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National report

Political front

- China's top legislature opens bimonthly session (23rd August)

(Xinhua) -- The Standing Committee of the National People's Congress (NPC), China's top legislature, opened its bimonthly session Monday to read a series of draft laws.

Lawmakers are reading for the first time a draft amendment to China's Criminal Law, a draft amendment to the law on deputies to the NPC and local People's Congresses, a draft law on intangible cultural heritage and a draft revision of the soil and water conservation law.

China's top legislature will also discuss Hong Kong's constitutional reform package that concerns amendments to the methods for the selection of the region's chief executive and for the formation of the Legislative Council in 2012.

Lawmakers will also continue to deliberate draft amendments to the law on officers in reserve service and the draft law on mediation.

They will also deliberate a draft law on the application of laws to civil relationships involving foreign interests.

The session is scheduled to run from Aug. 23 to Aug. 28.

- China mulls law amendment to ensure lawmakers better perform their duties (23rd August)

(Xinhua) -- China's top legislature Monday started discussing a draft law amendment that aims to further specify the rights and duties of lawmakers.

The draft amendment to the Law on Deputies to the National People's Congress (NPC) and Local People's Congresses at Various Levels was submitted to the bimonthly meeting of the NPC Standing Committee for its first reading.

In most cases, a draft law will be read two or three times before being voted for adoption.

The amendment seeks to ensure lawmakers better perform their duties and increase supervision of them.

The draft also proposes the government ensure the performance of the lawmakers by guaranteeing adequate funding for law making duties, including a provision that specifies the government must incorporate the funding into its budget.

- Chinese Vice President calls for better Party building at grassroots level (24th August)

(Xinhua) -- Chinese Vice President Xi Jinping has called for more efforts to promote the building of Communist Party of China (CPC) organizations at grassroots level and in non-public-owned enterprises.

Xi, also a Standing Committee member of the Political Bureau of the CPC Central Committee, made the remarks during his inspection tour in Beijing on Monday.

The Party organizations and the Party members should be given full play to promote the core business of the enterprises, Xi said.

Xi also noted the working methods of Party building should be improved by both maintaining the fine tradition and continuing reforms and innovation to suit the current new situation of diversified social organizations, increasing migrant populations and widespread information networking.

Xi urged the deepening of the reforms of the Party personnel system to improve the Party personnel management and optimize its human resources, and to promote the willingness, courage and competence among Party cadres.

During his inspection tour, Xi visited Zhongguancun district, the hi-tech center in Beijing, and the Beijing Financial Street, the city's financial hub.

Xi also took a trip on the city's subway to review the planning, construction and operation of the subway.

He called for efforts to build Beijing into an attraction for renowned international enterprises and international talents as well as a city with advanced socialist culture and harmonious livings.

- Chinese lawmakers deliberate various reports at bimonthly session (26th August)

(Xinhua) -- Chinese lawmakers Thursday discussed a series of reports on state grain safety and the implementation of the central budget, among others, which underlined both people's livelihoods and economic growth in the second half of the year.

In the second half, the government intends on "focusing on disaster relief in order to ensure the harvest, boost consumption capacity to keep a steady increase of domestic demands and strengthen inflation management to maintain prices..." said Zhang Ping, director of the National Development and Reform Commission, in his report on the implementation of the national economic and social development plan.

Zhang delivered the report Thursday to the 16th Session of the Standing Committee of the 11th National People's Congress (NPC), a bimonthly session running from Aug. 23 to Aug. 28.

The government would also make greater efforts in emission reductions, speeding up the transformation of the economic growth mode and guaranteeing more public resources be devoted to improving people's livelihoods, according to the report.

China's GDP grew 11.1 percent in the first half year on year, Zhang added.

In a report on state grain safety, Zhang cited various problems such as a "widening gap between output and demand, limited water and land resources, inadequate water project infrastructures and weak technical support," among others.

Zhang said the country will strengthen policy and technical support for grain products, protect cultivated land and water resources and improve adjustments for the grain market in order to build a grain safety system with high efficiency and ample storage.

On behalf of the State Council, or Cabinet, Minister of Finance Xie Xuren also delivered a report on the implementation of the central budget during the first seven months of 2010.

According to Xie, from Jan. to July, the country's financial income surpassed 5.11 trillion yuan (751 billion U.S. dollars), up 25.7 percent year on year. The figure accounted for 69.2 percent of the budget.

Also, the country's financial expenditure reached 3.96 trillion yuan, up 16.9 percent year on year, accounting for 46.9 percent of the budget.

Xie said in the future the ministry would focus on promoting rural reform and development, deepening reforms on financial and tax policies and strengthening management of the financial budget.

In addition, Chen Zhili, vice chairwoman of the NPC Standing Committee, delivered a report on an inspection on the enforcement of the Cleaner Production Promotion Law.

The Law, enacted in 2002, seeks to promote cleaner production, increase the efficiency of the utilization of energy resources, and reduce pollutants.

Chen said some enterprises were not fully aware of the importance of cleaner production and obligations to follow the law were not fully implemented.

While calling for more advanced techniques to support cleaner production, the report urged the clarification of responsibilities of related departments in promoting the law.

Thursday's meeting was presided over by Wu Bangguo, chairman of the National People's Congress (NPC) Standing Committee.

Reports on Wu's visits to France, Serbia and Switzerland, including his participation in the third World Conference of Speakers of Parliament in Geneva, were also discussed during the meeting.

- China's governments told to be steadfast in publishing budgets (26th August)

(Xinhua) -- China's anti-corruption authorities have called for "steadfast determination" to publish government budgets.

Many of China's official organizations and local governments still feared "difficulty" and made no moves to publish their budgets, said a statement released Thursday by the Ministry of Supervision and the National Bureau of Corruption Prevention (NBCP).

The statement came at the end of a two-day seminar attended by almost 80 officials and experts from the Chinese mainland, Hong Kong Special Administrative Region (SAR) and Macao SAR on effective measures to publish government budgets.

Publication of budgets was an important reform of government finance and of great significance to the transformation of government functions and to social and economic development, said the statement.

The statement outlined five principles in pushing forward the work of publicizing government budgets.

It must conform with the progress of socialist democracy, the level of social and economic development and the reform of government finance system.

In advancing the publication of government budgets, greater efforts should be put into optimizing a mechanism and incorporating it into the the system for corruption penalties and prevention, the statement said.

Ma Wen, Supervision Minister and NBCP director, addressed the seminar in Harbin city in northeast China's Heilongjiang Province.

- Chinese premier stresses following laws to curb graft (27th August)

(Xinhua) -- Chinese Premier Wen Jiabao has urged government officials at all levels to strictly follow the laws and regulations in a bid to steer away from corruption and ensure the good of the public.

"In a peaceful time, corruption is the greatest danger for a ruling party, and the basic reason for corruption is that powers are not properly supervised and restricted," Wen said Friday during a national meeting on lawful administration.

He called it a "major test" for the government to handle graft issues properly.

Wen said the task of building a lawful government is the basic guarantee for promoting social fairness and justice, a key measure for anti-corruption and also an essential part for the reform of the country's political system.

"Currently our country's economic and social development has entered a new phase. More challenges have emerged as domestic and overseas environments become more complicated. We should deepen reform while promoting administration in accordance with the laws in order to solve new problems," he said.

According to Wen, a sound market environment with fair competition can only be created when the government uses laws and regulations to manage various market entities, provide services for them and ensure their rights.

He urged officials to strengthen legislation in key fields in order to solve deep-seated problems in the economic and social development, and ensure public ideas be fully reflected during the legislation process.

Further, Wen called for scientific and democratic decision-making.

"Before making a major decision, the idea must be examined as to whether it is in accordance with the laws. If it goes beyond the authority of the decision makers or goes against the laws, the idea should be discarded," he said.

Wen also called for a transparent and open government work system as long as it doesn't involve state secrets, commercial secrets or individual privacy.

He cited key areas that should be open to the public including financial budgets, management of public resources, major construction projects and charities, among others.

In addition, Wen urged improving the current administrative supervision system and called on government departments to protect civilians' rights to directly supervise the government and support media exposure on illegal activities and improper behavior by government officials.

Foreign relations

- Vietnam, China vow to enhance trade, investment co-op (23rd August)

(Xinhua) -- Vietnam and China vowed here Monday to enhance trade and investment cooperation in the coming time.

The commitment was made during talks between Vietnamese Minister of Industry and Trade Vu Huy Hoang and Chinese Minister of Commerce Chen Deming.

At the meeting, Hoang and Chen briefed each other of the economic situation of each country and reviewed the economic and trade cooperation between Vietnam and China in the recent time.

Hoang asked China to encourage Chinese companies to import more from Vietnam and create favorable conditions for Vietnamese companies to export to the Chinese market. He also encouraged big Chinese companies to invest in Vietnam.

Chen said that China would support Chinese investors and companies to invest and implement projects in Vietnam. China will help Vietnam in training officials, said Chen.

During the meeting, Hoang and Chen said bilateral trade has maintained growth momentum in the recent time. Vietnam and China can achieve the target of bringing bilateral trade to 25 billion U. S. dollars this year, said the two ministers.

Trade value between Vietnam and China was more than 20 billion U.S. dollars in 2009. The two-way trade has exceeded 13 billion U. S. dollars in the first seven months this year, Vietnamese statistics showed.

The two sides agreed that they would encourage local authorities in border provinces to coordinate and boost cooperation to prevent smuggling and illegal trade activities.

They also vowed to intensify cooperation in trade promotion and support each other in multilateral forums.

- China, Thailand vow to strengthen military ties (23rd August)

(Xinhua) -- Chinese Defense Minister Liang Guanglie and a high-ranking military official of Thailand Monday said the two countries will strengthen military exchanges and cooperation.

In a meeting in Beijing with Apichart Penkitti, Thailand's Permanent Secretary for Defense, Liang hailed the two countries' cooperation and coordination in international affairs.

China appreciates Thailand's long-term support on issues relating to China's core interests, Liang said, adding that China hopes to lift bilateral military relations to a new high.

Apichart said his country expects to deepen cooperation with China in areas like peacekeeping, naval escort missions and joint military training.

He also expressed hope the two militaries will strengthen mutual trust.

- China, Canada forge strong tourism links under ADS agreement: officials (24th August)

(Xinhua) -- The first visit of Chinese tourists under the Approved Destination Status (ADS) agreement helped open a "new chapter of friendship" between China and Canada, a Chinese official said Monday.

"Our inaugural tour group experienced the warmth and friendship of our Canadian friends during our stay in Canada. We enjoyed Canada's gorgeous natural scenery, rich cultural heritage and colorful city life and experienced the friendship of the hospitable Canadian people," Du Jiang, vice chairman of the China National Tourism Administration (CNTA), said.

At a banquet hosted by the governments of Ontario province and Ottawa city, Du said he expects Chinese tourism to increase now that the ADS has been granted.

"I am convinced that with Canada's attractive tourism resources and products, well-established tourism facility and quality tourism services, Chinese tourists will feel at home in Canada," Du said.

While Chinese are expected to make about 100 million trips abroad annually by the year 2015, he said, the Chinese government now sees tourism as an important part of the economy as China is increasingly becoming an attractive tourist destination for foreigners.

"The Chinese government has decided to turn the tourism industry into a strategic pillar industry for the national economy and a modern services industry to the greater satisfaction of the people," Du said.

- Chinese vice premier urges closer co-op with Japan (24th August)

(Xinhua) -- Chinese Vice Premier Li Keqiang on Tuesday called on closer cooperation with Japan in energy efficiency, sustainable economic and high-tech areas.

Li made the remarks while meeting with Japanese Minister of Land, Infrastructure and Transport Maehara Seiji in Beijing.

As important economic partners, China and Japan should further tap potential for environmental and energy cooperation, and promote the restructuring and upgrading of economic and trade links, he said.

He also called for deeper bilateral cultural and tourism exchanges in a bid to enhance friendly sentiment between the two peoples, and in particular, young people.

"The Chinese government highly values its ties with Japan, and is ready to work closely with the country for sustained growth of bilateral mutually beneficial strategic relations," said Li.

Long-term, stable and good-neighborly China-Japan relations was in the interests of the two countries and two peoples, and helped regional and world peace, stability and prosperity, he said.

