties and is a shared responsibility of all countries in the region.

"China is resolutely against any behavior which is in violation of peace and stability in Northeast Asia," she said.

- China, India agree to cement political, economic ties (27th May)

(Xinhua) -- China and India have agreed to enhance political, economic ties and bolster people-to-people contact during a meeting between Indian President Pratibha Patil and Chinese Premier Wen Jiabao here on Thursday.

It is the Indian president's first official visit to China and the first visit to China by an Indian head of state in the last decade.

In the meeting Wen proposed the two states treat bilateral ties from a strategic and long-term point of view, enhance high-level communication and bolster cooperation, in a bid to benefit the two peoples and the world.

"Practicing mutual respect conforms with the fundamental interests of the two states and peoples and will spark new hope for human beings," Wen Jiabao said in the meeting.

Patil said India and China share broad common interests in the bilateral and multilateral fields.

She pledged to boost high-level contact, cement economic and trade ties, promote two-way investment and people-to-people contact, and strengthen coordination on major international affairs with China.

In her meeting with Chinese top legislator Wu Bangguo, Patil said all the parties of India support the development of relations with China.

Wu, chairman of the National People's Congress (NPC) Standing Committee, said to promote peaceful co-existence and common development of the two countries meets the fundamental interests of both sides, and complies with the mainstream trend of peace and development in Asia and the world.

"China and India do not pose as threat to each other and their common interests far outweigh differences," he added.

Wu said he hopes the two sides understand and respect each other's core interests and major concerns, properly handle their differences, and seek common development and a win-win situation.

"A good China-India relationship makes both winners while a confrontational one makes both losers," he added.

Patil said the two countries had conducted sound cooperation not only in bilateral field but also under multilateral frameworks including BRIC and G20.

The cooperation between India and China in the Copenhagen climate change summit served as a good example of bilateral cooperation in global affairs, she added.

Patil arrived here Wednesday for the week-long state visit.

- China vows to lift Sino-Irish ties to new high (27th May)

(Xinhua) -- China is ready to work with Ireland to expand exchanges and cooperation, so to lift the relationship to a new high.

Vice Premier Li Keqiang made the remarks here on Wednesday when meeting with visiting Irish Minister of Foreign Affairs Micheal Martin, according to a press release issued Thursday from the General Office of the State Council.

Li said Sino-Irish ties were developing steadily, as the two countries had witnessed close high-level contacts, and sound coordination on critical international and regional issues.

China hoped Ireland could maintain its constructive role in promoting Sino-EU relations, Li said, noting that China had always paid great attention to developing its relationship with the European Union.

China regards Ireland as a good friend and partner within the European Union, Li said.

Endorsing Li's views, Martin said Ireland was willing to make more efforts to advance ties between the two countries, and actively promote Sino-EU relations.

Since Ireland instituted an Asia strategy ten years ago, Ireland had considered China as an important cooperative partner, Martin said.

Martin is on an official visit to China from May 24-28 at the invitation of Chinese Foreign Minister Yang Jiechi.

- China again calls for proper handling of ROK warship sinking (27th May)

(Xinhua) -- China on Thursday again urged all parties to properly handle issues related to the sinking of the Republic of Korean (ROK) warship.

China sincerely hopes all relevant parties in the dispute over "Cheonan" stay calm and restrained to avoid tension escalation, Foreign Ministry spokesman Ma Zhaoxu told reporters.

"Proper handling of the issue is conducive to peace and stability of the Korean Peninsula," Ma said at a regular news briefing.

The spokesman said China had always been committed to maintaining peace and stability in Northeast Asia and the Korean Peninsula, promoting the six-party talks and denuclearization of the Peninsula.

"We always believe that dialogue is better than confrontation and eased situation better than tension," he said.

- China welcomes Darfur peace talks resumption in Doha (27th May)

(Xinhua) -- China on Thursday welcomed the resumption of Doha peace talks between the Sudanese government and Darfur rebel group Liberation and Justice Movement (LJM) in June.

"We appreciate the active efforts made by the Qatari government and African Union-United Nations chief mediator Djibril Bassole in this," Chinese Foreign Ministry spokesman Ma Zhaoxu told a regular press briefing.

He said China hoped all parties and the international community would make further efforts to promote the political process in Darfur to achieve substantial progress as early as possible, and promote a comprehensive and proper resolution of the issues.

Qatar, which is mediating talks between the Sudanese government and the region's rebel groups, announced Wednesday in Doha that the talks would resume in the first week of June.

The talks between the Sudanese government and Darfur's two main groups, the Justice and Equality Movement (JEM) and the LJM, were suspended in April due to the general elections in Sudan.

The Sudanese government on Wednesday expressed optimism on possibility of reaching a comprehensive peace agreement on Darfur through the Qatari-hosted peace talks, despite absence of the JEM.

- Xinhua will make great efforts to cover UN activities: Xinhua president (27th May)

(Xinhua) -- Xinhua News Agency will continue to make great efforts to cover all UN activities, Xinhua President Li Congjun said Wednesday when meeting with UN Secretary-General Ban Ki-moon at the UN headquarters in New York.

"As a responsible news organization, Xinhua News Agency will continue to make great efforts to cover all activities of the United Nations and play our part in promoting peace and development in the world," Li said.

The UN secretary-general always attaches great importance to the Chinese people, Li said, adding that Ban's visit to the quake-struck area in Sichuan province shortly after the May 12, 2008 earthquake greatly encouraged the local people.

Li thanked Ban for his long-term support for Xinhua News Agency, especially mentioning the fact Ban granted Xinhua an exclusive interview and wrote a message in Chinese and English to celebrate the 20th anniversary of the Convention on the Rights of the Child and the Universal Children's Day.

The message, signed by Ban, read: "Children are our future. We must work for health, education, equality and protection for every child in the world."

In November 2009, Xinhua News Agency and the UN Children's Fund (UNICEF) jointly launched a global campaign to cover children's rights and life on the Universal Children's Day.

The campaign was very successful with the participation of more than 1,000 media organizations from 86 countries and regions, Li said.

Recently, Xinhua has begun cooperating with the UN Environment Program (UNEP) to further strengthen the Chinese wire service's coverage of the global efforts for environmental protection, Li said.

For his part, Ban said, "We've been working closely with Xinhua reporters covering the United Nations."

"I think Xinhua has always been covering most actively around the world," he said. "In all goals and objectives of the United Nations, the role of news media is indispensable."

"I have been successful (as the UN secretary-general) with full support of the Chinese government," Ban said. "I have always been grateful to the full support from the ordinary Chinese people."

Ban said that he was very much impressed by the 2008 Beijing Olympics and congratulated China on the success of the 2010 Shanghai World Expo.

He said he was glad to see that the UN Pavilion at the Shanghai Expo has registered more than 100,000 admissions since it opened on May 1.

- Senior Chinese, Turkish military officers vow to further exchanges (27th May)
(Xinhua) -- Vice Chairman of China's Central Military Commission Guo Boxiong met here Thursday with Aslan Guner, deputy chief of Turkey's General Staff.

Guo spoke highly of China-Turkey relations, saying the ties had seen new development as the two countries witnessed effective cooperation in various fields in recent years.

China appreciated Turkish government's adherence to the one-China policy, Guo said, noting the two countries enjoyed sound contacts and coordination in handling regional and international affairs.

Concerning the military relations, Guo said the two sides had carried out comprehensive exchanges and cooperation in fields like military training and personnel training.

The Chinese armed forces were ready to cement exchanges with their Turkish counterparts, so as to strengthen mutual trust, expand common ground and promote the military ties, Guo said.

Guner said he hoped the two sides could conduct closer contacts, in efforts to expand cooperation.

He also voiced his satisfaction with the current development of the relationship between the two countries and militaries.

- China urges peaceful resolution to Nagorno-Karabakh issue (27th May)
(Xinhua) -- China on Thursday urged all parties to find a peaceful way to solve the Nagorno-Karabakh issue.

Foreign Ministry spokesman Ma Zhaoxu made the remarks while commenting on a "parliamentary election" held in the region on May 23.

Stressing that China had made no change in its stance on the issue, Ma said China hoped the parties would observe international law and UN Security Council resolutions, and find a solution acceptable to all parties through negotiations and dialogue.

He said this was in the interests of both Azerbaijan and Armenia, as well as regional peace, stability and development.

It was reported that pro-independence parties won the most seats in the election, but the polls were denounced by Azerbaijan as illegal.

Nagorno-Karabakh, a region with a largely ethnic Armenian population, declared independence from Azerbaijan in 1991, sparking conflict ever since.

- U.S. returns pre-historic fossils to China (27th May)

(Xinhua) -- The U.S. government Wednesday returned some priceless pre-historic fossils to China as a result of the two countries' enhanced law enforcement cooperation.

At a ceremony at the Chinese Embassy, U.S. Immigration and Customs Enforcement (ICE) and U.S. Customs and Border Protection (CBP), on behalf of the U.S. government, returned the fossils seized during routine inspections of goods coming into the country.

Xie Feng, charge d'affaires of the Chinese Embassy, expressed his heartfelt gratitude to the U.S. government for its efforts to return the fossils to China.

"In recent years, our two countries have conducted effective and productive law enforcement cooperation. Both sides are committed to working more closely on this front, including evidence and information sharing, joint investigation, combating illegal immigration and transnational crimes," said Xie.

"We could say proudly that law enforcement cooperation has become a bright spot in our overall relations. And today's ceremony is another example of how far we have come in this field," he added.

This is the second repatriation of pre-historic fossils to China since September last year, when fossils of pre-historic mammals and dinosaur eggs which are 100-million-year old were returned to China.

The new collection of fossils to be sent back to China represent a much longer history than the fossils returned last year. According to the Curator of the Chicago Field Museum, these fossils are approximately 525 million years old.

This collection of fossils "represents centuries upon centuries of the life of the area we know as China. Though they are not expensive in terms of fossil trade, they are priceless to the scientific community," said John Morton, Department of Homeland Security (DHS) Assistant Secretary for ICE.

"ICE is concerned that our customs laws were ignored in the trading of protected artifacts that carry clues to China's past. Though our investigation is ongoing, these artifacts are headed home, where Chinese scientists will have the opportunity to study them."

- China-Sweden relations beyond 60 years (27th May)

(Xinhua) -- China-Sweden relations is not restricted to 60 years, behind it there has been over 300 years contacts between the two countries, said Sinologist and Professor Torbjorn Loden, who is also the Principal of Nordic Confucius Institute.

"As far as I know, Sweden's contacts with China began with trade and culture. At the early stage, Sweden was affected more by China than it affected China," Loden said in a recent interview with Xinhua.

As early as 17th century, Swedish people began to trade with China and the first Swede who wrote about China was a sailor whose name was Nils Matson Kioping. He travelled with the boat of Gothenburg to South China in 1654 and wrote some stories about China when he came back, Loden said.

"The first published dissertation about China was China's Great Wall written by Jonas Matthiae Locnaus(1671-1754) from Uppsala University in 1694. The article discussed the Great Wall, its importance and Chinese people's creativity," Loden recalled.

The influence of China came with the East India Company's boats which transported large amount of porcelain, tea and silk to Sweden. These products were a symbol of development and luxury life at that time, which helped create a craze about China.

"Thanks to Swedish Queen Lovisa Ulrika(1720-1772) who was deeply influenced by French enlightenment thinker and philosopher Voltaire, Sweden was influenced by Chinese thoughts because Voltaire was pro-Chinese philosophy and thought China was a model country ruled by philosophers," Loden said.

In 1753 when Ulrika was 33 years old, her husband secretly built a China pavilion for her and let her 8 year old son give her the key.

The queen formed Swedish Royal Academy of History and Archeology. Voltaire was a fellow. Now the area has been listed in the UNESCO World Heritage list.

"The East Asian Museum in Stockholm was established by archeologist Johan Gunnar Andersson who helped excavated the Peking man in Beijing's southwest Zhoukoudian. Famous Swedish explorer and geographer Sven Hedin had been in Tibet and Xinjiang as well as Inner and outer Mongolia and helped draw maps of these areas in the late 19th century and early 20th century," Loden said.

In an Island east of Stockholm, one can find it named as Kang Youwei Island, a name which is well-known in Chinese history. Kang Youwei led a reform movement in 1898 but failed in the Qing Dynasty.

The Gothenburg boat which sank over 200 years ago was brought out and a replica was built. As a witness of bilateral relations, the boat successfully revisited China along its original route around the world in 2006.

"East Indie Company played an important role in cultural and trade exchanges between Sweden and China," Loden said.

From 1731 to 1806, East India boats travelled 130 times between Gothenburg and Guangzhou, China. The contact was fairly frequent.

Professor Loden said that one of the vanguards to introduce Chinese language and culture to Sweden was Bernhard Karlgren who began with pronunciations of Chinese dialect. He came to Shanxi provincial capital Taiyuan, north China to study Chinese in 1910- 1911. His study on pronunciation was outstanding and his translation of book of poems and Lao Zi's Morality among many others have greatly promoted the spread of Chinese culture.

All these contacts and understanding about China made it the smoothest to establish diplomatic relations with China, and thus Sweden became the first Western country to establish ambassadorial relations with new China.

After China's reform and opening up, more and more Swedish people visit China every year. In recent years, more and more Chinese begin to visit Sweden too. Mutual investment are increasing. Chinese investment in Sweden increased by 40 times over the past 10 years, Loden said.

"Finally, the establishment and development of Nordic Confucius Institute is also a great symbol and tool of promoting the friendship and close relations between the two sides," Loden said.

As Vice President Xi Jinping pointed out during his visit to Sweden in March that China and Sweden will further deepen their cooperation. Swedish Prime Minister Fredrik Reinfeldt and Foreign Minister Carl Bildt also echoed with Xi and expressed the wish that Sweden-China relations will definitely be further deepened and go beyond 60 years.

This May marks the 60th anniversary of establishment of diplomatic relations between China and Sweden.

- Top Chinese legislator pledges stronger ties with Europe (27th May)

(Xinhua) -- Top Chinese legislator Wu Bangguo said here on Wednesday China highly values its relations with Europe, vowing to further promote China-EU comprehensive strategic partnership.

Wu, chairman of the National People's Congress (NPC) Standing Committee, made the remarks in his meetings with European Parliament President Jerzy Buzek, and a group of European party leaders who were here for the first-ever China-Europe High-Level Political Party Forum.

Wu hailed the progress of China-Europe ties over the years, citing enhanced political trust, fruitful cooperation, close coordination in global and regional affairs and the establishment of an annual summit mechanism and all-round strategic partnership.

China attaches great importance to developing ties with Europe, and considers China-Europe relations a priority in China's foreign policies, he told Buzek.

Buzek said China plays an increasingly important role at the global stage. The European Union highly values China's position, and he hopes to strengthen dialogues and cooperation between the European Parliament and the NPC to boost all-round relationship, Buzek added.

In a meeting with European party leaders, Wu reiterated that the CPC is ready to strengthen friendly exchanges with various parties of Europe to boost bilateral all-round strategic partnership.

- China, Finland sign clean tech deals worth 250 mln U.S. dollars (27th May)

(Xinhua) -- Companies from China and Finland signed twelve deals on clean technology with a total contract value of around 250 million U.S. dollars on Wednesday.

"The immediate value of all the contracts and agreements is about 200 million euros (about 245.76 million U.S. dollars), and their potential exceeds 1.5 billion euros (about 1.84 billion dollars)," Leif Fagernas, director general of the Confederation of Finnish Industries, said at the Cleantech Finland China Seminar in Beijing.

Visiting Finnish President Tarja Halonen and Chinese Vice Premier Li Keqiang attended the seminar, and pledged to promote clean tech cooperation between the two countries.

"As China is experiencing rapid industrialization and urbanization, we have to build a resource-saving and environmentally friendly society as soon as possible," Li said.

He added that the promotion of clean development would help transform China's pattern of economic development.

China will further improve its policies, laws and systems to give powerful support for clean and sustainable development, he said.

"Finland has advanced capability in clean tech innovation and application, so there's great potential for cooperation between the two countries in this regard.

"I hope our companies will grasp the opportunity, strengthen development and application of clean tech and carry out more reciprocal cooperation," Li said.

He said that China would continue to introduce advanced technology and expertise from overseas, and encourage foreign investment in clean technology and related products.

China will strengthen the protection of intellectual property rights to encourage the development and innovation of clean technology, he said.

Halonen said Finland attaches high importance to the Chinese market and wants to further enlarge bilateral cooperation in clean tech.

Finland has established a committee in China to manage environmental technology related programs, and 30 cooperation programs were already underway, she said.

A China-Finland technology innovation center will be established in Finland soon.

The seminar was also held to mark the 60th anniversary of the establishment of China-Finland relations. More than 200 business people, experts, scholars and governmental officials from the two countries attended the seminar.

Prior to the seminar, Li held a meeting with Halonen and discussed the development of bilateral relations.

- Trilateral talks to outline future cooperation in East Asia: vice minister (27th May) (Xinhua) -- The upcoming leaders' meeting of China, Japan and the Republic of Korea (ROK) will map out cooperation in East Asia in the years to come, said Chinese Vice Foreign Minister Zhang Zhijun on Wednesday.

Chinese Premier Wen Jiabao will attend the third three-party leaders' meeting of China, the ROK and Japan to be held in Jeju of the ROK from May 29-30.

"The meeting will look to outline future cooperation, promote political trust, and consolidate cooperation," Zhang said.

The Asian economies have recovered from the global financial crisis this year, and this provides a good opportunity for cooperation between China, Japan and the ROK, he said.

Zhang said China expects the meeting to map out key areas of cooperation so to support the economic recovery and the construction of East Asian Community, and also to reinforce coordination in regional and international affairs.

- Chinese Premier leaves for four-nation tour, third three-party leaders' meeting (28th May)

(Xinhua) -- Chinese Premier Wen Jiabao left here Friday morning for official visits to the Republic of Korea (ROK), Japan, Mongolia and Myanmar.

During the tour which is scheduled from May 28 to June 3, Wen will attend the third three-party leaders' meeting of China, the ROK and Japan in ROK's Jeju island.

Wen's entourage includes Foreign Minister Yang Jiechi, Chairman of the National Development and Reform Commission Zhang Ping, Commerce Minister Chen Deming, Director of the Research Office of the State Council Xie Fuzhan, Vice Secretary-General of the State Council and Director of the Premier's Office Qiu Xiaoxiong, Vice Foreign Minister Zhang Zhijun and Vice Minister of Culture Zhao Shaohua.

- Chinese premier, South Korean president meet (28th May)

(Xinhua) -- South Korean President Lee Myung-bak hosted a welcome ceremony for Chinese Premier Wen Jiabao here on Friday afternoon before their talks.

Wen arrived in Seoul earlier Friday on his official visit to South Korea. He is also scheduled to attend the third trilateral summit of China, Japan and ROK in the southern resort island of Jeju.

Backgrounder: Basic facts about Republic of Korea

Chinese Premier Wen Jiabao left Beijing on Friday morning for a three-day visit to the Republic of Korea (ROK). The following are some basic facts about the country:

The ROK, often referred to as South Korea, lies in the south of the Korean Peninsula. The country has a total area of 99,600 square km and a population of 48.7 million, with Seoul as its capital. The country's official language is Korean.

South Korea is a developed country and had one of the world's fastest growing economies from 1960 to 1990. Starting in the 1960s, the country embarked on a road of rapid economic growth, completely transforming it from a farming- and fishing-based economy into one of the world's most high-tech industrial powers.

South Korea's transformation into a developed country during this short time frame was termed the Miracle on the Han River.

Its economy is dominated by large business groups known as Chaebol. These include companies such as Samsung, LG and Hyundai-Kia.

The country is a world leader in some key industries, such as shipbuilding, automobile, electronics, iron and steel, and textiles.

Tourism is now developing fast in the country and its scenic spots attract millions of tourists every year.

Relations between South Korea and China have developed rapidly since the two countries established diplomatic ties in 1992. The two sides declared a strategic cooperative partnership during President Lee Myung-bak's visit to China in 2008.

Trade between the two countries has grown steadily. China is South Korea's largest trading partner, largest export market, largest source of imports, as well as largest overseas investment destination. South Korea is China's third largest trading partner and fourth largest source of foreign direct investment.

According to figures provided by the Chinese Commerce Ministry, the two-way trade between the two countries in the first four months of this year stood at 62.96 billion U.S. dollars, a year-on-year increase of 46.8 percent.

- Chinese premier urges all parties to prevent deterioration of situation on Korean Peninsula (28th May)

(Xinhua) -- Chinese Premier Wen Jiabao on Friday urged all parties concerned to prevent a deterioration of the situation, especially possible clashes, in a joint effort to maintain the hard-won peace and stability on the Korean Peninsula.

Wen, who arrived here earlier in the day on a three-day official visit, made the comments during a meeting with South Korean President Lee Myung-bak.

Wen said that all concerned parties should take a long-term perspective, actively promote the process of the six-party talks in a bid to resolve the nuclear issue on the Korean Peninsula and achieve lasting peace and stability on the peninsula.

- China to make objective, fair judgement on S. Korean warship sinking: Wen (28th May)

(Xinhua) -- Chinese Premier Wen Jiabao said here on Friday that China will make a judgement in an "objective and fair manner" and take its stance on the basis of facts concerning the sinking of a South Korean warship.

Wen, who arrived here earlier in the day on a three-day official visit, made the comments during a meeting with South Korean President Lee Myung-bak. He said that China has always stood for maintaining peace and stability on the Korean Peninsula and worked persistently for this end.

China always opposes and condemns any acts detrimental to peace and stability on the peninsula, he said.

Wen said that as a responsible country, China takes serious note of the results of a joint investigation by South Korea and other countries, as well as the reactions of all parties.

Premier Wen urges all parties to keep calm and show restraint, so as to prevent a deterioration of the situation, especially possible clashes in a joint effort to maintain the hard-won peace and stability on the Peninsula.

Wen said that all concerned parties should take a long-term perspective, actively promote the process of the six-party talks in a bid to resolve the nuclear issue on the Korean Peninsula and achieve lasting peace and stability on the Peninsula.

He said that China hopes the South Korean government will properly handle the warship sinking incident and that China will keep close communication with South Korea on the issue.

On March 26, the South Korean naval vessel, Cheonan, with 104 crew members onboard, sank into the waters off the west coast of the Korean Peninsula, killing 46 sailors.

On May 20, the South Korean government released the results of a multinational investigation, which concluded that Cheonan was torpedoed by a submarine of the Democratic People's Republic of Korea (DPRK).

The DPRK vehemently rejected the accusation and warned that any retaliation would lead to an "all-out" war.

- Judicial head of China attends SCO meeting in Dushanbe (28th May)

(Xinhua) -- Top Chinese judicial official Wang Shengjun expounded on China's position on judicial protection of gender equity, and banning interrogation by torture at the two-day meeting of the judicial heads of the Shanghai Cooperation Organization (SCO) member states that opened here Thursday.

Wang, president of the Supreme People's Court of China, said gender equity has long been a noble pursuit of the human beings and at the same time a global, comprehensive and long-term social issue.

Among various factors that influence gender equity, the development of legislature and judicial protection play a key role and hold crucial significance to safeguarding and promoting gender equity, he said.

He briefed his counterparts on China's progress in this regard since the founding of the People's Republic of China, especially since China adopted a policy of reform and opening up to the rest of the world.

Addressing the opening ceremony of the meeting, Wang described the meeting as a crucial platform for SCO member states to strengthen judicial exchanges and cooperation.

Since the first meeting of judicial heads was held in Shanghai in 2006, China has carried out regular judicial exchanges and cooperation with other SCO members in the spirit of SCO's mission, and has achieved positive results, he said.

The exchanges and cooperation have played an important role in preventing and cracking down on cross-border crimes, combating the "Three Evil Forces" of terrorism, extremism and separatism, and promoting regional peace and development, he added.

At the end of the meeting, participants issued a joint statement on beefing up judicial protection of gender equity and improving judicial practice to prevent torture during interrogation.

During his stay in Tajikistan, Wang also held talks with his Tajik counterpart Nusratullo Abdulloyev on Wednesday.

The SCO, founded on June 15, 2001, groups China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan.

- Chinese premier hopes for further cooperation between Chinese, South Korean legislative bodies (28th May)

(Xinhua) -- Visiting Chinese Premier Wen Jiabao Friday expressed hope for more exchanges and further cooperation between the legislative bodies of China and the Republic of Korea (ROK).

Wen made the remarks while meeting with Kim Yyong-o, the speaker of the National Assembly of the ROK.

Wen noted the National People's Congress of China and the National Assembly of the ROK had established a solid mechanism for regular exchanges, adding those exchanges, at various levels and in different forms, are very active between the two legislative bodies. He also expressed the hope that more exchanges and further cooperation between the two legislative bodies would make a bigger contribution to deepening mutual understanding and friendship and to strengthening the goodwill between the two peoples.

Wen also said the economies of China and the ROK were highly complimentary to each other and that the two sides had enjoyed a steady development in bilateral relations ever since 18 years ago when China and the ROK established diplomatic relations.

The development of bilateral relations had brought substantial benefits to the two peoples, he said, adding the Chinese side was willing to work together with Seoul to further promote bilateral relations in the long run by deepening mutual trust and expanding win-win cooperation.

The Chinese leader also praised the ROK for having achieved positive results while dealing with the global financial crisis.

Kim, on his part, said the National Assembly of the ROK firmly supported the development of the relations of strategic cooperation and partnership between China and the ROK.

He also said the Chinese economy had weathered the global financial crisis well, which, he believed, was very important for the development of bilateral economic and trade relations and for the economic recovery and sustainable development in the region.

The speaker also said he, as a member of the National Assembly of South Korea, could leave office soon, but he would never leave soon when it came to promoting friendship and cooperation between China and the ROK.

He added he and other members of the National Assembly would continue to play a positive role in the further development of bilateral relations.

- China, Denmark emphasize strong bilateral parliamentary ties (28th May)

(Xinhua) -- A senior Chinese legislator and Thor Pedersen, speaker of the Danish parliament, emphasized the importance of strong Sino-Danish ties and parliamentary cooperation here Thursday.

Hua Jianmin, vice chairman of the Standing Committee of the National People's Congress (NPC) of China, was warmly welcomed by Pedersen and other Danish senior officials, including First Vice Speaker Mogens Lykketoft.

Hua's visit is part of the activities to mark the 60th anniversary of the establishment of diplomatic relations between the two countries.

"There is a long history of friendship between the Chinese and Danish peoples, although China and Denmark are far apart with different national conditions," Hua said.

As one of the first Western countries to establish diplomatic relations with China, Denmark also actively supported China's resumption of membership in the UN and China's entry into the World Trade Organization.

The past six decades have witnessed remarkable progress in relations between China and Denmark, Hua said, stressing that the bilateral exchange in the supreme legislative body has played an important role in enhancing bilateral relations.

Hua said he hoped the two parliaments will continue making more contributions to strengthening legislation exchanges at different levels to further their relations.

"Before I came here, I've visited the Danish exhibition hall at the Shanghai World Expo. The Little Mermaid, your country's national treasure, is very popular with the Chinese visitors," Hua said, adding that the Chinese were deeply touched that the famous statue's first overseas destination was the Shanghai World Expo.

"This fully demonstrates the friendship of the Danish people toward the Chinese people," Hua said.

Pedersen for his part said Denmark attaches great importance to developing relations with China. "We are going to further promote inter-parliamentary exchanges and cooperation between the two countries; especially face-to-face exchanges help enhance mutual understanding and common interests," the Danish parliamentarian said.

Pedersen said he hoped the two countries' business communities will strengthen their cooperation and mutual assistance in order to overcome difficulties and achieve a win-win situation.

Referring to the 60th anniversary of diplomatic relations between the two countries, he said Denmark sees the 60th anniversary as an opportunity to deepen the understanding and friendship between the two nations.

Hua and his delegation arrived here on Wednesday. Denmark is the second leg of Hua's three-nation European tour, which has taken him to Estonia. He will also visit Sweden.

- Reception held to mark 60th anniversary of China-India ties (28th May)

(Xinhua) -- Visiting Indian President Pratibha Patil and Chinese Vice President Xi Jinping Friday in Beijing attended a reception to mark the 60th anniversary of the establishment of bilateral ties.

In a speech at the reception, Xi said China-India relations had gone beyond their bilateral scope to have global significance as the Asian neighbors both emerged as major players in the developing world.

"A review of China-India relations over the past 60 years tells us that good-neighborly friendship and mutual beneficial cooperation has always been the mainstream of our relationship," Xi said.

He called on both sides to further increase understanding and trust, enhance strategic cooperation and promote sustainable development of bilateral ties.

China and India should be partners rather than rivals because the two countries face similar challenges while having common interests on broad issues, he told some 400 delegates from both countries.

Patil said India-China relationship was a time-tested friendship based on frequent cultural and religious exchange between the two countries over the past centuries.

She said China's development in many areas was impressive and India would like to learn from China's experience.

"Our common interests and shared concerns provide the basis for working together," she said, vowing to further boost India-China cooperation and facilitate greater growth of bilateral relations.

China and India forged diplomatic relations on April 1, 1950, less than one year after the People's Republic of China was founded, which Xi said had opened a new chapter in the history of China-India relations.

Earlier on Friday, Patil visited the Forbidden City, the former residence of China's imperial families during the Ming (1368-1644) and Qing (1644-1911) dynasties, and the Temple of Heaven, where emperors of the two dynasties offered sacrifices to heaven and prayed for good harvests.

Patil told Xinhua that she was "very happy" to visit the two places of historical interest in Beijing.

"India and China are friends and I want to strengthen our friendship," said Patil. "We wish to live together, work together and prosper together."

Patil's week-long visit will also take her to the India Pavilion at the Shanghai World Expo and to central China's city of Luoyang, where she will attend a temple ceremony commemorating the arrival of Buddhism from India 2,000 years ago.

- Chinese, Kazakh defense ministers vow to upgrade cooperation (28th May)
(Xinhua) -- Defense ministers of China and Kazakhstan agreed Friday to upgrade cooperation of the two militaries to a new level.

At a meeting with his Kazakh counterpart, Adilbek Dzhaksybekov, visiting Chinese Defense Minister Liang Guanglie recalled the smooth growth of the bilateral cooperative relationship since the establishment of diplomatic ties between China and Kazakhstan, including frequent top-level exchanges, deepening of political trust, and expansion of cooperation in all aspects.

He recalled frequent meetings between Chinese President Hu Jintao and his Kazakh counterpart, Nursultan Nazarbayev. The two leaders held in-depth discussions on how to further bilateral strategic partnership, thus continuously adding new momentum and providing guidance to the development of bilateral ties.

Liang said military-to-military relationship is a key part of overall bilateral relations. Supported by leaders of both nations, relations between the two militaries have been growing steadily while leaders of both militaries have maintained frequent contacts on bilateral and multilateral occasions. Exchange and cooperation between the two militaries are being strengthened across the board.

Liang expressed the hope to increase contacts and deepen cooperation with the Kazakh side, so as to upgrade the relationship between the two militaries to a new level.

Dzhaksybekov agreed. He noted that the two countries have maintained a high-level of mutual trust and frequent contacts between their leaders. The two nations also have same or similar views on many regional and global issues, and have maintained mutual support and close coordination in addressing those issues.

He said developing relations with China, a friendly neighbor, is a top priority of Kazakhstan's foreign policy. The Kazakh military attaches great importance to forging closer ties with the Chinese military and is willing to increase bilateral cooperation in personnel training, exchanges between relevant military branches, military technology, joint exercises, and other areas.

Liang was on the last leg of a three-nation goodwill trip that has taken him to Pakistan and Turkmenistan.

- Leaders of China, Japan, South Korea begin summit meeting (29th May)

(Xinhua) -- Leaders of China, Japan and South Korea met Saturday in South Korea's southern resort island of Jeju for their third trilateral summit with the aim of mapping out future cooperation in East Asia.

Chinese Premier Wen Jiabao, South Korean President Lee Myung-bak and Japanese Prime Minister Yukio Hatoyama attended the talks.

China expects the meeting to nail down key areas of cooperation so as to support the economic recovery and the construction of East Asian community, said Chinese Vice Foreign Minister Zhang Zhijun earlier.

Premier Wen kicked off an official visit to South Korea on Friday before attending the summit on Jeju Island.

South Korea is the first leg of Wen's Asian tour, which will also take him to Japan, Mongolia and Myanmar.

- Chinese premier promotes cooperation, good neighborliness in South Korea tour (29th May)

(Xinhua) -- Seeking to increase cooperation and good neighborliness with South Korea, Chinese Premier Wen Jiabao on Friday started his three-day official visit to the country.

TO SPEED UP ESTABLISHMENT OF FTA

A key issue during the visit is to speed up the establishment of the free trade area (FTA) between the two nations.

During a meeting with South Korean President Lee Myung-bak, the Chinese premier said that the FTA negotiations between China and South Korea could be launched later this year or early next year upon the completion of a feasibility study.

"When the joint feasibility study by the governments as well as industrial and academic circles is successfully completed, the two countries can inaugurate negotiations on the

China-South Korea FTA in the second half of this year or the first half of next year," said Wen.

After their talks, Wen and Lee also witnessed the signing of a series of cooperative documents, including a Memorandum of Understanding about the feasibility study of the China-South Korea free trade agreement.

Earlier, Lee hosted a welcome ceremony for Wen's visit, and they held formal talks following more than one-hour smaller-group discussions.