Seiji said his government treasured deeper relations with China, and was willing to join China in pushing forward bilateral cooperation.

- China, South Africa upgrade relations to "comprehensive strategic partnership" (24th August)

(Xinhua) - China and South Africa on Tuesday announced a "comprehensive strategic partnership" as South African President Jacob Zuma made his first state visit to China.

Chinese President Hu Jintao and Zuma signed the Beijing Declaration after their one-hour talks in the Great Hall of the People Tuesday afternoon.

The declaration outlined 38 bilateral cooperation agreements, ranging from political dialogues, trade, investment, mineral exploration and agriculture to joint efforts in the global arena, such as in the United Nations and the Forum on China-Africa Cooperation.

According to the declaration, the two sides expressed the desire to further strengthen and deepen friendly exchange and cooperation between the two nations in both political and regional affairs by establishing a comprehensive strategic partnership based on equality, mutual benefit and common development.

The presidents agreed to maintain frequent contact in order to enhance mutual understanding of and support for each other's positions and interests.

The two countries' vice presidents will co-chair Bi-National Commission plenary sessions every two years to guide and coordinate exchange and cooperation on political and economic matters of mutual interest in the bilateral and multilateral spheres.

The declaration says an annual strategic dialogue at the ministerial level between China's Ministry of Foreign Affairs and South Africa's Department of International Relations and Cooperation will be held.

In area of economics, the two sides agreed to improve the current structure of trade between the two countries, in particular by working towards more balanced trade profiles and encouraging trade in manufactured value-added products.

In this regard, the two sides agreed to increase trade and investment missions and to establish a joint work group to study statistical discrepancies in the area of bilateral trade.

"China, in this spirit, will encourage its enterprises to increase investment in South Africa's manufacturing industry and promote the creation of value-adding activities in close proximity to the source of raw materials," says the declaration.

Both sides agreed to provide mutual technical support in the areas of green economy, skills development and industrial financing.

Both sides also agreed to encourage companies from both nations to explore cooperative opportunities in infrastructure construction projects, such as roads, railways, ports, power generation, airports and housing.

The two nations will create conditions to facilitate practical cooperation between Chinese and South African energy companies while also considering third-party involvement in energy, electricity, nuclear energy, energy efficiency and energy infrastructure projects.

- China is Kyrgyzstan's important strategic partner on international arena -- Kyrgyz FM (24th August)

(Xinhua) -- China is Kyrgyzstan's important strategic partner on the international arena, Kyrgyz Foreign Minister Ruslan Kazakbayev said in an interview with Xinhua ahead of his visit to China starting on Wednesday.

Kyrgyzstan must fully expand its ties with China in the fields of politics, trade, economy, science and technology, culture and humanitarian issues, Kazakbayev said.

Kazakbayev said China is the first country he will visit after he took office as Kyrgyzstan's foreign minister in April.

He hoped his visit will become an important event in the relationship between the two countries.

Kazakbayev said his visit is aimed at promoting stronger cooperation of mutual benefit between Kyrgyzstan and China, continuing negotiations on the existing and planned projects, attracting investment, and determining the framework and prospect of future cooperation.

Foreseeing Kyrgyzstan-China relations in the future, Kazakbayev said the two sides successfully established a constructive partnership of good neighborliness in a short period after the two countries set up diplomatic ties in 1992.

This laid a broad legal and agreement-based foundation and created broad prospects and significant opportunities for future cooperation between the two countries, Kazakbayev said.

He said active political dialogue, economic cooperation projects and cultural and educational exchanges between the two countries will substantially boost their mutual understanding and trust.

Kazakbayev reaffirmed that the new leadership of Kyrgyzstan recognizes all the existing agreements on issues including the border issue, the Taiwan issue and cooperation in the fields of security.

Considering the new political reality, he called on the two sides to continue their efforts to build a long-term and stable bilateral relationship.

Kazakbayev said that despite the global economic crisis and domestic political issues, his country's economy has recovered.

Kyrgyzstan is creating a sound environment for foreign investment, he said, adding that his country will ensure the benefits of Chinese businessmen and their safety.

Referring to the Shanghai Cooperation Organization (SCO), Kazakbayev said as a unique multilateral union, the SCO is aimed at ensuring security and stability in the region.

Further reinforcing the activities in foreign affairs in conformity with the guidelines of the SCO fully accorded with the national benefits of Kyrgyzstan, he added.

The foreign minister also said the cultural and people-to-people exchanges between China and Kyrgyzstan had been expanded, citing "the Chinese Culture Day" which was held in 2007 in Kyrgyzstan and "the Kyrgyzstan Culture Day" which was held in 2008 in China as examples.

Kazakbayev will pay an official visit to china from Wednesday to Sunday at the invitation of his Chinese counterpart, Yang Jiechi.

- China, Kyrgystan vow to enhance traditional friendship (25th August)

(Xinhua) -- Foreign Ministers of China and Kyrgyzstan met in Beijing Wednesday, pledging to push forward the Sino-Kyrgyz relations of friendship and cooperation.

People of China and Kyrgyzstan shared deep traditional friendship, said Chinese Foreign Minister Yang Jiechi during talks with visiting Kyrgyz Minister of Foreign Affairs Ruslan Kazakbayev.

China is the first country Kazakbayev has visited since he took office as Kyrgyzstan's Foreign Minister in April.

Bilateral relations, based on mutual respect, equality and mutual benefit, had developed soundly and achieved remarkable progress since the two countries set up the diplomatic ties 18 years ago, Yang said.

He said China attached great importance to developing ties with Kyrgyzstan and viewed it as a good neighbor, friend and partner.

China was ready to work with Kyrgyzstan to enhance political mutual trust, expand personnel exchanges, push forward pragmatic cooperation and strengthen coordination within the framework of the United Nations and the Shanghai Cooperation Organization (SCO), he said.

Kazakbayev said the new government valued the traditional friendship with China and would recognize all the bilateral treaties and legal documents signed by the former Kyrgyz administration.

Kyrgyzstan was committed to cementing and deepening bilateral relations of good-neighborliness, friendship and cooperation, he said, adding the country would firmly support China on Taiwan and Tibet-related issues.

He said Kyrgyzstan was willing to coordinate with China to crack down on the "three forces" of terrorism, separatism and extremism, to safeguard and promote regional peace, stability and development.

He appreciated China's valuable support and selfless help for Kyrgyzstan, especially in April, when the country went through major political changes.

After the meeting, the two foreign ministries signed a cooperative plan for the year 2011-2012.

- China, Cambodia pledge to enhance law enforcement cooperation (25th August)

(Xinhua) -- China and Cambodia Wednesday pledged to enhance cooperation in law enforcement, counter-terrorism, drug control and fighting transnational crime.

Zhou Yongkang, a senior leader of the Communist Party of China, spoke highly of the effective cooperation in these areas during a meeting with Cambodian Deputy Prime Minister Sar Kheng.

Zhou hoped the security and law enforcement organs of the two nations would work together to push forward the China-Cambodia comprehensive cooperative partnership.

Earlier Wednesday, Sar Kheng, also the country's Interior Minister, met with China's Public Security Minister Meng Jianzhu to sign an exchange of notes on China's assistance of police equipment to Cambodia.

Meng, also a State Councilor, said China was ready to cement bilateral cooperation within multilateral frameworks, including the Association of Southeast Asian Nations (ASEAN).

During the meeting, they vowed to advance bilateral cooperation in areas such as law enforcement, counter-terrorism and drug control.

- South African president rejects criticism on China's engagement with Africa (25th August)

(Xinhua) -- Visiting South African President Jacob Zuma said in Beijing Wednesday that labeling China's engagement with Africa "new colonialism" was untruthful.

Responding to a question after giving a speech at the Renmin University of China, Zuma said he noted claims made by some countries of China's investment and economic activities in Africa.

He said the economic ties between the two sides could be traced back hundreds of years, and China had conducted trade, cooperation and assistance in Africa.

In the Ming Dynasty (1368-1644), Chinese navigator Zheng He made seven voyages to places including West Asia and East Africa between 1405 and 1433.

The development of the Sino-African relations was based on cooperation, Zuma said. African countries were willing to forge ties with friendly nations.

China and South Africa Tuesday upgraded relations to a "comprehensive strategic partnership," as Zuma and Chinese President Hu Jintao signed the Beijing Declaration after their talks.

Citing South Africa's success in hosting the 2010 World Cup football games and China's development, Zuma said it was a matter of fact that the emerging economies had enjoyed remarkable achievements.

Zuma said he hoped participants in the summit of the Group of 20 (G20) in November in the Republic of Korea (ROK) could discuss ways to promote ties between developing and developed countries, and improve the global financial system.

Later Wednesday, Zuma told a news briefing that his state visit to China was successful.

He said the highlight of his visit was the signing of the comprehensive strategic partnership declaration, which would guide South Africa's overall cooperation with China over the next 10 to 15 years.

China is the last leg of Zuma's tour of the BRIC countries -- Brazil, Russia, India and China. He will wrap up the four-day state visit to China on Thursday.

- Bangladesh to learn poverty reduction experiences from China: PM (25th August)

(Xinhua) -- "Bangladesh can learn the poverty reduction experiences from China," Bangladeshi Prime Minister Sheikh Hasina said here Wednesday.

While meeting with Chinese delegation led by Fan Xiaojian, director of the Office for Poverty Alleviation and Development under the State Council of China, Hasina said China has set a good example for the world on poverty alleviation.

Hasina said the Bangladeshi government is very much concerned with developing economy, reducing poverty and improving people's lives.

"We have taken different measures to develop education, reduce rate of illiteracy and strengthen the construction of social security," she said.

Fan Xiaojian said at the meeting that China has made great achievement in poverty alleviation. "Due to the international financial crisis, the speed of reducing poverty has become slow in recent years," he said.

Fan said China is also facing many problems and challenges in poverty reduction. "With this in mind, we need to learn the experiences from other countries like Bangladesh in reducing poverty."

At the invitation of the BRAC, a local NGO and one of the biggest NGOs in the world, the Chinese delegation came to Bangladesh on Friday for a 7-day visit with the purpose to strengthen the exchange and cooperation between China and Bangladesh, promote China's successful experience in poverty alleviation and learn from Bangladesh's good way in removing poverty.

- Namibian PM vows to enhance cooperation with China (25th August)

(Xinhua) -- Namibia hopes to enhance bilateral cooperation with China in all areas, Namibian Prime Minister Nahas Angula said Tuesday.

Angula made the remarks when meeting with Chinese Vice Foreign Minister Zhai Jun.

Angula appreciated the disinterested assistance China has given to Namibia for its economic and social development.

He hoped that both countries could make joint efforts to promote bilateral cooperation in all areas and elevate the level of mutually beneficial cooperation.

The prime minister also expressed his sympathy and condolences to the Chinese people as some regions in China have suffered natural disasters such as flooding and mudslides.

For his part, Zhai said China and Namibia were reliable all-weather friends. He believed that the two countries could make joint efforts to push forward their friendly and cooperative relationship.

Zhai said since China and Namibia forged diplomatic ties 20 years ago, bilateral relations had enjoyed a sound and smooth development with the continuous enhancement of political mutual trust and great achievements in cooperation.

In recent years, the two countries have witnessed close exchanges between their leaders and rapid development of economic and trade cooperation as well as people-to-people exchanges, Zhai said.

Zhai started to visit Namibia on Monday. During his visit, he also met Namibian Foreign Minister Utoni Nujoma.

Zhai Jun is scheduled to attend the inauguration ceremony of Burundian President Pierre Nkurunziza on Aug. 26 as a special envoy of the Chinese government.

- NKorea's reclusive Kim on unexpected China visit (26th August)

JILIN, China — North Korean dictator Kim Jong Il has turned up in China in a strangely timed visit for the reclusive leader while former U.S. President Jimmy Carter is in North Korea trying to win the release of an imprisoned American.

It marked Kim's second trip to China in three months — unusual for a man who never flies and travels only by armored train.

South Korean media and regional analysts said he may be seeking Chinese aid following flooding in his impoverished country's northwest — and could be laying the diplomatic ground work for the succession of his son, who is thought to be traveling with him.