Wen highlighted the sound development of China-South Korea trade ties, urging the two countries to make joint efforts to overcome difficulties caused by the global financial crisis and promote bilateral cooperation to a new level.

China and South Korea should strive to make bilateral trade volume meet the target of 200 billion U.S. dollars by 2012 and 300 billion U.S. dollars by 2015, said Wen.

Wen also suggested that the two countries materialize mid- and long-term trade cooperation guidelines and explore new trade cooperative fields, deepen cooperation in areas like high technology and circular economy, combat trade protectionism, expand cultural and youth exchanges, step up coordination within the framework of the Group of 20 (G20) and promote reform of the international economic governance system to make it fairer and more rational.

"China supports South Korea's efforts for hosting the G20 summit in the second half of this year," said Wen.

Wen and Lee agreed to further promote China-South Korea relations of strategic cooperation and partnership, which was established in 2008.

China and South Korea, both important countries in East Asia, have extensive common interests, and China attaches importance to its relations with South Korea, hoping the two countries could enhance communication and cooperation in a bid to benefit the two peoples and promote peace and stability in the region, Wen said.

The two countries have kept close cooperation in the process of tackling the global financial crisis and safeguarded common interests, Wen said.

President Lee said South Korea and China are both engaged in the development of relations of strategic cooperation and partnership, and that cooperation between the two countries has registered rapid progress in various fields.

The two countries, which have worked together to deal with the financial crisis and oppose trade protectionism, are maintaining the momentum of bilateral trade growth and are making important contribution to world's economic recovery, said Lee.

He said South Korea is willing to work with China to keep high-level exchange and political dialogue, further improve bilateral trade, quicken FTA construction, and enhance cooperation in such areas as clean energy, environmental protection and the development of green economy.

Lee said South Korea will coordinate with China in multilateral mechanisms like the G20.

TO ENHANCE TIES BETWEEN LEGISLATIVE BODIES

Wen also met Kim Yyong-o, the speaker of the National Assembly of the the Republic of Korea (ROK), and expressed hope for more exchanges and further cooperation between the legislative bodies of the two nations.

The Chinese premier noted the National People's Congress of China and the National Assembly of the ROK had established a solid mechanism for regular exchanges, adding

those exchanges, at various levels and in different forms, are very active between the two legislative bodies.

He also expressed the hope that more exchanges and further cooperation between the two legislative bodies would make a bigger contribution to deepening mutual understanding and friendship and to strengthening the goodwill between the two peoples.

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The development of bilateral relations had brought substantial benefits to the two peoples, he said, adding the Chinese side was willing to work together with Seoul to further promote bilateral relations in the long run by deepening mutual trust and expanding win-win cooperation.

The Chinese leader also praised the ROK for having achieved positive results while dealing with the global financial crisis.

Kim, on his part, said the National Assembly of the ROK firmly supported the development of the relations of strategic cooperation and partnership between China and the ROK.

He also said the Chinese economy had weathered the global financial crisis well, which, he believed, was very important for the development of bilateral economic and trade relations and for the economic recovery and sustainable development in the region.

The speaker also said he, as a member of the National Assembly of South Korea, could leave office soon, but he would never leave soon when it came to promoting friendship and cooperation between China and the ROK.

He added he and other members of the National Assembly would continue to play a positive role in the further development of bilateral relations.

AN "OBJECTIVE AND FAIR MANNER" ON CHEONAN INCIDENT

During the meeting with Lee, Wen told the South Korean president that sinking of South Korea's Cheonan warship was unfortunate and China understands the sorrows of the bereaved families as well as those of the South Korean people in general.

He extended condolences to the families of those killed and to the South Korean people.

The Chinese premier said that as a responsible nation, China takes serious note of the results of an investigation conducted by South Korea and some other countries, as well as the reactions of all parties.

China will make a judgement in an "objective and fair manner" and take its stance on the basis of facts concerning the incident, Wen said.

China is always committed to maintaining peace and stability on the Korean Peninsula and has worked persistently for this end. China rejects and condemns any acts that damage peace and stability on the peninsula, Wen said.

He called on all parties concerned to remain calm and exercise restraint, so as to avert an escalation of the situation. Special efforts should be made to avoid conflicts in order to maintain the hard-won peace and stability on the peninsula, he said.

The Chinese leader also asked all parties to take a long-term perspective, promote the process of the Six-Party talks in a bid to resolve the nuclear issue on the Korean Peninsula for the sake of lasting peace and stability there.

China hopes the South Korean government will properly handle the warship sinking incident, and will keep close communication with South Korea on the issue, said Wen.

This is the Chinese premier's second visit to South Korea since 2007 and his first visit to the country since China and South Korea established strategic cooperative partnership in 2008.

Wen is also scheduled to attend the third trilateral summit of China, Japan and South Korea in the southern resort island of Jeju.

As good neighbors, China and South Korea had made joint efforts to achieve rapid and all-round development of the bilateral ties since the two countries established diplomatic relations in 1992. China is the largest trade partner, export destination country and import market for South Korea, while South Korea is the third biggest trade partner for China. The two countries also worked closely when the world was hit by the global financial crisis.

South Korea is the first leg of Premier Wen's four-nation Asia tour, which will also take him to Japan, Mongolia and Myanmar.

- China says Japan-U.S. security treaty should not harm third-party interests (29th May)

(Xinhua) -- As a bilateral agreement, the Japan-U.S. Treaty of Mutual Cooperation and Security should not harm the interests of China and other third parties, said Foreign Ministry spokesman Ma Zhaoxu here Friday.

Ma made the remarks in response to a question about Japan's latest claim over the Diaoyu Islands in a news report.

According to the report, Japan said on Thursday the Diaoyu Islands were a part of Japan and the U.S. would be obligated according to the treaty to engage in military conflicts between China and Japan over the island should they occur.

Ma said China has indisputable sovereignty over the Diaoyu Island and adjacent islets, which have been an inalienable part of China's territory since ancient times.

Economic front

- Economists: China's macroeconomic control policies prove fruitful (23rd May)

(Xinhua) -- The macroeconomic control policies adopted by the Chinese government since mid-2008 have been proven successful, two economists said Saturday.

Since late 2008, the Chinese government has taken a series of macroeconomic control policies to deal with the global financial crisis. The government carried on massive financial investment, some of which focused on real estate.

"In spite of some problems, the Chinese government has been making great progress in regulating and controlling the Chinese economy during the global financial crisis," Min Tang, a Chinese economist, said in an exclusive interview with Xinhua.

"Everything has two sides, good and bad. This macroeconomic control policy is an action taken to fight against a crisis," he said.

Tang believed that whether or not the policies are successful should be judged from the macro perspective instead of a micro perspective.

"China was able to resume its rapid growth first when the global economy was still going downhill," Tang said, "China also successfully kept the confidence of its people and enterprises, which is more important than anything else. Therefore, the government's macro control is very successful."

In addition, Tang said that the increased investment in infrastructure has strategic significance for the Chinese economy.

"The government invested over 60 percent in infrastructure. This is much needed for the long term development of the Chinese economy, especially for cities and rural areas," he said, "It will bring great potential for the future development of the economy."

Tang also noted some problems caused by the control policies.

"First of all, the real estate bubble was blown up during this process. This is very dangerous," he said, "The soaring real estate price makes it impossible for average people to buy any real estates."

Another problem, according to Tang, is the huge local government debt, which has amounted to about 7,000 billion Yuan (47,793 billion U.S. dollars).

"This is an enormous number which might cause potential economic troubles in the future," he said, "This number is twice as much as the annual income of the local governments."

Xiaolei Zuo, chief economist at China Galaxy Securities Company Limited, agreed with Tang.

"During the sudden storm of global economy, as a developing country, if China can not stabilize its economy quickly, it will be very dangerous and take much longer to recover the confidence level," she said.

Zuo said the 4,000 billion Yuan (27,310 billion dollars) government investment played a critical role in not only stabilizing the Chinese economy, but also contributing to global economy.

"The Chinese government's control policy should receive very positive evaluation," she said.

Meanwhile, she said there are problems that the country should be concerned with during the recent round of adjustment.

"The Chinese government fully recognized the problems and risks and has taken actions accordingly," she said.

Regarding inflation, Zuo said, "There are very many complicated reasons for inflation."

"It happens regularly in an economy," she said, "Many people misunderstood it and worried too much."

She said that China, a country with a growth rate of about 10 percent, is capable of handling an inflation rate of about 5 percent.

"If there are no unexpected events this year, the Chinese government should be able to control its inflation rate between 3 and 5 percent," she said, "On the other hand, inflation can be taken care of through subsidizing people with low income and applying price limit to certain products."

- China commerce minister urges "real" reform of U.S. hi-tech exports to China (24th May)

(Xinhua) -- China's Commerce Minister Chen Deming on Monday urged the U.S. to scrap restrictions on U.S. hi-tech exports to China, which, he said, was crucial to balance trade between the two nations.

Chen made the remarks at a press briefing on the second round of the China-U.S. Strategic and Economic Dialogues in Beijing, saying China and the U.S. can't balance bilateral trade without more exports of such products.

China welcomed that the U.S. might reform control policy on hi-tech exports to China, Chen said, voicing his hopes that reforms would be "real" and not "lots of thunder with no rain," which would benefit enterprises from both nations.

Chen also hoped that the U.S. would enhance transparency of its regulations on foreign investment so that more Chinese enterprises would invest in the U.S..

- China supports rescue moves to end EU sovereign debt crisis (24th May)

(Xinhua) -- China was concerned about the ongoing sovereign debt crisis in several eurozone nations and supports the rescue actions taken by the European Central Bank and the International Monetary Fund (IMF), Chinese Minister of Commerce Chen Deming said here Monday.

"China believes the European Union (EU) is able to strengthen supervision over the sovereign debt, and hopes the relevant nations will overcome the crisis," Chen told a news briefing on the second round of the China-U.S. Strategic and Economic Dialogues (S&ED).

China and the United States held the second round of the S&ED Monday in Beijing to discuss key issues including trade, investment, global economic recovery and climate change.

The EU sovereign debt crisis would also influence the trade between the United States and China, although the impact would not be severe, Chen said.

"China's trade surplus fell 34 percent last year and has decreased 78.6 percent in the first four months of this year. China will continue to increase its imports in line with stable exports," he added.

Chinese President Hu Jintao's special representatives, Vice Premier Wang Qishan and State Councilor Dai Bingguo co-chaired the economic and strategic tracks of the S&ED with U.S. President Barack Obama's special representatives, Treasury Secretary Timothy Geithner and Secretary of State Hillary Clinton, respectively.

- China to continue to steadily advance reform related to RMB exchange rate (24th May)

(Xinhua) -- Chinese President Hu Jintao reiterated on Monday that China will continue to steadily advance the reform of the formation mechanism of the RMB exchange rate under the principle of independent decision-making, controllability and gradual progress.

Hu made the remarks at the opening ceremony of the second round of China-U.S. Strategic and Economic Dialogue in Beijing.

About 50 representatives from more than 40 departments of the two countries participated in the dialogue.

Hu said China will continue to pursue a win-win strategy of opening up. The country would expand market access in keeping with established international economic and trading rules, support the improvement of international trading and financial systems, and advance trade and investment liberalization and facilitation.

On China's effort to accelerate the transformation of its economic development pattern, he said, "We will make great effort to expand domestic demand and increase household consumption, vigorously promote sound and balanced growth of external trade, and reject protectionism in all manifestations."

He also reiterated China's commitment to the path of peaceful development and efforts to pursue friendly cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence.

- Chinese monetary policy driven more by domestic factors: official (24th May) (Xinhua) -- Chinese monetary policy is driven more by domestic factors than by external ones, said Zhou Xiaochuan, governor of the People's Bank of China, or the central bank, on Monday.

"With a population of 1.3 billion in the country, most of major factors that need to be considered are domestic ones, although the economy is export-oriented," Zhou told a news briefing on the second round of the China-U.S. Strategic and Economic Dialogues. International factors influenced decision-making, but the impact was usually smaller, he added.

Zhou said officials from China and the United States touched upon how the European sovereign debt crisis had impacted on yuan's exchange rate during the dialogues, but did not go deeper.

China and the United States supported the measures that the European countries had taken to manage the sovereign debt crisis, Zhou said, adding generally speaking the world economic recovery would maintain its momentum.

Zhou also said he expected financial institutions to continue to deal with the financial crisis. China would prevent "blind" and "irrational" moves in the financial market while further promoting financial innovation, he said.

- China, U.S. agree on cautious, prudent withdrawal of economic stimulus measures (24th May)

(Xinhua) -- Chinese and United States officials agreed here Monday they should be cautious and prudent about the timing to withdraw economic stimulus measures from their respective economies.

Zhang Xiaoliang, vice chairman of the National Development and Reform Commission (NDRC), told a news briefing on the second China-U.S. Strategic and Economic Dialogue of the agreement.

Zhang said the foundation of the world economic recovery is "not yet solid," adding that the sovereign debt crisis in several eurozone nations is adding to uncertainty.

Europe's economy is a large portion of the world economy and the European Community is China's biggest trading partner.

China, therefore, will "keep a close eye on the crisis" and in particular its "negative effect on the economic recovery in Europe," said Zhang.

Zhang said given that the scale of the debt crisis and number of countries involved "are still limited," China should continue its economic policies stated in the government work report early this year.

Zhang said, chairman of the NDRC Zhang Ping introduced China's macro economic situation and major economic tasks for this year Monday morning to U.S. officials. The major tasks cover expansion of domestic demand, consumption in particular, stabilization of prices, transfer of economic development mode and structural adjustment, and stabilizing the development of an open economy.

Chinese Vice Premier Wang Qishan and U.S. Secretary of Treasury Timothy Geithner, special representatives of the two nations' presidents, are co-chairing the economic track of the two-day S&ED scheduled for Monday and Tuesday at the Diaoyutai State Guest House in Beijing.

- Hu pledges currency reform (25th May)

China on Monday pledged to push ahead with currency reforms but only at its own pace, and pressed for an end to US curbs on high-tech exports.

President Hu Jintao made the remarks on the currency at the start of the two-day China-US Strategic and Economic Dialogue (S&ED), where high-level officials began wide-ranging talks on financial market reforms, trade and reviving global growth.

"China will continue to steadily advance the reform of the formation of the renminbi exchange rate mechanism under the principle of independent decision-making, controllability and gradual progress," Hu said.

US Secretary of State Hillary Clinton and Treasury Secretary Timothy Geithner sat onstage behind him at the Great Hall of the People. They are leading a delegation comprising about 200 officials to Beijing for the talks.

China has kept the yuan pegged at a rate of about 6.83 to the dollar since mid-2008, after the currency gained 21 percent from 2005 to 2008.

Although both sides are "low-profile" on the matter, "Hu's words send a message that China is considering the issue seriously. There is a high possibility that China will allow the yuan to rise during the third quarter", said Dong Xian'an, chief economist at Industrial Securities.

Geithner said the US welcomes the fact that "the Chinese leadership has recognized the reform of the foreign exchange rate mechanism is an important part of the broader reform agenda".

In a separate session with Geithner, Vice-Premier Wang Qishan pressed for an end to export controls on "dual use" technology with possible military applications.

"During this dialogue, we hope to hear from the US side in detail its timetable and roadmap for gradually removing barriers to hi-tech exports to China," he said.

Washington is reviewing its export controls, which are meant to deny China's military access to technology that might aid its modernization. They apply to goods such as supercomputers, lasers, navigation systems and high-performance materials used in missiles.

US Commerce Secretary Gary Locke said earlier the review of the system was expected to be completed by summer and Washington would then decide whether to relax the controls.

"China is pleased to note the US initiatives to relax export controls," Wang said.

Minister of Commerce Chen Deming also urged the US to translate words into action in easing export restrictions.

The US contributed 7.5 percent of China's hi-tech imports last year, down from 18.3 percent in 2001 partly due to the export controls, the ministry said.

But Kevin Griffis, a spokesman for the US Commerce Department, said "the impact of export controls on hi-tech trade with China is extremely small", Bloomberg reported.

According to the US Commerce Department, of the \$63.4 billion in US exports to China in 2009, only 0.3 percent required a commerce license, and fewer than 2 percent of all such license applications to China were denied.

Wang Fan, director of the institute of international relations at China Foreign Affairs University, said the S&ED marked "a beginning for the US to relax meaningless export controls".

"Some restrictions are totally unnecessary. If the US insists on them, its foreign trade will be harmed," the expert said.

Wang Qishan also urged the US to give "equal treatment" to Chinese enterprises investing in the US and accord China market economy status. He expressed hope that the US will take "concrete measures" to curb trade protectionism.

Geithner, too, on Monday emphasized US concern over equal market access.

"We are asking that China give American firms the same opportunities to compete in China that Chinese companies enjoy in the United States," Geithner said.

At a press conference after the first day of talks, Zhou Xiaochuan, governor of the People's Bank of China, the central bank, said the government will "press ahead" with financial reforms.

He also said China and the US have agreed to work together to support Europe's efforts in overcoming the continent's debt crisis.

The two sides reached consensus that the European debt crisis has "added uncertainties" to global economic recovery, and both China and the US must be "cautious" on exiting from their stimulus packages.

"The general view was that the pace of the global economic recovery will be basically sustained," Zhou said.

In a letter to participants, US President Barack Obama said the dialogue was important as it would allow the countries to "understand one another better", particularly on issues over which they disagree, such as Taiwan and Tibet.

But in his remarks, Hu said both countries should "respect each other's core interests".

"To the Chinese people, nothing is more important than safeguarding national sovereignty and territorial integrity. I trust it is not difficult for the American people, who went through the American civil war, to understand how important and valuable unity is to a nation."

(Source: China Daily)

- Regulator says "hot money" flows into China's property sector (25th May)

(Xinhua) -- Some speculative capital, or "hot money", from overseas has flowed into domestic trade and investment areas, including the property sector, the State Administration of Foreign Exchange (SAFE) said Tuesday.

In a statement on its website, the foreign exchange regulator said an investigation begun in February had identified 7.35 billion U.S. dollars of "hot money" flowing into China through 190 illegal cross-border transactions.

During the investigation, the administration inspected 3.47 million transaction records involving more than 440 billion U.S. dollars in 13 provinces and cities where large volumes of forex transactions took place.

The SAFE said it had closed six cases involving illegal hot money inflows worth more than 27 million U.S. dollars and investigations were continuing.

"Judging from the investigation data, cross-border capital flow and foreign exchange settlement in China abides by laws and regulations as a whole and we have found no organized (by corporations) and large-scale inflows of 'hot money' yet," the SAFE said.

Most speculative and arbitrage funds flowed into China via individual distribution and infiltration, according to the SAFE.

An unknown amount of "hot money" enters China every year disguised as trade and investment. The capital is betting on an appreciation of the yuan, China's currency, and a hike in assets prices.

Capital flows into and out of China for purposes other than payments related to exports and imports are strictly controlled by the SAFE, which manages China's 2.44 trillion U.S. dollars in foreign exchange reserves.

- Wages stagnated despite labor shortage: report (25th May)

Wages have not risen in China despite a shortage of workers, a report in Outlook magazine said.

The magazine said manpower costs only represents between 10 and 15 percent of some enterprises' total expenses, according to Ren Zhaocheng, the head of a workers union in Jiangsu Province.

The report said the minimum wage in some cities was not adjusted as often as the law requires.

For example, there was no minimum wage adjustment in Guangzhou, Guangdong Province, between January 1999 and January 2003, even though regulation stipulates that an adjustment should be made once every two years. An adjustment made in December 2004 only lead to an increase of just 59 yuan after deductions.

The report said the minimum wages in 31 cities are still lower than the national standard. Even if enterprises increased wages, workers would not see a big difference since they need to contribute to their pension and various kinds of insurance.

Su Hainan, head of the wages studies institute under the Ministry of Human Resources and Social Security, told the magazine that workers get about 40 percent of their wages after contributions.

Lü Qian, a Japanese teacher in Beijing, earns about 4,000 yuan (\$585) a month. But she was not left with much money after tax, pension and insurance deductions.

"I always feel that my hard working efforts are in vain," she was quoted as saying.

The report said that changing jobs would not help workers much because remuneration packages offered by different companies are similar.

It attributed the reason behind low wages to unhealthy development of some industries. Some local governments are responsible for the problem. For example, the pay offered by some governments to clean streets is too low so bidders can only offer so much.

The magazine, citing academics and experts, said enterprises should negotiate wages with employees, and the negotiation should be protected legally.

Yang Yiyong, the director of the Institute of Social Development under the National Development and Reform Commission, said authorities should lay out concrete objectives for achieving equality in income distribution, and specify the objectives in the national five-year development plan.

Su said some labor-intensive industries should be given tax concessions, which allows enterprises to lower their financial burden and possibly encourage them to increase wages.

(Source: Globaltimes.cn - Agencies)

- More Chinese automobile investment to flow to India (25th May)

(Xinhua) -- Fast growth of India's automobile sector is capturing the investment interests of the Chinese auto industry, with India's first auto plastic fuel tank maker in scale YAPP-ZOOM starting production Monday.

YAPP-ZOOM is a joint venture of China's YAPP Automotive Parts Cooperation and India's Zoom Enterprises and is the first investment to India from a Chinese auto part company.

The joint venture YAPP-ZOOM was established in Chennai in 2008. Its clients included Volkswagen India, Ford India, and Indian automobile manufacture Mahindra & Mahindra.

The Chennai plant can produce 250,000 plastic fuel tanks annually so far, expecting 80 million rupees (1.7 million U.S. dollars) of sale for the first year. The second production line planned for 2011 will double the annual production. YAPP-ZOOM is also looking to set up another manufacturing plant in Pune.

YAPP's President Sun Yan expected India to be the biggest overseas' market for China's largest plastic fuel tank manufacturer which has invested in Australia and Russia and planning to set up plant in Czech aiming European market. "India is becoming a big producer and consumer of automobiles after China, we are very positive on its growth potential," He said.

As SAIC-GM, the 50:50 joint venture between Shanghai Automotive Industry Corporation (SAIC) and General Motors established last December, plans to introduce SAIC light trucks to Indian market, " more Chinese auto part companies will come to invest in India following YAPP," said Jiang Zhiwei, the vice president of SAIC.

- China approves Regional Plan for Yangtze River Delta (25th May)

(Xinhua) -- The Regional Plan for the Yangtze River Delta has been approved by China's State Council, or cabinet, the National Development and Reform Commission (NDRC), China's top economic planner, said Monday.

According to the plan, the Yangtze River Delta will be developed into a key international gateway for the Asia-Pacific region, an important global center for the modern service industry and advanced manufacturing industry, as well as a world-class cluster of cities.

It is expected that the area will lead the way in realizing modernization on the whole by 2020.

The Yangtze River Delta is made up of Shanghai and the provinces of Jiangsu and Zhejiang, covering an area of 210,700 square kilometers.

The Yangtze River Delta possesses an advantageous location, excellent natural resources, solid economic foundations, and has become one of the country's most economically competitive regions, the NDRC said.

- Chinese vice premier reemphasizes transformation of growth pattern (26th May)

(Xinhua) -- Chinese Vice Premier Li Keqiang said Tuesday China must accelerate its transformation of economic growth pattern as the global economy was undergoing structural changes.

Li made the remark when he met with members of the International Advisory Council of the China Development Bank (CDB) in Beijing.

Li briefed the advisory council members about China's economic situation and its macro-economic policy.

He said China had to advance its economic restructuring while continuing the process of reform and opening, to improve people's livelihoods and to enhance the vitality, competitiveness and sustainability of the economy.

Li said the world economic recovery was still fragile and faced a great deal of instability and uncertainty. He said the international community should further enhance policy coordination and improve the financial supervision system.

The International Advisory Council of the CDB was established in 1999. It consists of notable figures from political, financial and academic circles around the world, including former Australian Prime Minister Paul Keating.

The advisory council members were in Beijing for an annual meeting focusing on global economic and financial situation, the international financial crisis and the CDB's role in economic recovery.

During the meeting with Li, Keating relayed his appreciation of China's success in maintaining stable and fast paced economic growth and contributing to the recovery of world economy.

Keating said over the years, the advisory council members had come to realize that the CDB was a rare and valuable institution. He expressed willingness to further expand links between the CDB and institutions outside of China.

- China's credit card payment rises 70% in 2009: CBA (26th May)

Xinhua) -- China's credit card transactions totaled 3.5 trillion yuan (512.45 billion U.S. dollars) in 2009, up 69.9 percent from a year earlier, said a report from the China Banking Association (CBA) Wednesday.

By the end of 2009, China had issued 186 million credit cards, up 30.37 percent from a year earlier, said the report.

Credit card transactions accounted for 27.9 percent of the total social retail sales in 2009, up from 11.2 percent in 2007, said the report.

The association warned of potential risks of the increasing overdue credit card debt, as the country's lenders continued to expand their credit card business.

China reported 5.27 billion yuan (765.30 million U.S. dollars) of credit card bad loans in 2009, up 78.68 percent from a year earlier, said the report.

The industry was taking measures to guard against risks as relative rules, laws and procedures in credit card markets were yet to improve, said Yang Ke, an official with the association and President of the Credit Card Center of China Minsheng Banking Corp. Ltd..

- China GDP growth to exceed 11% in 2010: OECD (26th May)

(Xinhua) -- China's gross domestic product would exceed 11 percent this year before slowing to just under 10 percent in 2011, the Paris-based OECD predicted Tuesday in its Economic Outlook report.

The organization forecast China's speedy growth to continue in early 2010 and attributed the smaller growth rate in 2011 to a phasing out of the stimulus package.

Deteriorating trade and still-strong domestic demand would cut current account surplus sharply in 2010, while the inflationary pressure was likely to remain subdued with mitigation in food prices, the report said.

It confirmed that the Chinese government's policies had brought significant growth in the housing market, transport construction and non-government investment.

Higher food and commodity prices had lifted inflation to a high level in the year to April but the OECD expected a moderate rise of 2.5 percent in the consumer price index over the whole year and little movement in 2011.

Judging from China's official presentation, the organization commented that China's fiscal policy was becoming more neutral and restraints on credit had been introduced.

Although governmental fiscal stimulus was set to diminish further and domestic demand was likely to ease in the following quarters, investment in the private sector would remain strong and domestic demand was sufficient to boost economic growth, thus the OECD was confident of continued strong growth for the whole year and 2011, the report said.

However, it also warned that overheating had recently started to become more of a risk, and suggested the government take measures to cool the property market as well as allow a gradual appreciation of the Chinese yuan against a basket of currencies.

OECD Chief Economist Pier Carlo Padoan would not comment on the top priority for China in fighting overheating but underlined that "to control the bubbles in the housing market is very important."

- Investment, the missing thread on "Silk Road" (26th May)

When my home country, the United Arab Emirates, welcomed two Chinese naval ships for a port call this year - the first such visit in modern history - parallels were drawn with Admiral Zheng He's voyages to the Arabian peninsula, which heralded the rise of China's international influence in the early 1400s.

The seafarer from Yunnan province, who grew up speaking Arabic and Chinese, caused a sensation when he landed in what is today Yemen, with 19 ambassadors from across the region traveling to board his ships with gifts for Emperor Yongle.

Some 600 years later, relations between China and the Arab world are on the ascent again. Rapid growth in trade in the last decade has prompted talk of a new "silk road" - land and sea routes established over 2,000 years ago, which carried goods, culture, language, art and religion between East Asia and the Middle East.

Now, I believe, the focus will turn to increasing two-way investment to complement trade flows.

With free trade talks underway between the six-country Gulf Cooperation Council (GCC) and China, trade is set to more than triple to at least \$350 billion by 2020, according to consultants McKinsey.

China recently overtook the United States as the biggest exporter to the GCC, with annual exports to the region growing more than 10-fold to over \$60 billion in the last decade, as population growth and rising incomes fuelled demand.

In return, the GCC countries supply 35 percent of China's crude oil imports, with more than half of that coming from Saudi Arabia.

But as an example of how investment has so far lagged trade, China accounted for only 4 percent of foreign direct investment in Saudi Arabia in 2008 - the biggest and most populous economy in the Gulf.

And Middle East investors, increasingly active globally in recent years, still lie far behind the likes of Japan, South Korea, United States and Germany as sources of direct investment in China, partly because traditionally they have not been active in the manufacturing sector.

However, the landscape is changing, as Chinese and Middle East investors begin to seize on new opportunities.

That is why the chairman of Abu Dhabi's Department for Economic Development and several executives from the emirate will be meeting high-level Chinese officials and institutions at the Abu Dhabi and China Investment Forum in Shanghai next week.

Momentum is building thanks to shared interests fostered by trade, particularly in the field of energy. But investment will thrive in more diverse areas because of the many similarities between China and the Middle East. A high degree of understanding tends to reduce the "screening costs" involved in evaluating an investment and facilitates decision-making.

Abu Dhabi firms such as Invest AD can offer co-investment opportunities, not just in the UAE but across the Middle East and Africa.

The kind of venture capital opportunities that have brought private equity investors flocking to China, also abound in the Middle East.

And even the way business deals are done - relying on trust and long-cultivated connections - is similar.

Fast growing companies are hungry for financing to capitalize on the vibrant Middle East economy, forecast to record growth of above 4 percent annually for the next four years. With bank lending still slow, and IPOs on hold, this is a great opportunity for private equity investors to help ambitious firms expand across the region, in the same way as Chinese brands are now making a name on the global marketplace.

New industries to the region, such as petrochemicals, low-cost airlines and financial services, are well represented on the Middle East's equities markets, which have outperformed the rest of the world so far this year.

And because the UAE, Jordan and Egypt have all signed agreements with China Securities Regulatory Commission, they are among some 40 markets open to Chinese investors through the Qualified Domestic Institutional Investor (QDII) scheme.

As major exporters, of manufactured products and hydrocarbons respectively, China and the Middle East have been running large current account surpluses, and both are destined to become major investors on the international stage as the global economy rebalances.

As this happens, it is important that we widen our close relationship to include two-way capital flows, as we seek diversification in our investments - and, of course, the modern-day returns to match the treasures carried by Admiral Zheng He's flotillas.

Nazem Fawwaz Al Kudsi is chief executive of Invest AD, an Abu Dhabi government-owned investment company that offers private equity and listed equities funds, as well as co-investment opportunities in the Middle East and Africa.

(Source: China Daily)

http://news.xinhuanet.com/english2010/indepth/2010-05/26/c_13316083_4.htm

- Economic news in brief: More than 140 Chinese enterprises listed at Nasdaq (26th May)

(Xinhua) -- The following are China economic news items in brief.

MORE THAN 140 CHINESE ENTERPRISES LISTED AT NASDAQ: MCCOOEY

More than 140 Chinese companies have been listed at Nasdaq, an increase of nearly 3 times from three years ago, said Robert McCooey, Nasdaq senior vice president, in north China's Inner Mongolia Autonomous Region Tuesday.

Leading a group of Nasdaq Corporate delegation members, McCooey started a three-day visit to Inner Mongolia Tuesday. The group paid a visit Tuesday to a science and technology service station of Yongye Group, the only Nasdaq-listed company in Inner Mongolia.

On their agenda, the members would hold discussions with representatives of local pre-IPOs and give lectures in Inner Mongolia University.

BEIJING TO BUILD FIRST ELECTRIC VEHICLE RECHARGING STATION IN JUNE

Beijing's first recharging station for electric vehicles is expected to be built in June.

The construction of the recharging station is a part of a cooperation program between the State Grid and the Beijing municipal government to boost the use of electric vehicles in the city.

TIANJIN PORT TO OFFER HOMEPORT SERVICE FOR INTERNATIONAL CRUISE LINERS IN JUNE

Tianjin port will officially start to offer homeport services for international cruise liners on June 26, said the port authority on Wednesday.

The world's leading cruise liner "Legend of the Seas" has booked the Tianjin Port as its homeport for eight voyages starting from July.

CHINA'S CONTAINER FREIGHT INDEX ON SHARP RISE IN May

China Containers Average Freight Index, a barometer of China's shipping market, has showed a consecutive rise of the container freight price in May.

The average comprehensive index on shipping routes between China and North American countries has risen by 200 points in May from 2,309 of April.

Experts with shippingchina.com, which issues the index, said the shipping price increase indicated a trend of decrease in the exports volumes for low value-added cargos in the near future.

- China says EU remains key investment market (27th May)

(Xinhua) -- China's foreign exchange regulator said Thursday Europe will remain one of its key investment markets, refuting a report saying China is reviewing its holdings of European bonds as "groundless."

In a brief statement on its website, the State Administration of Foreign Exchange (SAFE), said China supported the measures taken by the European Union (EU) and the International Monetary Fund (IMF) to stabilize the financial markets.

"We believe, that with the concerted efforts by international community, the euro zone will definitely overcome difficulty and safeguard the stable and healthy development of the financial markets in Europe," said the SAFE statement.

China would continue to follow a principle of diversification in investing its foreign exchange reserves as a "responsible and long-term" investor, it said.

The statement reiterated China would as always support the EU integration process.

- Greek crisis not to affect China's overseas investment (27th May)

(Xinhua) -- The eurozone debt crisis will not seriously affect China's overseas investment, the general manager of China Investment Corporation (CIC) said on Wednesday.

"The CIC will keep its investment level in Europe, no more, no less," Gao Xiqing said at the 2010 Organization for Economic Cooperation and Development (OECD) Forum in Paris.

The CIC is very concerned about the short-term market fluctuations amid a threatened eurozone stability, he said in an exclusive interview with Xinhua.