In any case, it was unclear whether he would return in time for a meeting with Carter, an elder statesman well-regarded in North Korea despite the two countries' longtime animosity. Carter met with Kim's father, late President Kim Il Sung, on his last trip to Pyongyang in 1994 — a warm meeting that led to a landmark nuclear disarmament deal.

Neither country announced the trip; Kim's travels typically are not publicized by North Korea until after his return.

But his stop in Jilin city in northeastern China was confirmed by two teachers at the Yuwen Middle School, a school Kim's father once attended that carries historic and patriotic significance for North Koreans.

"He definitely came over. But I'm not sure if his son was with him or what time he came," said a physical education teacher who would give only his surname, Zhao.

Another teacher said Kim visited the school in the morning for about 20 minutes. He refused to give his name.

Kim Il Sung attended the school from 1927 to 1930 after his family fled the Japanese occupation of Korea. Kim biographies say he began absorbing communist ideology while at Yuwen, making it pilgrimage site for North Koreans seeking to pay homage to the one-time anti-Japanese guerrilla fighter-turned-president.

Such a visit just days before the 100th anniversary of Japan's colonization of Korea carries symbolic weight as well. North Korea tends to play up the Kim family's patriotism during succession campaigns.

Kim Jong Il watchers will be eager to see television footage or photos of the 68-year-old leader to check his health. In video run by Chinese Central Television in May, Kim appeared thin but vigorous during meetings with China's President Hu Jintao and other officials, despite having reportedly suffered a stroke in 2008.

South Korea's Yonhap News Agency reported that Kim checked into the Jilin Crystal Hotel, and roads leading to the secluded luxury hotel were blocked by police. The hotel's website advertises plush suites, a billiard room, swimming pool and sauna, with a scrolling banner in broken English that reads: "Loosely expressing one-self and let the mood flying high."

It wasn't clear how many rooms Kim booked but Yonhap and YTN television in Seoul said he may be traveling with a son to consult with Chinese officials on succession plans.

It's widely believed that Kim is preparing to transfer power to his third and youngest son, Kim Jong Un, and many North Korea watchers predict the son will be appointed to a key party position at a rare ruling Workers' Party meeting early next month.

"Kim is at a crucial crossroads — whether to hold the party's conference as scheduled or delay it until after they've recovered from floods," said Cheong Seong-chang, a senior analyst at the Sejong Institute think tank outside Seoul. "Kim desperately needs Chinese food aid to hold the party's conference as planned."

The flooding earlier this month damaged or destroyed more than 7,000 homes, and wiped out bridges and railways, the North's official Korean Central News Agency reported Thursday. China has already offered aid to help North Korea cope, KCNA said.

The North faces chronic food shortages and has relied on outside aid to feed its people. Seeking to improve its meager economy, Pyongyang has experimented with limited market reforms and sought foreign investment, mostly from China and South Korea. But joint projects with South Korea have withered in the face of tensions, heightening Pyongyang's reliance on Beijing.

For its part, China is certain to use Kim's visit as an opportunity to prod North Korea toward rejoining international talks aimed at nuclear disarmament.

China has hosted the six-nation talks since 2002 but North Korea walked away from them last year in protest over the international condemnation that followed its testing of a long-range missile. Prospects for restarting negotiations were undermined further after a South Korean warship sank in March, killing 46 sailors. Seoul and Washington accuse North Korea of torpedoing the vessel, while the North denies involvement and has threatened harsh retaliation if punished.

It is not known who Kim was to meet on this trip, although someone of his stature would likely meet a senior leader. The Tokyo Shimbun reported that Chinese Vice President Xi Jinping was headed to Jilin to meet Kim.

Still, North Korea watchers puzzled over the timing of the visit — so soon after his last trip to China and during Carter's visit.

"He should be seeing Carter, but perhaps he has lost all hope in the U.S." said Cui Yingjiu, a retired professor of Korean language at Peking University in Beijing who was a schoolmate of Kim's in the 1960s and retains ties to the North Korean elite.

U.S. officials have stressed that Carter's trip is an unofficial, private visit to negotiate the release of 31-year-old Aijalon Gomes, an American sentenced to eight years of hard labor in a North Korean prison and fined some \$700,000 for entering the country illegally.

However, such visits, like the journey by ex-President Bill Clinton a year ago to secure the release of two American journalists, also offer an opportunity for unofficial diplomacy between the U.S. and North Korea.

Analysts said Carter and Kim could still meet Friday, after Kim returns to Pyongyang and before Carter's departure.

http://www.google.com/hostednews/ap/article/ALeqM5jTZ_AGY3NA3E1aLdohHKfeA7PnqgD9HR9H501

- China backs fight against Somali piracy in light of international law (26th August)

(Xinhua) -- China on Wednesday voiced its support to the efforts to counter Somali piracy in accordance with the international law and the relevant Security Council resolutions.

The statement came as Li Baodong, the Chinese permanent representative to the United Nations, was taking the floor at an open Security Council meeting on piracy off the Somali coast. The 15-nation Council began the meeting on Wednesday morning to discuss a report by UN Secretary-General Ban Ki-moon on how to prosecute and imprison Somali pirates.

"China supports the activities carried out to combat Somali piracy in accordance with the international law and the resolutions of the Security Council," Li said. "At present, naval operations of the countries concerned to combat piracy and to protect navigation have played a very positive role in safeguarding the safety of international navigation."

"At the same time, the issue of how to prosecute the pirates caught has come to the fore," he said. "China supports strengthening international cooperation in prosecuting the Somali pirates under the framework of the existing international law, and appreciates the work carried out by the countries concerned, particularly coastal states."

"We also call upon international community to provide the necessary support to the coastal states to enhance their legal capacity, and China welcomes their report in this regard and will join others to further study the legal framework," he said.

"Recently, although pirate attacks off the coast of Somalia have continued, threatening the safety of international navigation, their success rate has started to decline, reflecting the initial success of counter-piracy international cooperation," he said.

"However, at the same time, the root causes that give rise to the piracy off the coast of Somalia have not been eradicated, and these pirates remain and their behavior is starting to change with elaborate organization and more covert methods of attack, and they have expanded their scope of operations into the Indian Ocean," he said. "This has shown that the task for combating piracy is still very arduous, and it calls for further comprehensive efforts by the international community so as to eradicate the Somali piracy both from its phenomenon and root cause."

"Using such measures as arrests by armed forces and judicial prosecution of pirates can only ease the problem," he said. "To solve the problem once and for all, an integrated solution should be adopted."

"We believe the international community should make efforts in the following areas: First, the peace process in Somalia should be promoted," he said. "With endless internal conflict in Somalia and the lack of governance, these are fundamental reasons giving rise to the phenomenon."

"The international community should promote the dialogue among the different parties in Somalia so as to stabilize the situation and establish efficient government control so as to forestall the occurrence of the phenomenon," he said.

Not long ago, the African Union decided to strengthen their peacekeeping force in Somalia," he said. "This is conducive to the stabilization in Somalia, and the United Nations should continue to provide support in this respect and to explore the possibility of deploying the UN force."

Secondly, the economic and social development of Somalia should be accelerated, he said. "The stagnant economy and the deteriorating humanitarian situation in Somalia are

very important causes for this rampant piracy, with the majority of the youths in Somalia unemployed and millions of people struggling for life."

"With all of these economic and social issues in Somalia, the Somali piracy problem cannot be eradicated," he said. "The donor countries, international organizations and non-governmental organizations should play a bigger role and to pool their resources, both human and financial, so as to improve the social and economic situation in Somalia."

Thirdly, the regional strategy to solve the Somalia piracy issues should be formulated to eradicate the problem, he said. "The peace process and development in Somalia should be promoted."

"This will need the cooperation of the regional countries and the international community," he said. "They have already started this effort. The coastal states along the Red Sea, the Gulf of Aden, and the Indian Ocean have already started their cooperation. "

"We support the formulation of the international cooperation, and such measures as the arms embargo and the freezing of assets," he said. "We also support efforts to cut the supply of arms and funds for the Somali pirates."

- Chinese, S Korean nuclear envoys meet on resuming six-party talks (26th August)

(Xinhua) -- China's special representative for Korean Peninsula affairs Wu Dawei Thursday met with South Korea's top nuclear envoy Wi Sung-lac for talks on restarting the long-stalled six-party discussions on denuclearization of the Korean Peninsula.

At the beginning of the meeting, Wu, also China's top envoy to the six-party talks, said he will exchange views with his South Korean counterparts on the current affairs on the Korean Peninsula and the multilateral nuclear disarmament forum.

Wu, arriving in Seoul earlier in the day, is on a three-day visit here, during which he is scheduled to meet with Vice Foreign Minister Shin Kak-soo and Kim Sung-Hwan, senior secretary to the President for Foreign Affairs and National Security.

Wu visited the Democratic People's Republic of Korea (DPRK) on Aug. 16-18. During the visit, Wu met with DPRK's Foreign Minister Pak Ui Chun, Vice Foreign Ministers Kim Kye-gwan and Kim Song Gi.

Beijing plays host to the multilateral talks that also involve the two Koreas, the United States, Japan and Russia. The talks hit a snag since Pyongyang unilaterally pulled out in April 2009.

- China, Uruguay to upgrade bilateral ties (26th August)

(Xinhua) -- Chinese Vice President Xi Jinping held talks with his Uruguayan counterpart Danilo Astori in Beijing Thursday and the two sides vowed to enhance the bilateral relations.

Xi said China was satisfied with the smooth development of bilateral relations, and appreciated Uruguay's valuable support on issues concerning China's core interests.

He made four proposals to upgrade China-Uruguay relations:

-- China would deepen the political relationship with Uruguay, which featured equality and mutual trust, maintain high-level exchanges of visits and strengthen dialogue and consultations at all levels.

-- China would encourage and support Chinese companies to invest in Uruguay, and welcome Uruguayan companies to invest in China. The two countries should promote a sound, stable and sustainable development of bilateral economic and trade cooperation.

-- China would carry out more cooperation and exchanges with Uruguay in such areas as sports, culture, education and tourism, so as to enhance the mutual understanding between the two peoples and consolidate the foundation of bilateral friendship.

-- China attached high importance to the special role of Uruguay in regional and international affairs, and would maintain coordination and consultation with Uruguay on major issues such as the UN Security Council reform and climate change.

- SCO to hold anti-terrorism drill in Kazakhstan (26th August)

(Xinhua) -- A multi-national anti-terror exercise under the framework of the Shanghai Cooperation Organization (SCO) will be held in Kazakhstan from Sept. 9 to 25, Chinese Defense Ministry spokesman Geng Yansheng announced Thursday.

The drill, "Peace Mission 2010," would be the seventh of its kind, Geng said.

More than 5,000 troops from Kazakhstan, China, Kyrgyzstan, Russia, and Tajikistan would be involved, he said.

Geng said the exercise aimed to demonstrate SCO member states' determination and capacity to combat terrorism, separatism and extremism, showcase their mutual trust and pragmatic cooperation, and the shared wish to protect regional peace and stability as well as to boost common development and prosperity.

About 1,000 personnel from the land and air forces of China's People's Liberation Army (PLA) would take part in the exercise, Geng said.

The chiefs of staff of the armed forces of the participating countries would announce the launch of the drill in Almaty in Kazakhstan, and defense ministers from the SCO member countries would observe, said Geng.

The drill was in accordance with the Charter of the SCO and the SCO's fundamental purpose to maintain and strengthen regional peace, security and stability, Wang Haiyun, senior advisor of the China Institute for International Strategic Studies, told Xinhua Thursday.

It was also planned in consideration of an increasingly complicated security situation in the regions around the SCO members, Wang said.

The SCO anti-terrorism drills were a new form of cooperation among the SCO members and had effectively deterred some terrorist forces, he said.

Chinese armed forces have participated in anti-terrorism drills under the framework of the SCO, which includes Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan and Uzbekistan, since 2002.

- China, ASEAN see robust trade in first seven months (26th August)

(Xinhua) -- Trade value between China and the Association of Southeast Asian Nations (ASEAN) went up 49.6 percent year-on-year in the first seven months to 161 billion U.S. dollars, with ASEAN enjoying surplus of 7.54 billion U.S. dollars, said Chinese Commerce Minister Chen Deming here on Thursday.

The growth rate of ASEAN's export to China is much higher than that of its import from China, said Chen at the 9th China-ASEAN Economic Ministers' Meeting that was held in Vietnam's central city of Danang. The margin stood at 13 percentage points.