However, what is more important for the CIC is the long-term trends of the market, Gao said.

"Short-term fluctuations won't bring serious effect on us," Gao said.

Gao added that, in the long run, the CIC will keep a close eye on the EU policies, currency reforms and issues of financial regulation.

Gao also said the CIC is still facing many challenges in Europe, as many European national institutions treat the Chinese sovereign wealth fund unfairly due to ideological differences.

"As a financial investor, the CIC doesn't have any specific political objectives. Under our policy, we will not allow any investments to exceed a very small percentage," said Gao.

But the Chinese sovereign wealth fund still encounters many obstacles while trying to invest abroad, which, Gao believed, stem from the ignorance of some foreign governments and supervisory institutions.

"During the forum, a European trade union chairman asked me what my greatest fear was, and my answer was ignorance," he said.

"If they carefully read the information we released, or if they can remove their tinted glasses, they will know they shouldn't be 'fearful' of us," said Gao.

"The CIC invests in all kinds of products, in all fields and in geographic regions around the world. But there are three industries in which we will not invest -- weapons of mass destruction, the gambling industry and tobacco industry," he said.

"These are industries (whose very existence) people don't want to see, so we won't invest in them no matter how profitable they are," Gao said.

Government officials, experts and scholars from more than 40 countries and regions attended the three-day 2010 OECD Forum and Ministerial Meeting which opened Wednesday. The forum and the meeting mainly focus on innovation and green growth.

- China's government promises crackdown on farm produce profiteers (27th May)

(Xinhua) -- China's State Council, the Cabinet, has pledged to crack down on farm produce profiteers and strengthen management of local government fund-raising units. China's grain output has risen six years in a row, but a run of natural disasters since last winter has dented output, said a statement released Thursday after the Cabinet's executive meeting chaired by Premier Wen Jiabao was held Wednesday.

Some speculators have hoarded certain products, pushing up prices, so effective measures had to be taken to crack down on the speculation, said the statement.

Prices have soared remarkably for garlic, mung bean, black soy bean and other nonstaple food grains.

Statistics from the National Bureau of Statistics showed mung bean was priced at nine yuan (1.32 U.S. dollars) a kilogram in October in 2009, but soared to 20 yuan in May.

The Cabinet also vowed to tighten monitoring of fund-raising units set up by the local governments.

Local government fund-raising vehicles had contributed greatly to economic and social development, but problems such as "excessively rapid expansion" and sub-standard operations had also arisen, said the statement.

- China cuts taxes on rural financing (27th May)

(Xinhua) -- The Chinese government has cut taxes on rural financing to back development of rural finance and lending to farmers, the Ministry of Finance (MOF) said Thursday.

The government has canceled the sales tax on interest income from small loans to rural households and axed the amount of rural financial businesses' interest income that is subject to tax by 10 percent, according to a circular issued by the MOF on its website.

The measure is back dated to Jan. 1, 2009 and would last to Dec. 31, 2013, the circular said.

The government also cut the sales tax on insurance premium income for rural financial institutions, including rural credit cooperatives and village banks among others, to 3 percent, said the circular, without providing previous rate.

The policy is back dated to Jan. 1, 2009 to will last to Dec. 31, 2011.

The small loans under the new tax policy refer to the amount no more than 50,000 yuan (7318.0 U.S. dollars) that a rural household borrows from financial institutions at one time. Total outstanding loans for the household should not exceed 50,000 yuan.

- China's financial leasing sector issues first financial bonds (27th May)

(Xinhua) -- China Huarong Financial Leasing Co., Ltd issued 1 billion yuan (147 million U.S. dollars) in bonds Thursday, according to a statement posted on the company's website.

Huarong Financial Leasing became the first of its kind to issue bonds as China opened issuance to leasing firms to diversify its bond market, said Hu Jiliang, president of the firm.

With a domestic agency rating of AA+, Huarong Financial Leasing's bonds comprise three-year and five-year tenors with interest accrual rate of 3.86 percent and 4.6 percent respectively, Hu said. The move aims to keep the company's asset and liability stable as a whole, according to the statement.

China Huarong Financial Leasing is a subsidiary of China Huarong Asset Management Corporation, one of four state-owned asset management firms.

- China Enterprises Index up 1.75% (27th May)

(Xinhua) -- The Hang Seng China Enterprises Index gained 192.71 points, or 1.75 percent, to close at 11,208.76 on Thursday.

The H-shares index, initiated in August 1994 and readjusted on Sept.7, 2009, tracks the overall performance of 44 major Chinese mainland state-owned enterprises listed on the Hong Kong Stock Exchange.

The Hang Seng China H-Financials Index rose 140.88 points, or 0.90 points, at 15,750.22.

The H-Financials Index, initiated on Nov.27, 2006, readjusted on Sept. 10, 2007, tracks the performance of nine major banks and insurers of the Chinese mainland.

The Hang Seng China-Affiliated Corporations Index went up 100.41 points, or 2.82 percent, to close at 3,656.74.

The index tracks the performance of 34 locally listed companies with a significant equity interest held by entities in the Chinese mainland.

- China to continue proactive fiscal policy on domestic, international uncertainties: finance minister (28th May)

(Xinhua) -- China's Minister of Finance Xie Xuren said Friday that the government would stick to a pro-active fiscal policy to buoy economic and social development as the country faced uncertainties, both home and abroad.

The current domestic and international situation was "still very complicated," Xie said at a conference in Beijing, adding that the world economic recovery was still fragile.

"The European sovereign debt crisis would hamper the global economic recovery," Xie said.

At home, the foundation of the economic recovery was not solid yet with many difficulties ahead, Xie added.

He said the government would stick to a proactive fiscal policy and make the measures introduced since the crisis, more flexible and better-targeted.

- Cabinet orders evaluation of stimulus loans (28th May)

The State Council, or China's Cabinet, ordered a review yesterday of investment agencies run by local governments amid warnings that Chinese banks might face problems if they cannot repay multibillion-dollar loans.

The order was the highest-profile expression of government concern following warnings by the World Bank and others about heavy debt at such agencies, which invest in real estate and infrastructure as part of China's economic stimulus package.

"We must strengthen management of local financing platform companies in order to maintain economically sustainable healthy development and social stability," said a Cabinet statement issued after a meeting led by Premier Wen Jiabao.

Local authorities must "deal with the issue of debt repayment and financing for projects that already are under construction," the statement said.

It gave no details of the size of debts or possible losses.

Chinese banks are seen as the world's healthiest after avoiding the mortgage-related turmoil that hit Western institutions.

But analysts warned the stimulus-driven lending boom might leave some with a mountain of bad loans.

Some media reports say local government investment agencies owe 6 trillion yuan (US\$880 billion) to state banks.

An American researcher, Victor Shih of Northwestern University, estimates local government borrowing in 2004-09 at 12 trillion yuan.

The World Bank and China's central bank say banks could face losses if the agencies, known as "finance platforms," cannot repay debts.

Local government finance platforms accounted for a "very high proportion" of last year's bank lending, a deputy central bank governor, Su Ning, said in March during the annual meeting of the national legislature.

State banks lent 9.6 trillion yuan in 2009 under orders to support the stimulus.

"This could have potential risks," Su said then.

Profit drive

China spent about US\$400 billion over the past decade clearing away non-performing loans at state banks, which were long expected to lend to prop up government companies without regard to repaying debts.

That recapitalization was part of an effort to turn Chinese banks into profit-driven institutions judging borrowers on commercial grounds.

After the global crisis struck in 2008, banks were ordered to relax lending standards and flood the economy with credit.

The World Bank warned in a March report that the financing platforms' growing debts was one of a series of "macroeconomic risks" stemming from the stimulus.

The central government paid for a quarter of its 4 trillion yuan stimulus plan.

The rest of the cash came from state companies and borrowing by lower-level governments from state banks.

(Source: ShanghaiDaily.com)

- China's industrial profits up 91.5% in Jan-April (28th May)

(Xinhua) -- The profits of industrial enterprises from China's 24 provincial regions rose 91.5 percent year on year to 978.5 billion yuan (143.26 billion U.S. dollars) in the first four months of 2010, the National Bureau of Statistics (NBS) said Friday.

The figure was 11.1 percentage points lower than the growth rate of the first quarter of 2010, the NBS said in a statement.

In the four-month period, 37 of the 39 major industrial sectors saw year-on-year profit growth, with the profits of ferrous-metal smelting and processing industry up 140 times year-on-year and those of the power sector up 7.8 times, the statement said.

Tobacco industry profits dropped 15 percent while nuclear-fuel processing, petroleum refining and metallurgical smelting sectors' profits declined 6.8 percent.

The bureau said core business revenue for the enterprises hit 16.12 trillion yuan in the January-April period, up 40 percent from a year earlier. That growth rate was 0.4 percentage points lower than that of the first quarter.

The 24 regions comprise all of China's provinces, municipalities, and autonomous regions except Inner Mongolia and Tibet autonomous regions, Hunan, Guangdong, Hainan and Yunnan provinces, and Chongqing.

- Chinese equities open higher on overnight Wall Street rally (28th May)

(Xinhua) -- Chinese equities opened higher Friday, echoing an overnight Wall Street rally. The benchmark Shanghai Composite Index rose 0.92 percent to open at 2,680.4 points. The Shenzhen Component Index gained 0.89 percent to 10,636.86 points at opening.

- China to continue proactive fiscal policy on domestic, international uncertainties: finance minister (28th May)

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The current domestic and international situation was "still very complicated," Xie said at a conference in Beijing, adding that the world economic recovery was still fragile.

"The European sovereign debt crisis would hamper the global economic recovery," Xie said.

At home, the foundation of the economic recovery was not solid yet with many difficulties ahead, Xie added.

He said the government would stick to a proactive fiscal policy and make the measures introduced since the crisis, more flexible and better-targeted.

- Chinese firms told to invest more in Africa (29th May)

(Xinhua) -- Chinese companies have been told to shift their investment focus from infrastructure and energy resources to Africa's agricultural and manufacturing sectors.

"Chinese companies can explore more opportunities in sectors like agriculture and manufacturing, apart from the current focus on infrastructure and energy resources," Saturday's China Daily quoted Lu Shaye, director-general of the African affairs department with the Ministry of Foreign Affairs, as saying.

Lu made the statement at a China-Africa forum held in Beijing Friday.

He said that Africa's investment environment has greatly improved in recent years, and many nations have introduced preferential policies including lower tax rates to attract foreign capital.

Wei Jianguo, former vice-minister of commerce, echoed Lu's view, saying "Now is the best time for Chinese firms to invest in the continent as Africa needs to upgrade its economic structure."

Shifting investment focus could also benefit Chinese companies given the stiff competition from Western countries in investment for energy resources, the newspaper quoted Liang Guining, deputy director of the research center for foreign investment under the Ministry of Commerce as saying.

"Chinese firms could shift their focus more to sectors like agricultural developments that are much easier to operate and more in line with African countries' needs," Liang said.

- Experts say speculation on food products unlikely to push up CPI sharply (29th May)

(Xinhua) -- Speculation on food products like mung beans is unlikely to sharply push up China's Consumer Price Index (CPI), an important gauge for inflation, analysts have said. The rising food prices earlier this year were mainly because of bad weather not speculation, said Yao Jingyuan, chief economist of the National Bureau of Statistics (NBS).

In light of the volatile stock market and strengthening regulation on the property market, many believe that speculative capital has flowed into food products like mung beans and small red bean since their prices have tripled from last year, Yao said.

Output of food grains other than wheat and rice produced in China dropped 30 percent from 2003 to 2.5 million tonnes in 2008, according to data from the National Development and Reform Commission (NDRC).

Drought in northeast China, one of China's main grain-producing area, aggravated the situation last year.

Mung bean was priced at nine yuan (1.32 U.S. dollars) a kilogram last October, but soared to 20 yuan in May, according to NBS data.

Bad weather played a big role in the price rise, but such a sharp price jump in beans could have attracted speculation, said Zhao Jidong, a senior official with the Jiangsu branch of NBS.

NDRC Tuesday urged price regulators to take action against rising food prices amid high inflation expectations.

The top Chinese economic planner Thursday told local governments to step up efforts to strengthen market monitoring and clamp down on speculators who force up the prices of farm produce including mung beans and garlic.

Profiteers' illicit earnings will be confiscated and they may face fines of up to one million yuan (146,000 U.S. dollars), NDRC said in a statement posted on its website.

Regulators should make every effort to curb price manipulation, according to NDRC.

China's CPI jumped 2.8 percent in April, driven mainly by food price increases, with a 14.9 percent rise in vegetables and 16.4 percent increase in fruit.

NDRC has projected that the second-quarter CPI will continue to rise, with CPI in May and June at around 3 percent. But it also said prices of vegetables and fruits should drop as temperatures rise with the start of summer.

"Since the central government's intense preventative measures on food product speculation, I don't think the CPI figure will sharply increase in respect to this," said Wang Li, a research fellow with the Institute of Quantitative & Technical Economics under Chinese Academy of Social Sciences.

In a statement released after China's State Council's executive meeting chaired by Premier Wen Jiabao Wednesday, the Cabinet pledged to crack down on farm produce profiteers, as prices have soared remarkably for garlic, mung bean, black soy bean and other coarse food grains.

Food prices have dropped slightly recently because of improving weather. China will be able to meet its inflation target of about 3 percent for 2010, according to NDRC.

Social front

- China to train more general practitioners in health care reform (23rd May)

(Xinhua) -- Vice Premier Li Keqiang has told the health care authorities Sunday to train more general practitioners for the expansion of basic health care coverage and improvement of grassroots medical services, a press release said Sunday.

Li, who is in charge of the national reform of health care system, made the remarks at a State Council, or Cabinet, meeting on expanding the reform on Friday in Beijing.

The meeting came one year after China launched its massive health care reform, which seeks to provide adequate and affordable health care services to all. The State Council issued a circular last month detailing specific goals and steps for future reforms.

Li pledged to expand the coverage of basic health care services for a universal basic health care system, and to raise the reimbursement ratio of medical fees for patients.

Li stressed the importance of grassroots medical institutions in urban communities and rural villages, which he said should be the primary places where local residents should go when they are ill.

To achieve that, he said the government should enhance the service at those institutions by providing more funding, resources and medical professionals.

And "it was imperative to train more general practitioners for community-based services," said Li.

He also said medical authorities should optimize the system of bidding and purchase of essential drugs to curb overpricing of medicines.

- China begins inspection to ensure cleaner production (26th May)

(Xinhua) -- China on Wednesday launched an inspection of how local authorities are promoting cleaner production.

During the one-month inspection, supervision teams -- acting directly under the Standing Committee of the National People's Congress (NPC) -- will be sent to Heilongjiang, Shandong, Hunan and Shaanxi to inspect the work of local governments in promoting cleaner production and to what extent key industries are following the Cleaner Production Promotion Law.

Meanwhile, standing committees of provincial-level people's congresses in 11 other provinces, autonomous regions and municipalities will conduct inspections in their own regions.

"The inspection on the enforcement of Cleaner Production Promotion Law is a key part of the work for the NPC this year," top legislator Wu Bangguo stated in an official letter today.

Wu, chairman of the NPC Standing Committee, hoped that the inspection would make government organizations and companies focus on increasing cleaner production and use the measure to promote the transformation of the economic growth pattern.

The Law, enacted in 2002, aims to promote cleaner production, increase the efficiency of the utilization of energy resources, and reduce pollutants.

- China to enforce house, land taxes "more strictly": report (27th May)

(Xinhua) -- China will collect house- and land-price appreciation taxes "more strictly" after the government released more-detailed tax rules Wednesday, the Shanghai Securities News reported Thursday.

The new State Administration of Taxation circular signals more robust tax-collection after four years of relaxed tax-rules imposition, the daily said.

The circular clarified ways to calculate land value and the appreciation of house- and land-prices.

"The strict collection of land appreciation tax will to some extent curb the windfalls of property developers," the newspaper quoted Zhao Xiao, a professor in economy and management with the Beijing University of Science and Technology, as saying.

Stricter tax-rule enforcement will cool the over-heated real estate market by reducing profits for property developers, Zhao said.

But stricter tax collection may not be effective in bringing down soaring house prices as the measure does not address the problem of supply and demand, Zhao added.

In 2006, the Chinese government released a similar circular on land appreciation tax collection after house prices soared. But it was never strictly implemented and house prices continued to jump, with prices doubling or tripling in big cities like Beijing and Shanghai over the last four years.

The Chinese government is working hard to rein in soaring home prices after they rose by a record 11.7 percent in March this year.

In April, China introduced a series of measures to crack down on speculation in the housing market, including higher down-payments, higher interest rates and a ban on lending for third-home purchases.

- China prosecutors probe 15,832 officials for work-related crimes (28th May)
(Xinhua) -- China's prosecution agencies at all levels investigated 15,832 officials in the first four months of this year for work-related crimes, up 5.8 percent year on year, according to the country's top prosecution agency Friday.

Among these officials, 970 were at or above county level, figures from the Supreme People's Procuratorate (SPP) show.

SPP spokesman Bai Quanmin said prosecutors' investigations had focused on corruption and bribery cases in sectors such as construction, real estate, land management and mining, among others.

Bai said another key part of the prosecution agency's work was to prevent work-related crimes during the process of transfer and use of charity funds regarding disaster relief and post-quake reconstruction in Yushu, a Tibetan prefecture in northwestern Qinghai Province.

In addition, the country's prosecution agencies seized a total of 278,037 suspects of varying crimes in the first four months, down 0.3 percent.

- China Focus: China to count foreign residents for the first time in national census (28th May)

(Xinhua) -- Foreign residents will be surveyed for the first time in China's upcoming population census beginning November 1, according to the Regulation on National Population Census publicized Friday.

The national census aims to survey "each natural person" including foreign residents in China at the census time, said an explanatory statement of the regulation which was jointly issued by the State Council's Legislative Affairs Office and the National Bureau of Statistics Friday.

Foreigners on short-term business or sight-seeing trips will not be covered by the census, the statement reads.

China has begun conducting a national population census every ten years since 1990. The previous five censuses only covered Chinese nationals on the mainland.

Victoria Briton, an American teacher in Qingdao University in east China's Shandong Province, said "The government should collect the information about legally residing foreigners in China, so that they will have a good knowledge about who is living in this country."

"This is what the American government does," she said.

It has become a common practice for various countries to incorporate foreigners in their population census, and the move was also proposed by the United Nations, according to Friday's government statement.

Some foreigners, however, has expressed their hesitation due to concerns on safety of personal information and possible language barriers.

Jung Jae Hyo, from the Republic of Korea, has been working in China for one and a half years.

"It'll be difficult for my family to communicate with the Chinese government workers as they cannot speak Korean," he said. "And how can the census-takers guarantee our information won't be leaked?"

According to the pilot survey questionnaire for foreigners for the upcoming sixth national census, the census will collect data on foreigner's name, age, gender, nationality, educational attainment, purpose and duration of stay.

The questions in the questionnaire are simpler than those for Chinese citizens and are written in Chinese and English.

The new regulation, which is to take effect in June, clearly states that the information of the surveyed should be kept confidential and anyone who leaks the information will be punished according to law.

Zhou Mianxian, deputy director of the statistics bureau of Shandong's Laixi City, said census-takers will be accompanied by interpreters when knocking on the door of foreign residents.

The Qingdao statistics bureau is working on detailed plans and is busy hiring interpreters to help foreigners with the census.

The last census in the world's most populous country, a decade ago found there were 1.29533 billion people in China.

Ethnic issues

- Chinese political advisors urged to contribute to development in Xinjiang, Tibet (24th May)

(Xinhua) -- China's top political advisor Jia Qinglin has called for more efforts from political advisors for the development and stability in Xinjiang and Tibet.

"The Chinese People's Political Consultative Conference (CPPCC) ... has a significant responsibility to promote leapfrog development and lasting stability for Xinjiang and Tibet," Jia said Monday at a meeting of the 11th National Committee of the CPPCC, the country's top political advisory body.

Jia, chairman of the CPPCC National Committee, called on the political advisors to study the strategic plans for Xinjiang and Tibet, which were outlined last week, and work to boost the two regions' development and stability.

Also at the meeting, Jia asked the political advisors to provide more proposals as the country is making its 12th five-year (2011-2015) plan.

Environmental front

- China, U.S. ink deals on climate change, energy (25th May)

(Xinhua) -- China and the United States have signed agreements on climate change, energy and healthcare on the sidelines of the Strategic and Economic Dialogues.

The agreements also cover supply chain security and facilitation, and trade finance activities, according to officials attending the signing ceremony in the Great Hall of the People on Tuesday.

The documents include an MOU on the implementation of the Framework for EcoPartnerships -- supporting global action against climate change.

Another MOU is on the safety of the Westinghouse AP1000 nuclear reactor, which is designed by a U.S. company and will be used in Chinese nuclear power plants.

Senior officials from the two sides also inked a work plan for research into shale gas, and credit agreements for U.S. medical equipment, telecommunication cables and other equipment exports to China.

During the two-day dialogues, the two countries' health departments signed an MOU for the Collaborative Program on Emerging and Re-emerging Infectious Diseases.

- China accelerates south-north water project (28th May)

(Xinhua) -- China is accelerating the construction of a massive project aimed at diverting water to meet growing demand in the parched north, project authorities said.

The south-to-north water diversion project will divert water from the Yangtze River to the dry north via three routes: eastern, middle and western.

"The construction of the south-to-north water project is going according to plan and being accelerated," according to a statement from the Office of the South-to-North Water Diversion Project Commission of the State Council (SNWDPC) on Thursday.

A number of construction projects have been completed or are near completion. By the end of March, 40.896 billion yuan (5.99 billion U.S. dollars) had been spent in constructing the middle and central routes, from the earmarked total of 90.6 billion yuan.

A tunnel on the eastern route, 70 meters below the northern section of the Yellow River, was dug through on March 25 in Shandong Province, so that water from the Yangtze River could pass under the Yellow River.

Another tunnel for the middle route will be completed in June, said Du Bingzhao, a spokesman for the SNWDPC.

The dam of Danjiangkou Reservoir which forms the border between central Hubei and Henan provinces, from which the water is channeled to the north in the middle route, has been heightened from 162 meters to 176.6 meters, increasing the water volume from 17.45 billion to 29.05 billion cubic meters, the statement said.

The old part of the dam, which was finished in 1973 after 15 years of construction, has been reinforced to cope with the increased water volume, said Tang Yuanchang, deputy

general manager of a South-to-north Water Divert Project Middle Route Water Source Corporation.

According to project plans, about 180,000 people in Hubei and 150,000 people in Henan are to be relocated before the middle route is completed and water diverted to northern China in 2014.

On Tuesday, northern Hebei Province began diverting 200 million cubic meters of water from three reservoirs to Beijing via a canal that will eventually form part of the middle route of the project.

The water is expected to arrive in Tuancheng Lake in Beijing early next month. It will take about six months for all 200 million cubic meters of water to reach Beijing.

Du Bingzhao said Hebei itself is one of China's driest provinces. The province's per capita water consumption is one seventh of the national average.

"Even so, the province still has to provide water to Beijing to ease its water shortage, which showed how urgent the parched northern China is in need of water for its social and economic development. And it is also why we picked up the pace in building the south-to-north water diversion project," Du said.

- China gets tougher about protecting environment, cutting emission (29th May) (Xinhua) -- Provincial governments and key enterprises which fail to realize the year's missions in environmental protection and emission cut will be punished as the Chinese central government is taking a tougher stance towards improving the country's environment.

"Evaluation reports will be made public at the end of this year. Those companies which fail will be penalized and those which excel will be rewarded," deputy minister Xie Zhenhua of the National Development and Reform Commission told the ongoing 13th China Beijing International High-tech Expo Friday.

Calling 2010 "a year of decisive battles" for China to push forward energy conservation and reduce emissions, Xie said that the per-unit energy consumption of several energy-consuming industries had reversed the declining momentum to jump by a large margin in the first quarter, making it difficult for China to achieve the environment protection targets set for the 11th five-year period (between 2006 and 2010).

"This year ends the current five-year planning period and paves the way for the country's development for the next five years. The first-quarter rise in per-unit energy consumption has exerted much pressure on the rest of the year," said Xie.

Chinese government planned in 2006 to axe the country's energy consumption per unit of GDP by 20 percent by 2010. The past four years saw the figure decline by 14.8 percent.

Over the first three months, six industries: power generation, iron and steel, non-ferrous metals, building materials, petro-chemicals and chemicals reported a rise of 3.2 percent in the per-unit energy consumption, NDRC statistics showed.

Moreover, twelve of the country's 31 province-level regions reported a rise in this index, Xie said, without revealing the specifics.

But he warned that a punitive price for electricity would be imposed on companies whose per-unit energy consumption exceeded national and local benchmarks.

Xie said China would deepen the pricing reform for energy and resources this year, adjust the pricing for natural gas and electricity for residential use.

New projects attempting to expand the productivity in highly-polluting industries would be banned this year. Unauthorized production would be closed down, said he.

Xie reiterated that China would honor its commitment at the 2009 United Nations Climate Change Conference or the Copenhagen Summit to reduce carbon dioxide emissions per-unit GDP by 40 percent to 45 percent from the 2005 level by 2020.

The exposition opened on Thursday and will last one week. It has attracted more than 70 government and business delegations from 11 international organizations and 20 countries.

Regional report

North

Politics

- China-Europe political party forum concludes in Beijing (26th May)
(Xinhua) -- The first-ever China-Europe High-Level Political Party Forum concluded here Tuesday, reaching broad consensus on many major issues. It was agreed that both China and Europe should increase comprehensive strategic cooperation to cope with global challenges, and political parties from both sides could play an important and leading role in this cooperation. The meeting achieved positive results -- deepening mutual understanding and trust through in-depth exchanges of views on the international situation, financial crisis, climate change, environmental protection and China-Europe relations. All representatives to the meeting from Chinese and European political parties agreed that they would work together to promote China-Europe party-to-party exchanges, saying that the forum had advanced China-Europe cooperation.

A senior official of the Communist Party of China (CPC) Li Yuanchao attended the forum on Tuesday afternoon, saying that high-level and strategic party-to-party dialogue was a good way to tackle the increasing global challenges.

Li, member of the Political Bureau of the CPC Central Committee, said that the CPC would work with European political parties to jointly push forward China-Europe strategic cooperation and cope with global challenges.

"This will help build a harmonious world with lasting peace and common prosperity," Li said.

The two-day forum was themed: "Global Challenges and China-European Cooperation." Chinese officials from the International Department of the CPC Central Committee, Foreign Ministry, Ministry of Commerce, the National Development and Reform Commission as well as over 50 leaders and senior officials from various European political parties attended the forum.

Social front

- Beijing police launch crackdown on drugs, gambling, prostitution (24th May)
(Xinhua) -- Police in Beijing launched a crackdown on drugs, gambling and prostitution Monday to clean up the city and advocate a healthy lifestyle. "During the drive, we will crack down hard on organized crime behind all those social evils," said He Angang, a spokesman for the Beijing Municipal Public Security Bureau.

Local police have detained 111 suspects and sealed off 33 entertainment venues in connection with prostitution rings and activities since April 11 when a special campaign against prostitution started.

Police have decided to expand the campaign to crimes related to drugs and gambling with the approaching of the International Day against Drug Abuse and Illicit Trafficking that falls on June 26 and the FIFA World Cup in South Africa that opens on June 11, He said.

"The campaign of the 'three crackdowns' is to eradicate all social evils that go against the city's endeavors to build a global metropolis, and advocate a healthy, civilized and high-minded lifestyle," he said.

- Global broadcasters discuss media development in Beijing (25th May)

(Xinhua) -- Global broadcasters gathered in Beijing Tuesday to tap opportunities and discuss development strategies at the annual Asia Media Summit.

With the theme "Creativity, Credibility, Rights and Responsibilities," this year's summit will focus on public trust in the media, media ethics, universal content access, community broadcasting, media and migration, and copyright.

The two-day summit attracted leading TV media such as Japan's NHK, Australian Broadcasting Cooperation (ABC) and Korean Broadcasting System (KBS).

Liu Yunshan, head of the Publicity Department of the Central Committee of Communist Party of China, said at the opening ceremony that the theme reflected the thoughts and concerns of the media world for its future and the attention and expectations of the international community for media responsibility.

The Chinese media had always followed a policy of being true to facts, to life, and to the people, and promoting innovation in news and communication concepts, content, formats and techniques, he said.

He hoped media of all countries, the Asia-Pacific region in particular, would strengthen cooperation in news communication, information technology and business operations, and share resources on the basis of "equality, mutual benefit and mutual success."

In a message to the summit, United Nations Secretary-General Ban Ki-moon said the media "bring our messages to the world public" and hold all governments and institutions accountable for their decisions and actions.

Asia was experiencing a "media explosion" both in traditional print and broadcasting, as well as in digital media and the Internet, he said.

Newspapers, magazines, television and radio were branching out, tackling new subjects with new formats in new ways, he said.

At the opening ceremony, Thoyyib Mohamed Waheed, president of the General Conference of the Asia-Pacific Institute for Broadcasting Development (AIBD), said he hoped leaders in the broadcasting industry could offer new paradigms and insights in the fast-changing digital landscape to make digital broadcasting more responsive to developmental needs.

Initiated and sponsored by the Kuala Lumpur-based AIBD in 2004, the Asia Media Summit is hosting more than 800 delegates this year, including decision makers, media professionals, scholars, and stakeholders of news and programming from the Asia-Pacific region, Africa, Europe, the Middle East and North America.

Economic front

- Beijing to have over 1,000 km of rail transit lines by 2020: vice mayor (28th May) (Xinhua) -- Beijing will have more than 1,000 km of rail transit lines in operation by 2020 according to a new construction plan, Beijing vice mayor Huang Wei said Thursday. The Chinese capital plans to have 15 rail transit lines in operation with a total length of more than 561 km by 2015, Huang told a forum on urban rail transit in Changchun, capital of northeast China's Jilin Province.

Beijing had 228 km of subway and light rail transit lines in operation by 2009, and total rail length will exceed 330 km by the end of 2010 with five new lines being put into operation this year, Huang said.

China is witnessing a boom in urban rail transit construction as many cities struggle to tackle traffic congestion in wake of fast growth in private car ownership.

Shanghai, the nation's business and financial center, plans to have 970 km of rail transit lines by 2020.

Li Bingren, chief economist with the Ministry of Housing and Urban-Rural Development, said: "The most effective way to ease traffic congestion is by investing more in public transport, especially urban rail transit lines, and by reducing the number of vehicles on the road."

China had 962 km of rail transit lines in operation by 2009 and the total length will exceed 2,500 km by around 2015, said Tan Qinglian, president of China Civil Engineering Society.

Northwest

Politics

Social front

- Xinjiang police set up special unit to combat terrorism in Urumqi (24th May) (Xinhua) -- A special police unit has been set up in Urumqi, capital of northwest China's Xinjiang Uygur Autonomous Region, to combat terrorism, local authorities said Monday. The "Flying Tigers Squad," as it is called, comes under the Urumqi Municipal Public Security Bureau, said Wang Mingshan, director of the bureau.

"Their main task is to fight terrorism and handle such cases as hostage-taking and gun, explosive attacks," he said.

"The squad members are all experienced. We have equipped them with best vehicles and weapons," he added.

No further details were provided

Economic front

- Chinese vice premier calls for industrial restructuring, innovation (23rd May) (Xinhua) -- Chinese Vice Premier Zhang Dejiang has urged local governments to step up efforts for industrial restructuring, innovation and support of development in medium and small enterprises and economy of non-public ownership.

Zhang made the remarks during his recent inspection tour to northwest China's Ningxia Hui Autonomous Region between May 20 and 22.

Ningxia should grasp the chance of the country in vigorously developing China's western regions and speed up local economic and social development, Zhang said.

Zhang also called for greater efforts to facilitate the development of pillar industries and special sectors based on Ningxia's local advantages, eliminate backward production capacity, enhance energy and resource saving and environment protection, and advance scientific innovations and technical upgrading in a bid to improve the vitality and market competitiveness of local enterprises.

- Xinjiang authorities unveil package to benefit people's livelihood (27th May)

(Xinhua) -- The authorities of far western Xinjiang Uygur Autonomous Region have unveiled a package of measures to improve people's livelihood at a regional work conference.

The package came after the Chinese central authorities earlier this month outlined a strategic plan for the region to ensure leapfrog development and lasting stability.

The package concerned all aspects of people's lives in Xinjiang: housing, living facilities, bilingual education, employment, talents cultivation, social security and income, said Zhang Chunxian, the newly-appointed secretary of the Xinjiang regional committee of the Communist Party of China (CPC), at the meeting which kicked off Wednesday.

Xinjiang must stick to a development path with Chinese characteristics that suits the region's situation to achieve leapfrog development and lasting stability, Zhang said.

At a central work conference on Xinjiang's development concluding May 19, President Hu Jintao vowed to invest more to improve the region's public services.

He vowed to implement major projects to provide local people with a "modern and civilized" living environment.

At the meeting, Premier Wen Jiabao stressed that the first and foremost goal of the support policies for Xinjiang is "ensuring and improving the well-being of the people in Xinjiang."

- CPC leadership discusses development of China's west (28th May)

(Xinhua) -- China will increase support for its underdeveloped western regions in areas such as taxation and environmental protection, according to a meeting of the Political Bureau of the Communist Party of China (CPC) Central Committee on Friday.