During the first seven month, ASEAN exported 84.27 billion U.S. dollars to China, up 56.1 percent year-on-year, while it imported 76.73 billion U.S. dollars, up 43.2 percent over the same period last year, said Chen.

The China-ASEAN Free Trade Area (CAFTA), which entered into force in the beginning of this year, greatly boosted the two-way trade and deepen the economic integration, said Chen.

ASEAN groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Under the CAFTA framework, tariffs on almost 90 percent of goods in the area have been eliminated.

Chen said the China-ASEAN Free Trade Area has proven to be mutually beneficial. China would continue to push the scope and level of economic and trade cooperation with ASEAN.

Statistics from the meeting showed that China has emerged to be ASEAN's largest trading partner and ASEAN has risen to be China's 4th largest trading partner.

At the meeting, ministers from ASEAN countries hailed the development of CAFTA and discussed its further development.

According to a joint media statement of the meeting, Chinese and ASEAN ministers discussed the service trade between China and ASEAN. They welcomed the recent conclusion of negotiations on final offers for the second package of specific services commitments, and expected the signing of the Protocol to Amend the Agreement on Trade in Services at the ASEAN-China Summit in October this year.

The ministers discussed the development of small and medium enterprises (SMEs) in the region. They urged all the countries to prioritize projects and activities that support trade facilitation and the development of SMEs to ensure that they also enjoy the benefits from the CAFTA.

- China donates \$6.5 mln to Burundi to support socio-economic development projects (26th August)

(Xinhua) -- China on Wednesday evening granted two donations to Burundi totalling 6.5 million U.S. dollars to support the country's development projects.

One donation was directed to the government's program of constructing schools and health structures and the other one was directed to socio-economic development projects in Burundi for the next five years.

The two financial agreements were signed between Burundian Foreign Minister Augustin Nsanze and Chinese Deputy Foreign Minister Zhai Jun.

Speaking to the press after the signing ceremony, Nsanze said that the first package amounts to 4,000,000 yuan (597,015 U.S. dollars) will be used to "buy iron sheets and nails for the construction of schools and clinics."

The second package amounts to 40,000,000 yuan (5,970,149 U.S. dollars) and will serve to support "socio-economic development projects during the next five years of the legislature."

"We are grateful towards the government of China for this support and all the support they have been giving us for many years", Nsanze said.

- N Korean leader's trip spurs succession speculation (27th August)

CHANGCHUN, China — North Korean dictator Kim Jong Il reportedly met top Chinese leaders on Friday in an apparent bid for Beijing's diplomatic and financial support for a succession plan involving his third and youngest son, who is said to be traveling with him.

Many North Korea watchers predict the son — Kim Jong Un, believed to be in his 20s — will be appointed to a key party position at a ruling Workers' Party meeting early next month — the first such gathering in decades.

To pull off the event with sufficient fanfare, North Korea will need Chinese aid, particularly following the devastating floods that battered the country's northwest this month, analysts said.

"The convention needs to be festive with the party giving out food or normalizing day-to-day life for its people but with the recent flood damages, they are not able to," said Cheong Seong-chang, a senior fellow at the Sejong Institute think tank outside Seoul.

"The most important thing on Kim's agenda is scoring Chinese aid, which will ensure that the meeting will be well received by the people."

Choi Jae-sung, an opposition lawmaker in South Korea's parliamentary intelligence committee, told The Associated Press that Kim Jong Il had breakfast Friday with a member of China's powerful Politburo Standing Committee in a hotel in northeast China's Jilin city, where he apparently stayed the night before.

Choi said Kim Jong Un accompanied his father, citing unidentified sources.

South Korea's MBC television reported Kim may later have met President Hu Jintao in Changchun, about an hour's drive from Jilin. It cited an unidentified diplomatic source in Beijing as saying Hu arrived in the afternoon and the two held talks at the city's South Lake Hotel.

South Korea's Yonhap news agency cited several unidentified diplomatic sources as saying Hu had gone to Changchun.

Asked whether Kim was visiting China, a duty officer with the press office of the Chinese Foreign Ministry said late Friday that "China and North Korea consistently maintain high level contacts. We will release the relevant information in good time."

China, as North Korea's biggest diplomatic ally and a major source of food aid and oil, would expect to be kept in the loop about major political transitions in Pyongyang, but the Beijing leadership is not likely to be enthusiastic about the prospect of another dynastic succession next door, said Zhu Feng, director of Peking University's Center for International and Strategic Studies.

Kim has three sons but is said to favor the youngest, despite his youth and inexperience. However, little is known about Kim Jong Un. The only known photo of him was taken

when he was a child. If he assumes power, it will continue a dynastic tradition that began when Kim Jong Il took over after the death of his father, the late President Kim Il Sung.

"No, I don't think that China will be pleased to see that sort of succession, with Kim Jong Il's third son also now taking over as prince heir," said Zhu. "We would like to see the transition of power go smoothly but I don't think China will show any admiration for this sort of succession."

Kim Jong Il received years of support from his father, who appointed him to crucial posts, purged opponents, fostered contacts with powerful members of the government and created a cult of personality for him. Kim Jong Un has received little of this preparation.

Yet, withholding support is not a real option for Beijing because stability in North Korea remains a strategic priority for the Chinese government, said Shi Yinhong, a professor of international relations at Renmin University in Beijing.

"Whomever leads this regime, China has to accept it, and he will be at minimum a friend to China," Shi said. "I think China's relationship to this succession process is much simpler than most people around the world take into account."

"For China, this is an issue of having, at minimum, stability for its neighbor," he said.

http://www.google.com/hostednews/ap/article/ALeqM5jTZ_AGY3NA3E1aLdohHKfeA7PnqgD9HRU7RO0

- Double standards of China (27th August) Hindustan Times

It is what may be seen as a clear sign of Beijing's double standards on Jammu and Kashmir, Chinese army troops had visited Chishul in Ladakh and saluted the Indian tricolour on the soil of Jammu and Kashmir on August 15, and almost at the same time denied visa to the Northern Command chief under whom the area falls.

General Officer Commanding in chief of the Northern Command Lt Gen BS Jaswal was refused visa by the Chinese authorities citing the reasons that he was controlling troops in what it called the sensitive state of Jammu and Kashmir.

At the same time, its troops led by senior Colonel Awng Yang Dei had visited Chishul on August 15 and had held a meeting with Brigadier YK Joshi, and as part of the Independence Day celebrations.

"To commence the meeting, the National flag was hoisted and both the Chinese and Indian delegations saluted the tricolor. The meeting was held in an atmosphere of mutual trust and camaraderie."

Ladakh has 646 Km long LAC with China. The LAC was in news in 2009 after a series of Chinese intrusions were reported and it was also reported that China had occupied large tracts of the Indian territory.

It was after Lt Gen Jaswal took over as chief of the Northern Command in September last year that the Indian Army went in for a massive upgradation of its infrastructure along the LAC.

The Indian Army also made it possible for the shepherds in Ladakh to graze their cattle in the areas close to LAC in December 2009 and January 2010, from where they were threatened and driven out by the Chinese army in December 2008.

<http://www.hindustantimes.com/Double-standards-of-China/Article1-592685.aspx>

- China denies reports on Philippine delegation's visit on hostage crisis (27th August)

(Xinhua) -- China on Friday denied reports that a Philippine high-level delegation will visit Beijing this week to brief officials on the investigation into the hostage crisis in which eight Hong Kong tourists were killed.

A Foreign Ministry official, who refused to be named, said the reports, which claimed that the visit was slated for Thursday but was rejected, were wrong.

Chinese Foreign Ministry spokeswoman Jiang Yu on Thursday urged the Philippines to probe into the bus-taking incident in Manila to get the bottom of the matter, noting this is the urgent task on hand.

The 11-hour hostage crisis in Manila, involving a 21-member Hong Kong tour group, ended Monday night.

The dismissed Filipino police officer Rolando Mendoza, who hijacked the tour bus in the morning and demanded the authorities to reinstate himself to the service, was also killed during an hour-long police assault.

Jiang said the Chinese side and the Philippines are in contact regarding the incident.

Philippine Vice-President Jejomar Binay and Foreign Secretary Alberto Romulo were reported to be preparing to go to Beijing to submit a report on the incident.

- India all set to accept Chinese college degrees (27th August) Hindustan Times

Even as China and India hit another icy patch in their stormy relations, there is great news headed towards thousands of Indian students in China. They may soon no longer need to worry about the legitimacy of their degrees on returning home. A long-awaited pact between the two countries is on the verge of being signed.

India and China will treat each other's degrees as equivalent under the agreement, which Human Resource Development Minister Kapil Sibal is set to take up with his Chinese counterpart next month, top government sources told *HT*.

Sibal will visit China from September 10 to 16, before heading to the US on September 21, the sources said. He will attend the World Economic Forum in Tianjin between September 13 and 16.

The mutual recognition agreement with China — which the sources said is almost ready for signing — will, however, not cover medicine and pharmacy programmes, they added.

China has emerged as a major higher education destination for Indians over the past six years.

Firms that help students apply for studies abroad estimate over 7,000 Indians are pursuing higher education programmes in China. Medicine is the most popular field for Indians there but many are also studying engineering and the humanities — especially languages.

World-class facilities combined with fees much lower than in the West or Australia are attributed as the main reasons for China's rise as an education hub for Indians.

However, unlike most programmes in the US, UK and Australia, Chinese courses are not recognised here. This has left several students in the lurch on returning home. They are unable to apply for higher studies and their degrees are not treated at par with Indian qualifications when they seek jobs.

India and China had in 2006 signed an agreement for cooperation in education. But that pact was just restricted to exchange programmes.

<http://www.hindustantimes.com/India-to-accept-Chinese-college-degrees/Article1-592794.aspx>

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Philippine Vice-President Jejomar Binay and Foreign Secretary Alberto Romulo were reported to be preparing to go to Beijing to submit a report on the incident.

- Financial Times: Western comments on China-Africa ties "largely misplaced" (27th August)

(Xinhua) -- Some western commentators' critical comments concerning China's burgeoning relationship with Africa are "largely misplaced," says a Financial Times editorial.

Wednesday's editorial - "China's new scramble for Africa" - said Western-led development strategies, however well meaning, did not break the cycle of under-development in Africa. Chinese investments, made for sound business reasons and boosting employment and growth, offer new hope and an alternative way forward, the editorial said.

The infrastructure that the Chinese are building will also have positive spin-off effects for industries outside of natural resources. Chinese traders have brought cheap consumer goods to Africa. And, as labor costs rise at home, Chinese manufacturers may look at Africa with new interest, as a base for production, the editorial said.

To the Western countries that uphold the spirit of competition, there's no reason to complain about China's strengthening its relationship with Africa, the editorial said.

One reason that African governments often love doing business with the Chinese is that they are much less likely to condition their investments on improvements in government, and the pragmatic attitude of the Chinese government should be appreciated, the editorial said.

- China, Namibia underline commitment to stronger ties (27th August)

(Xinhua) -- China and Namibia on Friday underscored their commitment to building bilateral ties.

Chairman of Namibia's National Council Asser Kapere, on his first visit to China, Friday met with China's top legislator Wu Bangguo before meeting top political advisor Jia Qinglin.

"As most of the delegation is visiting China for the first time, we have a keen interest in the country," Kapere said at the beginning of his meeting with Wu, chairman of the National People's Congress (NPC) Standing Committee.

The bilateral relationship had developed well since the two countries forged diplomatic ties in 1990, Wu said, highlighting frequent high-level contacts, strong political trust, positive cooperation and close coordination in international issues.

Wu expressed appreciation for Namibia's staunch support to China on issues concerning Taiwan, human rights and Tibet.

Wu said China valued its ties with Namibia and called for the two countries to expand economic and trade cooperation and work more closely under the framework of the China-Africa Forum on Cooperation.

Wu encouraged legislative bodies of the two countries to contribute to overall China-Namibia relations.

Kapere extended condolences to China over recent floods which wreaked havoc in northern and southern provinces.

He also congratulated China on making the Shanghai World Expo a success.

Kapere called for the two countries to work more closely in trade, education and people-to-people exchanges.