The meeting was presided over by Hu Jintao, general secretary of the CPC Central Committee.

"The western part of the nation is strategically important and there should be special policies to support the region," the meeting's statement said.

Support should be increased with "greater resolution and force," the statement added.

The areas that should receive increased support include finance, taxation, investment, industry, land usage, pricing, the environment and human resource development.

Development should be coordinated, people-oriented and self-reliant, the statement said.

The statement also said infrastructure construction and water conservation projects must be prioritized while a safe, efficient and modern infrastructure is built.

The statement also said environmental protection and geological-disaster-prevention efforts must be enhanced.

It also said agriculture must be improved and efforts be made to increase farmers' income. Competitive industries in the region should be further developed and state-level industrial bases for energy, natural resources processing and equipment manufacturing should be established, it said.

It also stressed technological innovation, social undertakings, education, health care, employment, social security and cultural development in the western region.

The statement said the development of key economic zones should be hastened with optimized planning.

Development in the old revolutionary bases and in poor, ethnic and border regions must be addressed, it said.

It also said ethnic and religious harmony is important to the region's stability.

This year marks the 10th anniversary of the implementation of the strategy to develop the west.

The statement said over the past 10 years, infrastructure development of the western region had resulted in remarkable gains, with the region's economic growth faster than the national average and an improvement in people's livelihoods.

However, it said the development of China's west still lagged far behind the east.

It said, "The prosperity and stability of the west has a bearing on people's livelihoods, the overall development of the country's reform and opening-up, the socialist modernization drive and the country's stability and revival."

It said other parts of China should actively support and participate in the development of the western regions.

- Resource tax to be levied in Xinjiang (28th May)

The Central Government will start applying a new resource tax in Xinjiang from Tuesday, reducing the profitability of producers while feeding more revenue to local governments.

Under the new tax regime, which is expected to be adopted nationwide later, the government will levy producers with a 5 percent tax on the sales price of crude oil and natural gas and a 2 to 5 percent tax on the sale price of coal in Xinjiang. The measures will raise more than 2 billion yuan (US\$292.8 million) for the region this year, Caijing magazine reported on its Web site.

(Source: Shenzhen Daily)

Northeast **Politics**

- Provincial legislator gets death sentence with reprieve for corruption (28th May)

(Xinhua) -- A former senior legislator in northeast China's Jilin Province, Mi Fengjun, was sentenced Friday to death with a two-year reprieve for accepting bribes.

Mi, former vice chairman of the Jilin Provincial People's Congress Standing Committee, was convicted of having accepted bribes worth more than 6.28 million yuan (919,258 U.S. dollars), a verdict handed down by the Tianjin Municipal No.1 Intermediate People's Court said.

The ruling also included the confiscation of all of Mi's personal assets and the lifetime deprivation of his political rights.

According to the court, Mi took bribes from people and institutions who sought to benefit from his influence after he took various senior posts both in Jilin and its capital city, Changchun, between February 1992 and February 2008.

Since he surrendered most of the illicit gains, the sentence was lighter than it would have otherwise been, the court said.

Mi was removed from his post and expelled from the Communist Party of China in February 2009 for the alleged violations.

Social front

Economic front

- NE China province leases land, grows crops in Russia (29th May)

(Xinhua) -- Northeast China's Heilongjiang Province has leased 426,667 hectares of land in Russia to grow crops, the provincial agriculture commission said Friday.

As China's northernmost province, Heilongjiang shares a 3,038-kilometer-long border with Russia.

The province has cooperated with Russia in agriculture, including farming, breeding and agricultural-products processing, the commission's statement said.

Mudanjiang, a border city in southern Heilongjiang, alone has 146,667 hectares of cropland in Russia, a 42 percent increase compared with the same time last year. The city also has 16 feed mills and two lipid-processing plants in Russia.

Heilongjiang is the largest commodity-grain production base in China. Its grain output totaled 43.5 billion kilograms last year.

Southwest

Politics

Social front

- Archives published to show Tibet part of China (26th May)

(Xinhua) -- The China Tibetology Publishing House on Tuesday released a ten-volume compilation of Tibet's historical archives of the Republic of China period (1912-1949), providing a rich record of the southwestern region as a then administrative division of the country.

The compilation, titled "Archives Compilation of Tibet and Tibetan Affairs Preserved by the Second Historical Archives of China," gives a record of the central government's policies on Tibet from 1912 to 1949 and measures taken to manage major events and issues in the region.

The compilation, as the first part of a 50-volume series, also includes documents that reflect the development of politics, economy, religion, culture and education in other Tibetan areas in the neighboring provinces of Sichuan, Qinghai, Gansu and Yunnan.

The publication is the result of a key project jointly undertaken by the China Tibetology Research Center and the Second Historical Archives of China (SHAC) since November 2006.

The SHAC, a national-level archive under the State Archives Bureau, is responsible for conserving and processing the Republic of China era records.

According to its official website, the SHAC holds about 1,800,000 files of original records of the previous central government and its subordinate organs during the 1912-1949 period.

Economic front

- Sichuan companies notch up 8-bln-yuan in procurement deals in Taiwan (26th May)

(Xinhua) -- A procurement group from mainland's southwestern Sichuan Province notched up deals worth 8.1 billion yuan as of Wednesday (1.19 billion U.S. dollars) during a visit to Taiwan.

According to Xie Kaihua, head of Sichuan's commerce department, their purchases covered electronic devices, machinery, medicine, chemicals and farm products.

The group, consisting of 53 companies, is part of a delegation headed by Liu Qibao, Party chief of Sichuan Province. The trip is scheduled from May 23 to 28 at the invitation of the Kuomintang.

Also on Wednesday, the State Council's Taiwan Affairs Office announced that Lu Zushan, governor of the eastern Zhejiang Province, will lead a procurement delegation to Taiwan from June 9 to 16.

The Zhejiang delegation will launch cooperation programs with Taiwan counterparts in finance, agriculture, tourism, culture and education, according to the office.

Also on Wednesday, Yang Chongyong, vice governor of northern Hebei Province, met with KMT honorary chairman Wu Poh-hsiung during a six-day visit to the island.

Yang expressed the hope that the province would attract more investment from the island through exchanges and cooperation.

Yang and his delegation arrived in the island Monday for a "Hebei-Taiwan" week aimed to promote economic cooperation between the two regions.

Wu said more communication would lead to "less disputes and stronger emotional ties," stressing that peaceful development of cross-Strait relations was the right path and would benefit people from both sides.

South central **Politics**

- Shenzhen: Competitive election of Party, govt chiefs to be introduced in bold political reform (26th May)

(Xinhua) -- China's southern boom city of Shenzhen will start the country's bold political reform to pick top officials of its subordinate Party and government cells through competitive election rather than appointment from above or single candidate election, the city's Party boss has said.

Shenzhen will innovate its official selection system by injecting more competition in this process, said Wang Rong, secretary of the Shenzhen Municipal Committee of the Communist Party of China, in his work report approved Tuesday by the municipal Party congress.

The focus, Wang said, will be to have the top official of each municipal government cell or Party committee "elected" from several candidates.

Wang said the municipal authority in the next five years will search for even more open system to decide the deputy positions of each government cell and Party committee.

"Shenzhen will create conditions to introduce a public election system to allow candidates to compete for the posts," he said.

Under China's current political system, Party chiefs at local levels are appointed by higher-level Party authorities. And heads of government cell are elected without competition from other nominated rivals.

But the CPC has pledged to gradually undertake political reforms to change that, a move that analysts say will inject more democracy and transparency into the system.

Social front

Economic front

East

Politics

- Governor of Zhejiang Province to visit Taiwan in June: spokesman (26th May) (Xinhua) -- The Governor of the Chinese mainland's Zhejiang Province, Lu Zushan, will lead a delegation to Taiwan from June 9 to 16, Yang Yi, spokesman for the State Council's Taiwan Affairs Office, said Wednesday.

Yang said the delegation would launch cooperation programs with Taiwan counterparts in finance, agriculture, tourism, culture and education.

The delegation would inspect and learn about Taiwan's experience in environment protection, disaster response and relief, and public services at the grassroots level, Yang said.

The delegation would also visit residential communities, villages and enterprises to communicate with residents.

Yang said leading officials from many provinces and municipalities had led delegations to Taiwan.

"These visits add to cross-Strait exchanges and expand exchanges and communication between compatriots on both sides of the Strait and bring substantial benefit to Taiwanese compatriots," he said.

Since the beginning of this year, leading officials from various municipalities and provinces - Shanghai, Hubei, Fujian, Guizhou, Qinghai, Shandong and Sichuan - and the ministries of commerce and agriculture have led delegations to Taiwan.

Yang said cultural and museum organizations across the Taiwan Strait had preliminary talks on jointly exhibiting the painting, "Dwelling in the Fu Chun Mountains", half of which is kept in a museum in the Hangzhou city, Zhejiang, and the other half in the Taipei-based Palace Museum.

The painting was created by Huang Gongwang in Yuan Dynasty (1206-1368).

Yang said the Taipei-based museum hoped to borrow the other part of the painting from Zhejiang, so as to put them together and exhibit the complete painting.

Yang said the joint exhibition would help people from both sides to share the cultural heritage of the Chinese nation and enhance their awareness of China's valuable traditional culture.

"To jointly exhibit the painting is the common wish of compatriots from the both sides. The exhibition will be of great significance to cross-Strait exchanges and we will be happy to witness its realization," said Yang.

Social front

Economic front

- High-speed train whisks tourism and business to Fujian province (27th May)

The bullet train, with a speed of 250 km reduces the travel time from Fuzhou, capital of Fujian province, to Xiamen, located on the coast looking out over the Taiwan Straits, to 1.5 hours, and is hoped to boost business ties between Fujian and Taiwan.

Director of the Information Office of Fujian Zhu Qing said: "Xiamen Island and the Yangtze and Pearl river deltas can be connected. In addition, the construction of the railway will make communication easier between the Chinese mainland and Taiwan."

The new railway is a part of the long-term planning of the railway network of China. It will connect with the Ningbo-Taizhou-Wenzhou and Wenzhou-Fuzhou high-speed railways, opened in 2009 and will also link with Nanzhang-Putian, Shanghai-Hangzhou, and Xiamen-Shenzhen railways, which are still under construction.

These railways form a triangular railway network between southeast China's coastal cities and cover a total mileage of 1,650 km.

Invested by Ministry of Railways and Fujian provincial government, the Fuzhou-Xiamen railway alone covers 275 km and has 13 stations in total.

Zhu explained: "In ancient times, Fujian was located on the war front, which negatively affected the economic well-being of people there. I hope the building of the Fuzhou-Xiamen High-speed Railway will ease access between mainlanders and Taiwanese."

Tong Yongzhao, deputy director of Nanchang Railway Bureau, noted: "The Fujian High-speed Railway helps to increase the level of industrialization and urbanization, providing efficient transportation for the society of the west coast, which boosts economic development of Fujian and inland China."

Fujian Tourism Department has introduced a special tourist route for Taiwan tourists to travel in Fujian and to take the bullet train to the Shanghai Expo.

This not only connects Taiwan tourists with their place of origin, Fujian, but also gives them an opportunity to experience the bullet train, as well as the Shanghai Expo.

(Source: China Daily)

- New home sales in Shanghai forecast to drop 70% (28th May)

-- NEW home sales in Shanghai might drop 70 percent in May from a month earlier as most real estate developers remain reluctant to slash prices amid uncertainties.

Sales of new homes, excluding those designated for relocated residents under urban redevelopment plans, totaled 258,000 square meters in the first 27 days of this year, Shanghai Uwin Real Estate Information Services Co said today.

"For the whole month, the figure should be around 300,000 square meters and that could be a plunge from a month earlier when 1.02 million square meters of new houses were sold across the city," said Lu Qilin, a researcher at Shanghai Uwin.

"On the supply side, more than 850,000 square meters' new housing were introduced for sale this month, compared to 1.23 million square meters in April."

In mid April the central government increased the downpayment ratio and mortgage interest rates for second homes, which has cut sales in new and existing markets over the past few weeks. However, home prices in the city still remain at rather high levels as no massive, significant setbacks have been detected so far.

"Real estate developers are still waiting for detailed local guidelines because it's hard to decide whether they should cut prices or what discounts they should offer until they

receive clearer signals from the government," said Sky Xue, an analyst with China Real Estate Information Corporation, a leading real estate information, consulting and online services provider.

"At the moment, only a few developers have started to cut their prices, mainly in the city's outlying areas."

In the latest example, a residential project in Gucun, Baoshan District, is now offering discounts of up to 25 percent from six months earlier to lure buyers, industry analysts said.

(Source: ShanghaiDaily.com)

- E China province forecasts power shortages in summer as coal supplies dwindle (28th May)

(Xinhua) -- Dwindling coal supplies have prompted eastern China's Anhui province to activate an emergency plan ahead of schedule, limiting electricity use by more than 5,000 local enterprises at peak times to allow residents to have supply.

Chief engineer at the Anhui Power Company Du Guihe told Xinhua Friday the province's power shortage may exceed one million kilowatts this summer, as some power plants have only three days of inventory, compared with the danger line of seven days.

Under the emergency plan, 5,600 enterprises are required to avoid power use at peak times while power-use caps have been imposed on another 301 companies, Du said.

Du did not say when the emergency measures will be lifted.

He said ensuring electricity supply during the summer will be a challenge as insufficient coal inventory, transport glitches, adverse weather and higher prices might aggravate the situation and cause inventory to fall even further.

The usual benchmark for thermal coal inventory at Chinese coal-fired power plants is set at 15 days of supply.

Du said current inventory at local pillar coal power plants stood at 750,000 tonnes, enough for seven days of power generation.

According to Anhui Power's projections, the province's maximum power load in summer may hit 18.3 million kilowatts, up 15 percent from a year earlier. But local installed power generation capacity is 17.45 million kilowatts.

The shortfall can be cut to 600,000 kilowatts if power is imported from other provinces, Du said.

In April, because of a severe drought, hydro-power-dependent Yunnan and Guizhou provinces in China's southwest suffered power shortages.

- China's first photovoltaic product market to open in June (28th May)

(Xinhua) -- China's first photovoltaic product market will start operation in June in Xinyu City, east China's Jiangxi Province.

The market is expected to attract more than 500 photovoltaic companies.

Annual trading volume of the market is estimated to reach 200 billion yuan.

- Shanghai to adopt more strict property measures (29th May)

(Xinhua) -- Authorities are working on detailed rules to cool down the property market in Shanghai, which will be more strict than central government policies, a municipal government official said.

Chen Qiwei, a spokesman for the Shanghai municipal government, did not rule out the possibility of levying property tax when asked about this issue.

"Shanghai will take more strict measures in line with the central government policy," Chen was quoted as saying by Saturday's China Daily, adding that more efforts would be made in constructing affordable housing and cracking down on speculative house purchasing.

The property tax will help curb property speculation in the short run but it will hardly stop rising real estate prices because of limited supply and excessive liquidity, said Sabrina Wei, head of research at property consultancy DTZ North China. ["In the long term, it is mainly aimed at increasing the fiscal income of local governments, thus reducing their reliability on land revenues -- which is a major factor in shoring up high property prices," Wei said.

But officially levying a new tax will still require approval from the State Council, or the country's Cabinet, analysts said.

China already had property tax regulations on profit-making properties, excluding residential buildings, in 1986.

"A new definition of profit-making properties, say, including second or third apartments of a family, still needs the nod from the State Council," said Edmund Ho, managing director of DTZ North China.

"The central government will probably issue a framework, leaving local governments to formulate detailed rules depending on their property markets."

Earlier reports said that Beijing, Shanghai, Chongqing and Shenzhen will be the first batch of cities to collect property tax on a pilot basis. But so far, Shanghai is the first city to respond to the report officially.

"With a sound implementation of recent tightening policies on real estate, speculative purchase has been obviously restrained with self-use buyers taking a wait-and-see attitude, thus improving demand and supply imbalances," said Chen Huai, director-general of the policy research center under the Ministry of Housing and Urban-Rural Construction.

The price of properties will drop after plummeting sales and shrinking supplies but the bottom line in prices depends on property developers' land cost, according to a report compiled by the center and the China Index Academy.

HONGKONG AND MACAU

Politics

Social front

- Hong Kong, Chinese mainland sign medical pact (24th May)

(Xinhua) -- Hong Kong's Department of Health and the Chinese Mainland's State Food and Drug Administration signed an agreement here on Monday to enhance cooperation and communication on the control of drugs and medical devices.

Speaking at the signing ceremony, Director of Health PY Lam said the deal will enhance regulatory control on drugs and medical devices between the two sides.

Noting the public has high expectations for the safety, quality and efficacy of Western medicines, Chinese medicines and medical devices, he said the agreement will broaden the scope of cooperation in the interest of public health.