In a separate meeting, Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), told Kapere the two developing countries faced the same task of development.

Labelling Namibia an "all-weather" friend of China in Africa, Jia pledged to join hands with the Southwest African state and further bilateral ties between the two states, and the CPPCC and Namibia's National Council.

Kapere thanked China for its support and assistance on his country's road to national independence, saying he hoped to learn from China's development experience and to bolster cooperation.

- Singapore, China universities begin comprehensive collaboration (27th August)

(Xinhua) -- The Singapore University of Technology and Design (SUTD) and China Zhejiang University (ZJU) signed Thursday an agreement of collaboration in education, research, student exchange and competitions.

SUTD President Thomas Magnanti said at the signing ceremony that the collaboration between SUTD and ZJU also adds an eastern perspective to both the curriculum and research projects undertaken at SUTD.

"The collaboration not only significantly enriches the academic content of our curriculum and research, but also opens doors to the vibrant emerging economy of China," Magnanti said.

ZJU President Yang Wei said: "The creation of SUTD is very exciting. As we live in an increasingly complex, interconnected world, with global challenges such as climate change, sustainable development, energy consumption, and a rapidly ageing population, it is clear that solutions cannot be developed in isolation. There has to be an understanding and appreciation of the human, social and societal aspects."

Under the education program, ZJU will develop courses which will give SUTD's undergraduates a keener appreciation of Chinese culture, entrepreneurship, business culture, role of technology and design in growth of modern China in the 21st century, and history of Chinese urban development and planning.

The collaboration between SUTD and ZJU will also help to enhance SUTD's research enterprise through joint research projects between both universities. The areas of research will cover transportation, clean energy, environment, health care.

Students from both universities will have the opportunity for student exchanges which will enhance their undergraduate student experience. Under this program, SUTD will send up to 100 students per year to ZJU. ZJU will send up to 50 students per year to SUTD to take up courses offered at the university.

Collaboration also covers undergraduate design competitions. The universities will take turns as a host university to provide an opportunity for students and faculty to interact and exchange ideas, providing them with authentic learning experiences and international exposure.

- Report: Kim Jong Il has met with Chinese President Hu (28th August) CNN

(CNN) -- North Korean leader Kim Jong Il may have met with Chinese President Hu Jintao on Friday, South Korea's official news agency reported.

An unnamed South Korean official said government intelligence indicated that Kim and Hu met on Friday in the northeastern Chinese city of Changchun, according to the Yonhap News Agency.

Reports from multiple news sources indicated that Hu arrived in China Thursday, though neither China nor North Korea have confirmed the trip.

Kim's visit coincided with former President Jimmy Carter's trip to North Korea, during which Carter secured the release of a U.S. citizen who had been sentenced to eight years of hard labor for crossing over the Chinese border into North Korea.

That man, Aijalon Mahli Gomes, arrived home Friday afternoon in Boston, Massachusetts with Carter.

Carter, who arrived in North Korea on Wednesday, did not make any comments about his trip, which was shrouded in speculation over whether he would meet with Kim.

"At the request of President Carter, and for humanitarian purposes, Mr. Gomes was granted amnesty by the chairman of the National Defense Commission, Kim Jong Il," said a statement from the Carter Center in Atlanta, Georgia.

The Korea Herald, citing television station YTN, said Kim might be visiting with top Chinese officials to discuss handing power to his youngest son, Jong-un.

Kim is accompanied by his son, YTN reported, quoting a South Korean government official.

Kim spent five days in China in May and had a summit with the Chinese president.

<http://edition.cnn.com/2010/WORLD/asiapcf/08/27/north.korea.china/#fbid=AihLjxSaMLt&wom=false>

- China's top legislature ratifies int'l treaty against nuclear terrorism (28th August)

(Xinhua) -- China's top legislature on Saturday ratified the International Convention for the Suppression of Acts of Nuclear Terrorism.

The Standing Committee of the National People's Congress voted to approve the treaty at its bimonthly session from Aug. 23 to Aug. 28.

- Senior Chinese, U.S. diplomats discuss bilateral ties (28th August)

(Xinhua) -- The future development of U.S.-China ties was one of the key topics discussed when Chinese Vice Foreign Minister Cui Tiankai met U.S. Deputy Secretary of State James Steinberg in Little Washington, Virginia, on Thursday.

Both sides reviewed recent developments of bilateral ties and agreed that a sound China-U.S. relationship was in line with both countries' fundamental interests and was conducive to peace, stability and prosperity in the Asia-Pacific region as well as the world.

Both sides should safeguard and fulfil the important consensus reached by the two countries' leaders on building a positive, cooperative and comprehensive Sino-U.S. relationship for the 21st century, strive to deepen and broaden exchanges and cooperation in various fields, and properly handle disputes and sensitive issues in order to promote a consistent and steady development of bilateral ties.

Cui also exchanged views with Steinberg on major regional and global issues.

Cui also met several high-profile U.S. officials, including Deputy National Security Adviser Thomas Donilon and Under-Secretary of Defense Michele Flournoy in Washington DC.

- China's relief aid to Pakistan reaches 120 mln yuan (28th August)

(Xinhua) -- China has provided a total of 120 million yuan worth of humanitarian supplies to Pakistan in three batches, said Foreign Ministry spokeswoman Jiang Yu here Saturday.

"As Pakistan's neighbor and all-weather friend, China empathizes with Pakistan on the heavy casualties and property loss caused by the natural disasters," Jiang said in a written statement.

She said China's humanitarian aid to Pakistan was timely, efficient, sincere and without any additional conditions.

China will do what it can to help, including continuing to offer disaster relief materials and participating in the post-disaster reconstruction, she said.

China's People's Liberation Army has sent emergency equipment including generators, sludge-cleaning and water purification devices to Pakistan's armed forces to aid the country's flood relief work.

At the request of Pakistan, the Chinese government has decided to offer emergency supplies to help people in flood-stricken northern Pakistan, including rice, flour, sugar and other daily necessities.

The first batch of materials is being transported overland to northern Pakistan, Jiang said.

A Chinese search and rescue team arrived Friday in the southern Pakistani city of Thatta, Sindh Province, where heavy floods swept away hundreds of villages.

The Chinese rescue team, consisting of more than 60 members, set up tents and field hospitals to provide medical services to flood victims, she said.

She said the Red Cross Society of China and some of China's local governments, including Ningxia Hui Autonomous Region and Sichuan Province, had also offered cash and material assistance to Pakistan.

Some Chinese enterprises in Pakistan have donated humanitarian aid such as tents, food, medicine and face masks to the country, she added.

The month-long devastating floods, the worst in Pakistan's history, have killed at least 1,600 people, affected over 20 million and destroyed 900,000 homes.

- Defense ties with India not 'halted': China (28th August) Indian Express.com

As India put on hold bilateral defence exchanges, China on Saturday said that the two countries would act in the spirit of "consultation and unity" to develop military ties, but remain mum on issue of denial of permission to a top Indian General to visit here.

"China has not halted defence exchanges with India and has received no word that India has stopped military exchanges between the two countries," China's defence ministry said in a brief statement circulated to media here.

"China takes seriously developing military ties with India, and we are confident that both sides will stay focused on the broader picture of bilateral ties between our two countries, acting in a spirit of consultation and unity to promote the healthy development of military ties," it said.

India has put on hold its defence exchanges with China after Northern Army Commander Lt Gen B S Jaswal was refused permission to visit Beijing as he commands the "sensitive" Jammu and Kashmir.

<http://www.indianexpress.com/news/China--India-military-ties-on-track-despite-visa-row/673741>

- China, Japan in high-level economic talks (28th August)

China and Japan met on Saturday for talks on trade tensions between the world's number two and three economies but also North Korea and worries over Beijing's military ambitions.

Foreign Minister Katsuya Okada is leading a delegation to Beijing that includes five other cabinet ministers and opened the talks in the afternoon with a Chinese group led by Vice Premier Wang Qishan.

"The economies of both countries highly rely on each other," Wang told the Japanese delegation, and called for even greater economic cooperation between the trading powers.

A top priority for Tokyo at the third Japan-China High-level Economic Dialogue will be perceptions of a worsening business environment for Japanese firms in China, a Japanese official said.

These concerns have been punctuated by recurring labour disputes at foreign-established factories in China in recent months, many of which have hit Japanese manufacturers.

"One of the main topics will be how to improve the business environment for Japanese companies in China so that they can operate," said the Japanese official, who spoke on condition of anonymity.

China has heard a chorus of complaints by European and US businesses and officials over perceived unfair policies and market restrictions.

Wang said the talks would focus on promoting economic recovery, strengthening cooperation and how to "jointly deal with challenges."

Okada told his counterpart Yang Jiechi that Tokyo was against an early restart of six-nation talks hosted by China on dismantling North Korea's nuclear programmes, Kyodo news agency reported.

Okada said Pyongyang needed to "make specific efforts" towards denuclearisation, especially in light of the sinking of a South Korean warship in March which killed 46 sailors.

Washington and Seoul have said the ship was sunk by a North Korean torpedo, which Pyongyang denies.

The unpredictable North stormed out of the six-nation talks last year. The talks include China, the two Koreas, the United States, Japan and Russia.

Tokyo also would likely raise longstanding concerns over the intent of China's rapid military build-up and competing Chinese and Japanese territorial claims in the East China Sea could also come up, the Japanese official said.

The Japanese delegation to the closed-door, one-day talks, which also include Finance Minister Yoshihiko Noda and Trade Minister Masayuki Naoshima, was scheduled to make a courtesy call on Premier Wen Jiabao on Sunday.

Chinese representatives include Foreign Minister Yang Jiechi, Finance Minister Xie Xuren and Commerce Minister Chen Deming.

- Senior Chinese, U.S. diplomats discuss bilateral ties (28th August)

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Economic front

- China's CPI likely to peak in August: economist (22nd August)

(Xinhua) -- China's consumer price index (CPI), one of the main gauges of inflation, will peak in August before starting to fall in the following months of the year, an economist said Sunday.

"The CPI is likely to surpass 3.3 percent in August but that will be the highest level for the year," said Lian Ping, chief economist at Shanghai-based Bank of Communications.

He said commodity prices will remain relatively low in the short term as market concern about a weak economic recovery linger and as the European debt crisis spreads.

Chinese inflation will also ease due to China's slower economic growth rates and a fall in the price of industrial goods, Lian added.

However, long-term inflationary pressures cannot be ruled out, due to potential rises in the cost of food, labor and natural resources, he said.

Lian said he expects inflationary pressures to grow in March and April next year.

Largely on the back of rising food prices after widespread flooding wrecked crops and disrupted shipping, China's July CPI rose 3.3 percent from a year earlier, the fastest rate since October 2008.

The CPI for the first seven months of the year stood at 2.7 percent, below the whole-year target of 3 percent.

- China insurance industry assets totaled \$672 bln at end of July: CIRC (23rd August)

(Xinhua) -- The assets of China's insurance sector totaled 4.57 trillion yuan (672 billion U.S. dollars) at the end of July 2010, the nation's insurance regulator said Monday.

Premium revenue of the sector during the first seven months of the year totaled 903.91 billion yuan. Of that, 670.14 billion yuan came from the personal insurance business and 233.77 billion yuan came from the property insurance business, the China Insurance Regulatory Commission (CIRC) said in a statement posted on its website.

The commission did not provide figures for year-on-year change.

- China to lift installed hydropower capacity by 50% on emissions concerns: energy chief (25th August)

(Xinhua) -- China will expand its installed hydropower capacity to 300 million kilowatts by 2015 from the current 200 million in an effort to cut carbon dioxide emissions, the country's top energy official said here Wednesday.

Zhang Guobao, director of the National Energy Administration (NEA), told the popular web port Sina.com in an on-line interview that such an expansion is needed for China's goal to reduce its carbon dioxide emissions per unit of gross domestic product (GDP) by 40 to 45 percent by 2020.

China promised at the Copenhagen Conference on global climate change last year that it would generate 15 percent of its power from non-fossil sources by 2020, up from the current 7.8 percent.

"We will take the initiative to deliver that promise even though the task is not easy at all," Zhang said. "But we still have a lot of basic work to do."

China has long relied on coal to fuel its economic growth as about 83 percent of its electricity output is produced by coal-fired power stations.

China's non-fossil sources-generated energy include hydropower projects, nuclear power stations, wind power and solar plants, with hydropower accounting for about three fifths of the total.

Zhang said China would step up its efforts to develop hydropower projects across the country under stricter approval procedures, which focus on the protection of the environment, rights of relocated immigrants and land resources.

Of China's 542 million kilowatts of exploitable hydroelectric potential, only 400 million kWh is suitable for hydropower construction, Zhang said.

"So China can only develop a maximum of 400 million kWh of installed hydropower capacity," Zhang said. "The final hydropower generation would likely be between 300 million and 350 million kWh."

Zhang said the NEA is still studying the feasibility of raising the on-grid price for hydropower to the same rate as electricity produced by thermal power plants.

Such proposal, if adopted, would benefit hydropower operators but increase costs for grid operators and the public.

"Views on raising the on-grid price for hydropower vary among different government departments, and the public at large," Zhang said. "We should take into account what society can afford."

China's feed-in tariff for hydropower projects is mostly between 0.2 yuan and 0.3 yuan per kWh, but the rate for coal-fired power plants ranges higher between 0.3 and 0.4 yuan per kWh. Feed-in rates for wind and solar power are even higher.

China maintains rigid price controls on energy resources including power, gas and oil. On-grid power prices often vary by plant and retail rates differ between region, industry and even users.

Any electricity rate hike must be approved by the National Development and Reform Commission, China's top economic planner. Zhang himself is also deputy director of the commission.

- China becomes hydro superpower, but aims for greater capacity (25th August)

(Xinhua) -- As all generating units began running Wednesday at Xiaowan Hydropower Station in the southwestern Yunnan Province, China's hydropower capacity became the world's largest.

The new 700,000 kilowatt-unit at Xiaowan sent China's installed hydropower capacity just above 200 million kilowatts and marked the completion of the 4.2 million-kilowatt Xiaowan Hydropower Station project, China's second largest hydropower project after the Three Gorges.

With a total investment of 40 billion yuan (5.86 billion U.S. dollars), Xiaowan can produce 19 billion kWh of electricity every year.

At a ceremony at the station, Liu Qi, deputy director of the National Energy Administration (NEA), hailed it as "a great leap forward" for China's hydropower industry after a century of development.

China's first hydropower station, Shilongba Power Station, was built near Kunming, provincial capital of Yunnan, 100 years ago.

"The rapid development of the hydropower industry is of great significance to optimizing China's energy structure and reducing carbon emissions," Sun Yucai, executive vice chairman of the China Electricity Council, said at the ceremony.

The government promised at the Copenhagen Conference on global climate change last year that China would cut its carbon emissions per unit of gross domestic product (GDP) by 40 to 45 percent by 2020.

China also undertook a commitment to generate 15 percent of its power from non-fossil sources by 2020, up from the current 7.8 percent.

As the most competitive non-fossil energy, hydropower was key for China to realize its emissions reduction goal, Sun said.

China has long relied on coal to fuel its economic growth with about 83 percent of its electricity produced by coal-fired stations, according to the NEA.

To match the installed hydropower capacity of 200 million kilowatts, thermal power plants would have to burn 288 million tonnes of coal equivalent, emit 855 million tonnes of carbon dioxide and 5.4 million tonnes of carbon sulfur dioxide every year, according to China Electricity Council estimates.

Zhang Guobao, director of the NEA, told Xinhua Wednesday that hydro projects with another 70 million kilowatts capacity were under construction, and another 100 million kilowatts of capacity was needed.

"If all the planned hydropower projects begin construction in the next three years, it is still possible to expand the current installed hydropower capacity to 380 million kilowatts by 2020," Zhang said.

"We need careful and detailed planning and imperative approval procedures," he said.

In a separate interview with web portal Sina.com Wednesday, Zhang said China would expand its installed hydropower capacity to 300 million kilowatts by 2015 in an effort to cut carbon emissions.

- China economy faces complicated domestic, international conditions: official (26th August)

(Xinhua) -- China's top economic planner said Thursday that China's economy still faced complicated domestic and international conditions.

The foundation for world economic recovery remained fragile, and uncertain and unstable factors still abounded, said Zhang Ping, director of the National Development and Reform Commission.

Zhang made the statement in his report on the implementation of national economic and social development plan for the first seven months to the 16th Session of the Standing Committee of the 11th National People's Congress (NPC), a bimonthly session running from Aug. 23 to 28.

He identified greater fluctuations in the exchange rates of major currencies and international commodity prices, as well as rising trade and investment protectionism worldwide as the major uncertain factors in the international market.

Domestically, natural disasters including floods and landslides had resulted in heavy losses nationwide and added difficulties for raising grain production, he told the lawmakers.

Other challenges include the heavy pressures in reaching the target of improving energy efficiency (the ratio of energy consumption to gross domestic product) by 20 percent from 2005 to 2010 and in managing inflationary pressure, he said.

- China's gov't funds expenditure increases 134% yoy in first seven months: finance minister (26th August)

(Xinhua) -- China's government funds expenditure surged 134.3-pct year on year in the first seven months of 2010 as compensation for land purchases grew rapidly, a senior official said Thursday.

From January to July, China's government funds expenditure hit 1.32 trillion yuan (194 billion U.S. dollars), China's Finance Minister, Xie Xuren, said during his report on the implementation of the fiscal budget plan for the first seven months of this year.

The report was presented to the 16th Session of the Standing Committee of the 11th National People's Congress, a bimonthly session running from Aug. 23 to Aug. 28.

Total revenue of China's government funds in the first seven months reached 1.8 trillion yuan, up 146 percent from one year earlier, as local governments increased revenues due to land purchases, Xie said.

China's government funds revenue are made up from a series of specialized charges authorized by the central government, including land revenues and part of road tolls.

China's budget for public affairs, including rural infrastructure and education as well as medical treatment and public health, stood at 7.48 billion yuan in the first seven months of 2010, Xie added.

- China's top banks face harsh reality after strong H1 (26th August)
(Reuters) - Top Chinese lenders ICBC ([1398.HK](#)) and Bank of China ([3988.HK](#)) signaled a peaking of earnings growth after strong second-quarter profits, as they slowed their lending and focused on asset quality.

Chinese banks, which are trying to become more commercial and move away from their policy-based lending past, have benefited over the past year from a jump in interest income and improving margins after a government-backed lending boom in 2009.

But many fear they may soon have to pay the piper as China tightens liquidity to cool a racing economy, and as regulators require them to prepare for an increase in bad loans if the real estate market starts to decline.

"Banks' profit growth may have peaked as lending is likely to slow in the second half, while there's little room for interest margins to rise further," said Qiu Peng, analyst at Western Securities.

"There's also lingering concern over banks' asset quality in the event of a drastic slowdown in the economy, but so far, there are no signs of deterioration. But such fears will continue to weigh on banking stocks."

Industrial and Commercial Bank of China (ICBC) ([601398.SS](#)) and Bank of China, the country's No. 1 and No. 4 lenders, posted second-quarter profit growth of 38 percent and 15 percent, respectively, on Thursday on the back of the lending boom.

The results capped a season of strong quarterly earnings by Chinese banks, reflecting an economy that grew by 10.3 percent during the second quarter.

BANKS BRACE FOR HANGOVER

China's banking industry has evolved in the last decade from its roots as a policy-oriented lending machine to one that tries to be more market-focused, with most of the nation's top banks going public to highlight their new commercial bent.

The conflict between policy- and market-oriented lending continues to hound many, which count the government as their major shareholder.

Chinese banks made a record 9.6 trillion yuan in new loans during last year's lending boom, nearly double the volume of 2008. The government is aiming to slow the pace somewhat this year, with a target of 7.5 trillion in new loans for 2010.

Now the banks are bracing for a hangover that many observers see as all but inevitable, with bad loans likely to rise sharply from current low levels as questionable loans made in 2009 comes home to roost.

The magnitude of any looming hangover will largely depend on Beijing's skill at cooling the economy: if it applies the brakes too quickly, tumbling markets could cause bad loans to balloon, whereas a softer landing could lessen the blow.

"Risks for China's banking sector are seen as manageable, barring a serious macroeconomic downturn," said Nan Sheng, an analyst at UOB Kay Hian.

STRESS TESTS

Responding to Beijing's shift toward monetary tightening, China's banking regulator conducted stress tests on banks this month, asking them to evaluate the impact on their balance sheets in the event of a 60 percent slump in home prices.

The regulator is also diagnosing the health of an estimated \$1 trillion worth of loans to local government infrastructure, though results of both tests have not been made public.

To ward off risks, regulators have urged banks to strengthen their books weakened by last year's lending binge, triggering a fundraising rush among lenders to raise more than \$80 billion dollars in total to buffer potential losses.

All the tightening signs bode poorly for earnings growth in the near term.

"Profit growth in the second half is set to be lower than that of the first half," said UOB's Nan.

The HSI-Finance Index [.HSNF](#) which tracks major Hong Kong-listed Chinese banks, is down 10.4 percent this year, nearly double the 5.7 percent drop in the main Hang Seng Index [.HSI](#), as investors worry about the sector's health as well as massive planned capital-raising to replenish their balance sheets.

ICBC, in which Goldman Sachs ([GS.N](#)), Allianz Group ([ALVG.DE](#)) and American Express ([AXP.N](#)) hold stakes, and BOC are raising funds through shares and bonds issues, following on from Agricultural Bank of China's ([601288.SS](#)) ([1288.HK](#)) record IPO in July.

Three of China's "Big Four" state banks -- ICBC, Bank of China and China Construction Bank ([0939.HK](#))([601939.SS](#)) -- have so far reported second-quarter profit growth ranging from 15-38 percent, while smaller rivals such as China Merchants Bank ([600036.SS](#)) and Everbright Bank posted even faster growth.

Banks also benefited from a rapid increase in non-interest incomes as they collected more fees and commissions from selling insurance and mutual fund products.

Shares of ICBC, which has a market value of more than \$210 billion, closed down 0.2 percent on Thursday in Hong Kong ahead of the results. The shares have fallen 13 percent so far this year, underperforming the benchmark Hang Seng Index [.HSI](#), which has declined 4 percent.

Bank of China's Hong Kong-listed shares were unchanged on Thursday, having fallen 5.7 percent so far this year.

<http://www.reuters.com/article/idUSTRE67P24220100826>

- Taiwan stock market to have first Chinese listing (26th August)

Taiwan said a mainland Chinese company will list on the island's stock exchange for the first time ever in September, underlining rapidly improving economic ties between the sides.

Taiwan Stock Exchange spokesman Stanley Chu said Thursday that China's Yangzijiang Shipbuilding Holdings Ltd. plans to raise New Taiwan dollars 4.08 billion (\$128 million) from a Taiwan Depository Receipt listing.

Yangzijiang is one of China's top five shipbuilders.

Chu said the listing is scheduled for September 8 with price per share expected at NT\$17-19 (\$0.53-\$0.59).

"We see this listing as a strong future indicator and hope to attract more Chinese companies," he said.

Taiwan and China split amid civil war in 1949, and the mainland continues to regard the democratic island as part of its territory, threatening invasion if Taiwan moves to make its de facto independence permanent.

But during his 27 months in office, Taiwanese President Ma Ying-jeou has lowered tensions across the 100-mile- (160-kilometer-) wide Taiwan Strait to their lowest level in six decades, amid a welter of economic initiatives, including a wide-ranging trade agreement signed in June.

Taiwan's stock market gained almost 80 percent last year, largely on expectations of substantial benefits to be derived from closer China ties, but is down this year about 5 percent.

While China is Taiwan's most important export market, many export items are electronic components assembled in China and sold to the U.S., so economic conditions there remain a key factor in determining the island's economic growth.

<http://www.businessweek.com/ap/financialnews/D9HR3NUG0.htm>

- Regulating housing market still a daunting task: China official (26th August) (Xinhua) -- China's top economic planner said Thursday the regulation of the property market was still a daunting task in spite of "initial progress" the country has made in cooling excessive prices.

In the second half, the government would "stabilize property market regulating policies, further implement the measures meant to curb excessive gains in housing prices, and resolutely restrain speculative property investment," said Zhang Ping, director of the National Development and Reform Commission.