The agreement covers a wide scope of regulatory collaborations including personnel training, regulation of Chinese medicines and better communication on several other medical issues.

The two sides also took the opportunity to set up a high-level exchange mechanism. Expert working meetings will be held when needed.

- HK gov't appoints 5 new members to racial harmony committee (27th May)

(Xinhua) -- Five new members have been appointed to Hong Kong's Committee on the Promotion of Racial Harmony for two years from June 1, the city government said in a statement on Thursday.

They are Ashok Kumar Gahatraj Sunar, Lucilla Ho, Hameed Jalal, Rosalia Kamariah Kesuma, and Mohammad Liaqat.

The committee is a non-statutory advisory body that advises the HKSAR government on matters relating to fostering racial harmony in the community and to enhancing mutual understanding between people of different ethnic origins.

Chaired by the Deputy Secretary for Constitutional and Mainland Affairs, the committee also includes representatives from the Education Bureau, the Home Affairs Department, the Labor Department and the Information Services Department of the HKSAR government.

Economic front

- Prudential shares begin trading in HK (25th May)

(Xinhua) -- Prudential shares started trading in Hong Kong by way of introduction Tuesday morning, with the open price of 59.7 HK dollars (7.7 U.S. dollars) per share.

The British insurance giant, which is buying American International Group's Asian arm American International Assurance (AIA), targets at raising 21 billion U.S. dollars to fund the biggest insurance sector takeover.

Prudential, keeping its primary listing in London, will also start its trading in Singapore Tuesday morning.

- HK stocks rebound from 10-month low, regain 19,000 mark (26th May)

(Xinhua) -- H-share heavyweights led Hong Kong stocks to stage a technical rebound and regain the 19,000- mark on Wednesday after they hit a nearly 10-month low in the previous session.

The benchmark Hang Seng index closed up 210.95 points, or 1.11 percent, to close at 19,196.45 points, after trading between a day high of 19,242.06 and a day low of 19,047.70 points.

The H-share index, which track the overall performance of 44 major Chinese mainland State-owned enterprises, outperformed the Hang Seng index by rising 287 points, or 2.67 percent, to end at 11,016.05 points.

Turnover totaled 72.74 billion HK dollars (9.33 billion U.S. dollars) compared with Tuesday's 67.93 billion HK dollars.

The mainland's two leading oil companies, Sinopec and PetroChina, both of which are among the 43 constituent stocks of the Hang Seng Index, rose 2.41 percent and 3.04 percent, respectively. Sinopec ended at 5.95 HK dollars per share while PetroChina closed at 8.06 HK dollars.

But another oil firm CNOOC, the HK-listed unit of China's National Offshore Oil Corp., extended losses by falling 1.03 percent to 11.58 HK dollars. It tumbled 6.1 percent in the previous session.

Mainland's insurers and financials also rebounds in the day. Shares of Ping An rose 5.1 percent to end at 60.60 HK dollars while China Life, one of the world's largest life insurer by market value, gained 1.08 percent to 32.90 HK dollars.

Shares of the ICBC, the world's largest bank by market value, jumped 4.25 percent to close at 5.64 HK dollars.

China Construction Bank, one of the country's four largest State-owned banks, moved up 1.5 percent to 6.09 HK dollars. Another major lender, Bank of China, rose 2.32 percent to 3.97 HK dollars.

Major coal producer China Shenhua, also one of the 43 constituent stocks of the Hang Seng Index, jumped 5.3 percent to 29.80 HK dollars. Chalco, China's top aluminum producer, rose 2.68 percent to end at 6.12 HK dollars.

China Mobile, the world's largest mobile operator by subscribers, edged up 1.11 percent to 72.75 HK dollars. Shares of the HSBC, one of the world's biggest banks, were up 0.86 percent to 70.15 HK dollars.

Foxconn International, the only constituent stock from China's Taiwan, rebounded to become the best-performance blue chip amid reports that Foxconn President Terry Gou toured to its plant in Shenzhen after another worker of its plant in neighboring Shenzhen fell to death, 11th such fall this year.

Shares of Foxconn rose 7.16 percent to 5.69 HK dollars. In the previous session, Foxconn International plunged nearly 10 percent and was the worst-performance blue chip.

Shares of Yanzhou Coal, one of China's top coal producers based in East China's Shandong Province, edged down 1.51 percent to end at 15.66 HK dollars despite a stake increase by U.S. financial holding company JPMorgan Chase and Co.

Hong Kong stocks plunged on Tuesday to their lowest level since July 17, 2009 and broke the psychological 19,000-mark. It was the poorest performance since July 17 last year when the benchmark Hang Seng index closed at 18,805.66 points. (1 U.S. dollar equals to 7.8 HK dollars).

- HK's exports value surges over 20% in April (27th May)

(Xinhua) -- Hong Kong's total exports and imports value showed significant year-on-year increases in April, at 21.7 percent and 28.8 percent respectively, according to the statistics released by the Census and Statistics Department of the Hong Kong government on Thursday.

The exports value reached 242.2 billion HK dollars (31.1 billion U.S. dollars) in April, including 236.7 billion HK dollars' re-exports value and 5.5 billion HK dollars' domestic value.

The increase came after a year-on-year surge of 32.1 percent of exports value in March this year, said the department.

Meanwhile, the value of imports increased over a year earlier to 277.5 billion HK dollars in April, after a year-on-year increase of 39.8 percent a month earlier.

A visible trade deficit of 35.2 billion HK dollars, equivalent to 12.7 percent of the imports value, was recorded in April.

For the first four months of 2010, the total exports value rose by 24.8 percent over the same period in 2009; concurrently, the value of imports moved up by 32.8 percent, according to the statistics.

In April, strong increases were registered in exports value to most major destinations in Asia, especially India and Indonesia, with a rise of 27.9 percent.

Over the same period, imports surge were found from suppliers, India and Singapore in particular.

Electrical machinery, apparatus and appliances, and electrical parts thereof, and office machines and automatic data processing machines, were found the most principal commodities surging in both exports and imports value, with over 20 percent increase each.

The statistics showed that the merchandise exports rose markedly further in April, with Asian markets continuing to distinctly outperform the U.S. and EU market, said a government spokesman.

Looking ahead, the robust growth of the Asian region should continue to render support to Hong Kong's trade performance in the coming months, added the spokesman.

However, the spokesman also pointed out that the European sovereign debt problem is posing a downside to the external environment.

The austerity measures to be implemented by the indebted European countries may put a drag on the already fragile recovery in Europe and hence weigh on Hong Kong's export outlook in the latter part of the year, the spokesman said. (1 U.S. dollar is equivalent to 7.79 HK dollars)

- Mainland, HK sign 7th supplement to CEPA (27th May)

Mainland, HK sign seventh supplement to CEPA, eyeing closer economic ties

HONG KONG, May 27 (Xinhua) -- The Chinese central government and the government of the Hong Kong Special Administrative Region (HKSAR) signed a supplement to an important trade agreement on Thursday to give Hong Kong firms greater access to the Mainland market for medical services, securities, banking and tourism, among others.

The Supplement VII to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), representing the seventh expansion since 2004, was signed by John Tsang, financial secretary of the HKSAR government, and Vice Minister of Commerce Jiang Zengwei in Hong Kong at a ceremony witnessed by HKSAR Chief Executive Donald Tsang.

Tsang said at the signing ceremony that CEPA and its supplements have been playing an irreplaceable role in the economic integration between the Mainland and Hong Kong, and generating notable economic benefits to both sides.

By the end of 2009, thanks to liberalization of trade in services and the Individual Visit Scheme under CEPA, a total of 54,700 jobs were created in Hong Kong and 40,600 jobs were created in the Mainland, according to Tsang.

Under CEPA, the Individual Visit Scheme had been extended to 49 Mainland cities. By March 2010, over 49 million Mainland visitors had come to Hong Kong under the scheme. In cumulative terms, mainland visitors brought about additional spending totaling over 84.8 billion HK dollars (10.9 billion U.S. dollars) during 2004 and 2009, he said.

During 2004 and 2009, cumulative business receipts obtained by Hong Kong's service companies due to CEPA from Mainland-related business reached 61.6 billion HK dollars. In the three years between 2007 and 2009, CEPA-induced business receipts obtained by operations established by Hong Kong service suppliers in the Mainland amounted to 198.5 billion HK dollars. In the same period, companies in Hong Kong obtained additional business receipts totaling about 55.1 billion HK dollars due to CEPA, Tsang said.

The Supplement VII of CEPA provides for 35 market liberalization and trade and investment facilitation measures in 19 sectors. Among them, 27 are liberalization measures in 14 service sectors, of which eight are measures for "early and pilot implementation".

The new supplement further relaxes Mainland's market accesses in such 14 service sectors as medical services, technical testing, analysis and product testing, specialty design, distribution, banking, securities, social services, tourism, qualification examinations for professionals and technicians as well as individually-owned stores.

Among them, "technical testing, analysis and product testing" and "specialty design" are new sectors, bringing the total number of liberalized Mainland's service sectors under CEPA from 42 to 44.

All the services liberalization measures under the new supplement will take effect from Jan. 1, 2011.

Apart from benefiting larger enterprises, measures in the new supplement will also benefit individuals and small businesses, the city government said.

Related favorable measures included allowing HK's healthcare professionals to provide short-term services in the Mainland, allowing HK permanent residents to take the qualification examination for real estate valuer in the Mainland, and allowing HK permanent residents with Chinese citizenship to set up individually-owned stores to provide services in marriage, renting and leasing of comics books as well as pet clinics in the Mainland. (one U.S. dollar equals to 7.774 HK dollars) Enditem

- HK developers to issue new guidelines to cool down property market: official (27th May)

(Xinhua) -- Hong Kong's Real Estate Developers Association will issue guidelines from June 1 on the nine measures announced in April by the city government to regulate the sale of new flats, an official with the Hong Kong Special Administrative Region government (HKSAR) said Wednesday

Acting Secretary for Transport and Housing of HKSAR Yau Shing-mu told legislators that the association had formed a compliance committee which comprises outside members and the association will refer non-compliance cases to the government agency.

"The committee may determine sanctions against developers found to have breached the requirements under the association's guidelines, including issuing warning letters or reprimanding privately or in public," he said.

The association received 30 complaints over the sale of uncompleted flats from 2007 to 2009. The nature of and the findings on those complaints did not require the cases to be heard by the compliance committee, according to Yau.

"We will closely monitor the effectiveness of the nine measures upon implementation. Should these new measures prove to be ineffective, we do not rule out the possibility of introducing further legislative measures," he added.

It was the latest measure adopted by the HKSAR government and property regulatory bodies in their continuous efforts to cool down the city's sizzling property market.

Hong Kong house prices had risen about a third since January last year, owing to exceedingly low mortgage interest rates, an influx of foreign capital and insufficient housing supply.

On April 21, the city government unveiled nine new measures to rein in undesirable sales practices and combat a property price bubble, including measures to increase land auction and flats supply, to boost transparency in flat pre-sales, to stimulate the secondary market for Home Ownership Scheme flats and to consider heavier stamp duties for property transactions.

According to the measures, for property sales in the primary market, developers must provide home sales documentation seven days before public sales. They are also obligated to give property price quotations three days before public sales. All of these forms of information have to be updated on the company website simultaneously.

Concerning completed first-hand property, developers have to provide on-site flats for public inspection and these flats' specifications have to be identical to those for the model flats.

In addition, promotional and publicity materials must include the location information for the property sites. Property developers must also disclose transaction details relating to property developers' directors and any transaction-related immediate family members within five days after the transaction.

- HK to take measures to enhance investor protection (28th May)

(Xinhua) -- The Securities and Futures Commission (SFC) of Hong Kong Friday announced a package of measures to strengthen the regulatory regime governing the sale of investment products.

The measures include a consolidated product handbook with revised product codes for unit trusts and mutual funds and for investment-linked assurance schemes as well as a new product code for unlisted structured investment products.

There are also requirements for product key facts statements to summarize the key features and risks of investment products, issuers to provide a post-sale "cooling-off" or "unwind" right for certain unlisted structured investment products to give investors a window to exit these investments, and conduct requirements for intermediaries to enhance selling practices relating to the sale of investment products.

"We believe these investor protection enhancing measures are reasonable and in line with our regulatory objectives," said the SFC's Chief Executive Officer Martin Wheatley, adding that the measures will strengthen investor protection and ensure that Hong Kong remains a well-regulated, vibrant financial market.

Some of the measures will take effect immediately after publication of the revised codes in the Hong Kong government gazette, while transitional arrangements will be implemented in respect of some requirements to enable the industry to make the necessary adjustments.

- HK stocks rise for third consecutive day, with gains of H-share heavyweights (28th May)

(Xinhua) -- Hong Kong shares rose for the third consecutive trading day on Friday thanks to gains of H-share heavyweights and a strong overnight rebound on Wall Street which boosted investors' sentiment in Hong Kong.

The benchmark Hang Seng index closed up 335.34 points, or 1.73 percent, at 19,766.71 points, after trading between a day high of 19,910.06 and a day low of 19,710.86 points. Turnover totaled 71.67 billion HK dollars (9.2 billion U.S. dollars) compared with Thursday's 68.97 billion HK dollars.

The H-share index, which track the overall performance of 44 major Chinese mainland State-owned enterprises, outperformed the Hang Seng index by rising nearly 300 points, or 2.67 percent, to end at 11,508.49.

The mainland's two leading oil companies, Sinopec and PetroChina, both H-share heavyweights which are among the 43 constituent stocks of the Hang Seng Index, gained 2.47 percent and 3.54 percent, respectively.

Sinopec ended at 6.23 HK dollars per share while PetroChina closed at 8.49 HK dollars. Another oil firm CNOOC, the HK-listed unit of China's National Offshore Oil Corp., gained 2.66 percent to 12.34 HK dollars.

Chalco, China's top aluminum producer, moved up 3.4 percent to 6.69 HK dollars. Major coal producer China Shenhua, also one of the 43 constituent stocks of the Hang Seng Index, rose 2.8 percent to 31.25 HK dollars.

- Macao, Chinese mainland sign CEPA (28th May)

(Xinhua) -- The Macao Special Administrative Region (SAR) will enjoy better access into the Chinese mainland market in various sectors as the two places Friday signed a new supplement to an existing trade agreement.

The Supplement VII to the Mainland and Macao Closer Economic Partnership Arrangement (CEPA), an FTA-like arrangement, was signed by China's Vice Minister of Commerce, Jiang Zengwei, and Secretary for Economy and Finance of Macao SAR, Tam Pak Yuen, at the SAR's Government Headquarter.

The new supplement, which will become effective next year, mainly comprises new measures concerning the trade and investment facilitation and trade in services.

According to the agreement, the mainland authorities will expand the areas of trade and investment facilitation measures to the education sector, bringing the total number of such sectors to 10, with up to five industry cooperation programs.

As for trade in services, further liberalization will be implemented in mainland's 11 service sectors such as construction, health, banking, tourism, social service, etc, while adding two new sectors, including technical testing and analysis and inspection of goods, to the list. So far the number of areas of mainland's service market liberalization toward Macao has expanded to 43.

The new measures included in the latest supplement continuously increased the number of areas and deepened the contents of liberalization in mainland's service industry, said Jiang Zengwei, at a press conference after the signing ceremony.

He also highlighted the health sector, saying the new measures will allow Macao service providers to invest and operate hospitals with sole-proprietorship in China's two

municipalities, Shanghai and Chongqing, and three provinces, namely Guangdong, Fujian and Hainan.

Since the CEPA between Macao and the mainland came into effect in 2004, the mainland authorities have progressively expand its contents by respectively signing seven supplements in the following years.

By the end of 2009, Macao enterprises and residents have established over 700 companies and privately-owned small business on the mainland under the CEPA mechanism, and the SAR has recorded nearly 34 million mainland visitors under the Individual Travel Scheme, a CEPA measure, as the scheme was extended to 49 mainland cities, the figures indicated.

The implementation of CEPA has brought sufficient benefits to the market liberalization and cooperation between the two places, and the SAR government will work with the mainland authorities to better implement the new measures that were included in the supplements, so that the trade agreements can benefit the local communities, said Tam.

- Macao's unemployment rate remains at 3% (28th May)

(Xinhua) -- Macao's unemployment rate for the period of February to April this year stood at three percent, a slight increase of 0.1 percentage point over the previous period of January to March, according to the figures released on Thursday by the city's Statistics and Census Service (DSEC).

The number of the unemployed reached 9,600 in the period, of which 4.9 percent were fresh labor force entrants searching for their first job, down by one percentage point over the previous period, the DSEC figures indicated.

Total labor force was 323,300 in the period with the labor force participation rate standing at 71.1 percent, both of which remained unchanged from the previous period.

Analyzed by industry, employment of Real estate and business activities saw increase from the previous period, while that of the Construction sector and Hotels, restaurants and similar activities registered a decrease, according to the DSEC.