Zhang made the statement in his report on the implementation of national economic and social development plan for the first seven months this year to the 16th Session of the

Standing Committee of the 11th National People's Congress, a bimonthly session running from Aug. 23 to Aug. 28.

Zhang said the government would continue to improve the "basic housing guarantee system," as well as "increase the investment and land supply for affordable housing, accelerate the building of affordable housing and add effective housing supply as soon as possible."

The central government had raised building subsidies for new affordable rental homes in central China from 300 yuan (44 U.S. dollars) to 400 yuan (59 U.S. dollars) per square meter and in west China from 400 yuan to 500 yuan, Zhang said.

Earlier this month, Vice Premier Li Keqiang said the government would continue to regulate the housing market and resolutely crack down on speculative property investment and other unreasonable market demand.

Li said the government would continue to increase the supply of affordable housing for low-income families in order to consolidate the effects of the regulation.

Housing prices in major Chinese cities rose 10.3 percent year-on-year in July, slower than the 11.4 percent growth in June, according to official figures.

On a monthly basis, housing prices in June fell by 0.1 percent from May and the July prices stayed the same as June.

- Gray income report sparks controversy (27th August)

(Xinhuanet) -- A report on China's widening income gap and a potentially high level of unreported income earned by the rich has come under fire.

The report, entitled Gray Income and National Income Distribution, suggested China's "gray income" reached 5.4 trillion yuan (\$794 billion) in 2008.

Officials from the National Bureau of Statistics (NBS) said on Wednesday that the figures in the report, which was published by an independent group in July, were unreliable.

"There are many flaws in the report, such as how the samples were chosen and calculations made, and the final result is significantly higher (than the actual level)," said Shi Faqi, an official with the NBS, in an article on the bureau's website.

Shi's article was commenting on a report by Wang Xiaolu, deputy director of the National Economic Research Institute affiliated with the China Reform Foundation, a Beijing-based economic development research group.

That report claimed China's average urban household income was 90 percent higher than official data, which it claims does not cover gray income such as kickbacks and bribes.

He said such gray income, amounting to 5.4 trillion yuan in 2008, was mostly earned by those who already have high incomes.

Wang also suggested that the discrepancy means China's gross domestic product (GDP) could be higher, its income gap wider, and the proportion of national income earned by laborers even lower than reported.

In fact, Wang's study on gray income from 2005 to 2008 showed that the growth of such income in China was faster than that of the GDP, with the rich getting most of it.

The survey that led to Wang's report covered only 4,909 households, about 7.6 percent of that investigated by the NBS survey, and thus the results based on the survey were not reliable, Shi said.

Furthermore, the households in the report were picked by researchers, instead of by random sampling, which was likely to cause serious deviations, Shi said.

Additionally, the report developed mathematical models to process variables such as consumer prices, residents' dietary habits and educational backgrounds, which had significantly overestimated the level of China's household earnings, he noted.

According to calculations using the model, the country's per capita disposable income in cities topped 32,000 yuan in 2008, double the NBS figure, while total urban incomes would account for nearly 74 percent of China's GDP.

"Such results are apparently not reasonable," Shi said.

(Source: China Daily)

- China's industrial profit up 61.1% in first seven months (27th August)

(Xinhua) -- Profits of Chinese industrial enterprises in 24 regions climbed 61.1 percent year on year to 1.88 trillion yuan (275.90 billion U.S. dollars) in the first seven months, the National Bureau of Statistics (NBS) said Friday.

The growth rate was 10.7 percentage points lower than that in the first half year, said a statement on the NBS website.

Among the 39 industrial categories in the survey, total company profits in 36 grew year on year, according to the statement.

The survey covers industrial enterprises with main business revenues above 5 million yuan annually.

The 24 regions comprise all of the Chinese mainland provinces, municipalities and autonomous regions except the Inner Mongolia and Tibet autonomous regions; Hunan, Guangdong, Hainan and Yunnan provinces; and Chongqing.

- China's Rapid Growth Often Leads to Problems Down the Road (27th August)
New York Times

Chinese authorities proclaimed an end this week to an epic traffic jam that had brought some drivers here to a dead halt for up to five seemingly endless days. Which is heartening news, save two problems. One is that the traffic jam has not ended. “That’s impossible,” an officer at the Zhangjiakou Highway Traffic Police Detachment said Friday. “All the lanes are filled up. If you get on the highway from Inner Mongolia to Hebei, you’ll be stuck for four or five days.” The other is that it may not end until, oh, 2012.

The Great Chinese Gridlock of 2010 — up to 60 miles long, on a freeway linking Beijing and Inner Mongolia’s capital, Hohhot — has earned a welter of global publicity this month on tales of drivers marooned for days in immobile traffic lanes, and profiteering locals selling them freeze-dried noodles at usurious prices.

“I spent five days and five nights last week without moving,” a trucker who conceded only his last name, Li, said during a roadside chat outside this city on Thursday. “Apart from sleeping, you just eat. And you can only eat the instant noodles.” These cost about 45 cents, from a roadside hawker, plus \$1.20, for the water needed to soften them.

The gridlock has been building for up to a year, the inevitable result of the difficulty of [China](#)’s construction crews in keeping up with China’s breakneck growth.

In this case, a government decision to satisfy surging demand for electric power by tapping Inner Mongolia’s coalfields has flooded local highways with thousands of coal trucks, overwhelming police officers’ best efforts to herd them.

The government is building two new [rail lines](#) on the trucks’ route, one for coal and the other for freight, as well as a second passenger-only line to relieve congestion. But those railroads will not open until at least 2012, and perhaps later.

And so huge traffic jams of the sort that plagued this road in August are all but guaranteed to continue. Indeed, logistics experts here say the miracle is that more such bottlenecks do not occur.

“China probably does a better job of executing on this kind of big infrastructure than almost any other country, anytime, anywhere,” said John Scales, in charge of transport issues for the World Bank’s Beijing office. But even in China, where niceties like environmental impact statements are dispensable, planning and executing huge construction projects takes years, not months.

The challenges facing Chinese builders are clear from the statistics, which by themselves are staggering.

This nation has been on a building binge for decades — and indeed, the highway from Beijing as it begins its way toward Mongolia would largely be familiar to any American interstate highway driver. In 2000, China boasted about 7,450 miles of such expressways. A decade later, it has 40,400 miles, not much smaller than the American system, which it plans to leapfrog by 2020.

Rail construction has moved almost as quickly: 2,500 miles of new track a year, the Communications Ministry says, along with upgrades on existing rail lines to improve trains’ speed and carrying capacity.

But the government's construction plans have not dovetailed with its equally vast energy plans. Electricity output has more than doubled just since 2000, and coal-burning plants produce about two-thirds of that power, compared to one-half in the United States. Shaanxi Province, in Central China, once was the main coal source for power plants, but recent production and worker-safety problems there led the government to tap bigger coal deposits in Inner Mongolia, in China's far north.

Therein lies a problem. Mongolian coal production has exploded — up 37 percent to 637 million tons last year alone, with an additional 15 percent increase expected this year. Much of the coal is supposed to move to seaports on China's east coast, to be shipped to big cities in the south. But pig-in-python style, even China's brand-new freeway system cannot handle the volume.

On an ordinary freeway, the 300-mile drive from Hohhot to Beijing would consume several hours. Here, China's coal haulers say, the same trip generally requires up to three days' travel, including weight checks and unloading coal. Recent traffic jams have pushed travel time to a week or more.

But even moving west to Beijing — a six-lane stretch that winds past popular Great Wall tourist sites — traffic jams can stall drivers for hours. On a recent evening, a passenger whiled away two hours on a deadened stretch 60 miles from Beijing, as thousands of coal trucks idled and vendors darted among the vehicles, selling apples and other treats.

“The more roads they build, the more congested it gets,” one trucker, 45-year-old Wang Haihe, volunteered. “And then they build some more roads.”

<http://www.nytimes.com/2010/08/28/world/asia/28china.html>

- Chinese investment, a real threat to U.S. national security? (27th August)

(Xinhua) -- The United States has repeatedly blocked investment from Chinese companies on national security grounds, a protectionist move that will only harm its own interests, analysts say.

Eight U.S. congressmen recently asked the Obama administration to scrutinize a deal between Chinese telecom equipment giant Huawei and the American operator Sprint Nextel on national security grounds.

It was not the first time Huawei's attempts to break into the U.S. market have been stymied. Earlier its buyout attempt of 3Com was summarily dismissed by the U.S. government.

Citing national security concerns again, a bipartisan group of 50 lawmakers in July requested that the government investigate an investment project of China's Anshan Iron and Steel Group (Ansteel), China's fourth largest steelmaker, which plans to establish a joint rebar venture with a U.S. partner in Mississippi.

"It is inappropriate for some U.S. lawmakers to label regular business behavior as a move that threatens national security," Yao Jian, a spokesman for the Ministry of Commerce, recently said about Ansteel's investment plan.

"I hope the United States can create a better investment environment for Chinese enterprises," he said.

Chinese analysts said the actions were sheer protectionism, adding that national security concerns is only a lame excuse by U.S. authorities, whose true intention is to protect the interests of domestic enterprises and industries.

Moreover, standing up to China's allegedly unfair trade practices can easily earn the congressmen much needed political chips in the upcoming mid-term election in November, the analysts said.

The setback that Huawei and Ansteel suffered is only the tip of the iceberg. Actually, blocking investment from Chinese companies in the name of national security has morphed into a knee-jerk reaction that could only harm America's own interests.

Emcore Corporation, a U.S. fiber optics producer, announced in late June that it has abandoned a joint venture in partnership with China's Tangshan Caofeidian Investment Corporation because the Committee on Foreign Investment in the United States "has certain regulatory concerns about the transaction."

Another State-owned enterprise, Northwest Nonferrous International Investment Company, was also forced to withdraw a purchase of 51 percent stake in Firstgold Corp., a gold mining firm located near a U.S. military base in Nevada.

"Some U.S. politicians still see China through tinted glasses," said Chen Fengying, a senior strategist with the China Institute of Contemporary International Relations.

In their eyes, China is still a planned economy under a totalitarian regime, she said.

"As a result, they begin to politicize Chinese investment and make it become an issue of security even before Chinese companies carry out any business activities there," she said, "It is not fair for the Chinese enterprises," whose regular business behavior has been constantly mischaracterized.

Chen said that compared with the difficulties Chinese firms face in the United States, it is much easier for American companies to invest in China.

According to Ministry of Commerce officials, U.S. companies operating in China report annual profits of at least 80 billion U.S. dollars.

By last June, the total number of U.S. investment projects in China had exceeded 57,000 and the value of accumulated U.S. investment in China reached 61 billion dollars.

According to the American Chamber of Commerce in China's 2009 White Paper, about 74 percent of American businesses in China made profits and 91 percent chose to stay in China to expand their business.

On the other hand however, the total value of accumulated Chinese direct investment in the U.S. was only 3.1 billion dollars by last June, according to ministry statistics.

Chen said opening the American market wider to Chinese companies will definitely create many more job opportunities in the United States, a fact that U.S. politicians can't afford to ignore as the country is still haunted by an unemployment rate as high as 9.3 percent.

American politicians should abandon their bias and discrimination against Chinese enterprises and free themselves from the Cold War mentality, Chen said.

"After, solving the problem of unemployment could bring much more tangible benefits for the American people," she said.

- Chinese vice premier stresses development of service industry (27th August)

(Xinhua) -- Chinese Vice Premier Li Keqiang has stressed the development of the service industry as part of the government's efforts to promote economic restructuring and to accelerate the transformation of its economic development pattern.

Li made his remarks at a meeting focusing on the development and reform of the service industry sponsored by the National Development and Reform Commission (NDRC) on Thursday.

The service industry is not only conducive to expanding job opportunities, but also has a low cost of resources, Li said.

He further called on local authorities to be innovative in using their regulatory systems to shore up the development of the service industry.

Representatives from Shanghai, and provinces of Liaoning, Jiangsu, Hubei and Sichuan explained their experiences in creating service industries.

- New Zealand minister urges exports to target Chinese market (27th August)

(Xinhua) -- New Zealand exporters should be targeting markets such as aspiring middle classes in China where people can afford to buy premium New Zealand produce such as wines, said New Zealand Agriculture Minister David Carter.

"The challenge we have is to make sure the Chinese middle class gets a taste for New Zealand wine, because that middle class is huge," he told Winegrowers NZ's national conference in South Island town of Blenheim on Friday.

"Of China's 1.3 billion people, at least 250 million earn the same per capita income as the average New Zealander, so they can afford our premium products," he said.

Carter told the conference that China was now New Zealand's second-largest trading partner and that the free trade deal meant from the end of next year there would be no Chinese tariffs on New Zealand wine.

"Our exporters will have a significant advantage over international competitors who will continue to pay tariffs between 14 and 20 percent," he said.

Over the next 40 years the world's population was expected to increase from 6 billion to 9 billion people, he said.

"As a producer of premium products, our target will be the upper and middle classes -- the 50 million people in the future that can afford, and are prepared to pay more, for high quality food and beverage that is backed by integrity and reputation," he said.

- China to expand trade with Arab, central Asian countries (27th August)

(Xinhua) -- China's only Muslim autonomous region is hoping to set up a free trade zone to expand two-way trade with Islamic countries, the local government said Friday.

"We are hoping to further trade and economic cooperation with the world's Muslim community," said Ma Fu, head of the commerce department in Ningxia Hui Autonomous Region.

Ma said the regional government had worked out initial plans for a free trade zone with the Muslim countries, but did not elaborate on the plans or give a detailed timetable.

He said Ningxia region, where 36 percent of the 6.2 million people are Muslims, traditionally enjoyed cultural and trade relations with the Arabian countries.

In recent decades, the region has relied largely on the more developed economies -- including the United States, Japan, Republic of Korea and the European countries -- as its destination markets.

The global financial crisis of 2008, however, severely dented the region's export earnings because of its reliance on these economies and caused a rethink about its overseas trade.

"We need to restructure our export markets and products," said Ma, "and will explore new markets in the Middle East, Southeast Asia and Central Asia."

He said trade with these markets would include Muslim food and other products specific to Muslims.

By 2015, he said the region would foster 20 export-oriented manufacturers of Muslim products, including processed food and farm produce.

Ningxia, whose Muslim population is at least 10 percent of China's 20 million Muslims, also hopes to attract investment from the Arab League's 22 member states.

In September, it will host a China-Arab Economic and Trade Forum.

The regional government has issued a plan to train more Arabic language professionals in the coming decade.

Last year, two-way trade between China and the Arab states hit 107.4 billion U.S. dollars, compared with 36.4 billion U.S. dollars in 2004.

China and Arab countries have relations dating back about 2,000 years ago. China has diplomatic ties with all 22 members of the Arab League.

MOU TO CEMENT TIES WITH CENTRAL ASIAN NEIGHBORS

Officials in southwest China's Sichuan Province signed a memorandum of understanding Thursday on regional cooperation with five central Asian countries.

The MOU was signed between the Sichuan branch of China Council for the Promotion of International Trade, Chamber of Commerce and Industry of Kyrgyzstan and the Embassy of Tajikistan in China.

It covers diverse sectors for cooperation between China and the five central Asian countries, including Kyrgyzstan, Tajikistan, Kazakhstan, Uzbekistan and Turkmenistan.

Sichuan Province has established trade and economic relations with all these countries in oil, gas, agriculture as well as service industries, said Chen Baoming, deputy secretary-general with the provincial government.

- China's largest rural lender profit jumps 40% on expansion of rural business (28th August)

(Xinhua) -- The Agricultural Bank of China (ABC), the country's largest rural lender, said Friday that its net profit in the first half year jumped 40.2 percent on the expansion of rural business.

Net profits hit 45.86 billion yuan (6.77 billion U.S. dollars) in the first half year, according to its statement delivered to the Shanghai Stock Exchange.

Also, its non-performing loans decreased 13.16 billion yuan in the first half-year compared with the end of last year, according to the statement.

The non-performing credit rate fell to 2.32 percent, 0.59 percentage points lower than the 2009 figure.

The company attributed its growth in profits to robust growth of loans in rural areas due to its upgrading of services.

The Beijing-based company launched its Initial public offering (IPO) at the Shanghai bourse and the Hong Kong bourse in July this year.

Social front

- China to intensify crackdown on illegal human organs trade (23rd August)
(Xinhua) -- Illegal buying and selling of human organs has been written into a draft amendment to China's Criminal Law to intensify the crackdown against the illegal trade. The draft amendment was on Monday submitted to the Standing Committee of the National People's Congress (NPC), China's top legislature, for its first read.

The draft amendment states that those involved in illegal trading of human organs, including organizing, coercing and tricking others into donating, and taking human organs from the deceased without the donor's consent, should be subject to a five-year sentence or longer, plus fines and confiscation of property.

Each year in China nearly one million people need kidney transplants and 300,000 need liver transplants, but only around one percent can get them legitimately due to a lack of donations, according to statistics from the Ministry of Health.

The huge shortfall in organ donations is widely believed to have given rise to the illegal trade.

- Chinese Vice Premier urges improvements in social security system (23rd August)

(Xinhua) -- Chinese Vice Premier Zhang Dejiang has urged the country's social security authorities to put more efforts to improve China's social security system and people's living conditions.

Zhang made the remarks at the fourth China Social Security Forum in Beijing Monday, saying more attention should be given to the building of a social security system that would offer universal coverage by 2020.

Under the theme "Social Security System Construction and Sustained Development," the forum has attracted more than 600 government officials, experts, business people and representatives from international organizations.

Zhang called for more financial support to the sector to step up improvements to the social security system in rural areas, the old-age pension system for urban residents and the medical insurance system.

Efforts should be made to allow the social security network to cover more people, including rural migrant workers, private sector workers and residents of both urban and rural areas, Zhang said.

- China mulls law on foreign-related civil, commercial conflicts (23rd August)

(Xinhua) -- Chinese nationals married to foreigners will have to settle any marital conflicts according to the law of the country where they live most of the time under proposals that went before Chinese lawmakers Monday.

The law of their main country of residence would be applied to all disputes involving divorce or inheritance, according to a draft law on the application of laws to civil relationships involving foreign interests.

The draft was on Monday submitted to the Standing Committee of the National People's Congress, China's top legislature, during its bimonthly session for a second reading.

Laws in the region where the deceased lived most often would be applied to inheritance issues, except when the legacy involved fixed property, in which case the laws of the property location should be applied, said the document.

Courts in China receive more than 10,000 foreign-related civil and commercial cases every year.

If passed, the law would allow workers or employers to seek redress under the law of the land where they worked in labor conflicts. In cases where a fixed work place was difficult to identify, laws in the region where the employers were based should be applied.

For procurement contracts, laws in the country where buyers resided should be applied, said the draft.

The session is scheduled to run from Aug. 23 to Aug. 28.

- China mulls heavier penalties for forcing others to labor (23rd August)

(Xinhua) -- Those convicted of forcing others to labor may face penalties of up to seven years of imprisonment instead of only three years, as China's top legislature mulls cracking down on the crime.

A draft amendment to the Criminal Law was submitted Monday to the Standing Committee of the National People's Congress (NPC), China's top legislature, for its first reading.

The draft amendment states that those forcing others to labor through violence, coercion or the restriction of personal freedom be subject to, in addition to fines, a maximum seven years of imprisonment.

China's current Criminal Law imposes a maximum three years imprisonment for the crime.

Several forced labor scandals have come to the light in China in recent years.

In May 2009, police in eastern Anhui Province arrested 10 for allegedly beating and forcing 32 mentally-handicapped people to work in brick kilns in slave-like conditions.

Another forced-labor scandal made headlines in 2007. Then, a brick-kiln boss in northern China's Shanxi Province was found to have forced 1,340 people to labor, 367 of whom were mentally handicapped.

Liu Mingxiang, deputy dean at the Renmin University of China's Law School, said: "It was severe abuse in those notorious 'black brick kilns.'"

"The draft amendment designate the acts of the 'go-betweens' as criminal, too," Liu noted.

"If the draft amendment becomes law, the frequency of forced labor in China will drop, as the law will not only penalize those who force people to labor but also those who facilitate such practices," he said.

- China mulls law to better protect intangible cultural heritage (23rd August)

(Xinhua) -- The State Council, China's cabinet, Monday submitted a law on safeguarding China's intangible cultural heritage (ICH) for its first reading at the nation's top legislature, the National People's Congress.

The draft law proposes the creation of representative lists of national and local intangible cultural heritage to safeguard heritage that is of historic, literary, artistic or scientific value.

The State Council and provincial governments must create ICH lists separately while county governments should make regular surveys of ICH, the draft law said.

Foreign organizations can only make such surveys in China after obtaining Chinese government approval and in cooperation with Chinese academic research institutions, according to the law.

The draft law comprises of six parts, including: the definition of ICH; mechanisms for ICH surveys; regulation of the inheritance of ICH; and penalties for destruction of ICH.

ICH is defined as the traditional cultural expressions and practices of China's various ethnic groups that have been passed down through generations and that have become part of the group's cultural heritage.

Material objects and sites of these expressions and practices are also recognized by the draft law as ICH.

"It's urgent that China enact a law to strengthen the protection and preservation of ICH since some of them are being destroyed by modern lifestyles," said Minister of Culture Cai Wu while explaining the draft law to the NPC Standing Committee.

Some traditional culture is disappearing quickly, and the absence of an ICH protection law is causing difficulty in preventing that disappearance, Cai said.

Cai noted that quite a number of policies and measures have been taken to protect ICH, adding that the law being proposed provides legal status to these policies and measures.

Statistics from the Ministry of Culture show the State Council and the ministry had by 2009 designated 2,516 national ICH items and 1,488 heirs to ICH items.

The draft of the Law on Intangible Cultural Heritage was submitted to the bimonthly session of the Standing Committee of the National People's Congress which opened Monday.

- China plans to list drink driving as crime to intensify crackdown (23rd August)

(Xinhua) -- Drink driving and street racing have been written into a draft amendment to China's Criminal Law as crimes, as part of the country's efforts to make its roads safer.

The draft amendment was submitted Monday to the Standing Committee of the National People's Congress (NPC), China's top legislature, for its first reading.

Convicted drink drivers may face forced labor while in detention for one to six months and be fined, even if their actions cause no accident, according to the draft law.

Currently, drink drivers are detained for 15 days, according to the Law on Road Traffic Safety.

Drink driving and street racing have been heavily criticized by the public.

The amendment is a response to increased calls for more severe punishment of dangerous driving on Chinese roads.

In 2009, Chinese traffic police caught 313,000 drink drivers.

Prof. Zhao Bingzhi with Beijing Normal University said traffic accident crimes as stipulated in the Criminal Law are inadequate and ineffective in stopping drivers from racing or driving under influence of alcohol.

"The traffic accident criminal law only punishes those who have already caused an accident, which might involve deaths or serious injuries, or major losses of public or private property," Zhao said.

"Drink driving and racing are extremely dangerous so we can't wait for the accident to happen and then punish the perpetrator," he added.

Cheng Bin, an attorney at Beijing Guandao Law Firm, said including drink driving and street racing crimes into the law would prevent traffic accidents and better protect drivers and passengers.

- China tempers justice with mercy by amending Criminal Law (24th August)

(Xinhua) -- The top legislature of China on Monday began the first reading of an amendment to the Criminal Law, which proposes reducing the number of crimes subject to the death penalty and creating tougher punishment for those involved in organized crime.

The amendment, the eighth to the country's 1997 version of the Criminal Law, is meant to further implement the policy of tempering justice with mercy, according to a statement by the Chairmen's Council of the National People's Congress (NPC) Standing Committee.

It is also meant to better prevent, reduce and punish crimes, as well as educate and reform criminals, the statement said.

FEWER CRIMES SUBJECT TO DEATH PENALTY

China currently stipulates that 68 crimes are punishable by the death penalty. However, the draft amendment eliminates capital punishment for 13 economic-related non-violent offences, a drop of 19.1 percent.

The 13 crimes to no longer be punishable by possible death include smuggling from the country prohibited cultural relics, gold, silver, and other precious metals and rare animals and their products; falsely issuing exclusive value-added tax invoices to defraud export tax refunds or offset taxes; and teaching methods for committing crimes, among others.

If the amendment becomes law, it would be the first time the number of crimes subject to the death penalty has been reduced since the People's Republic of China enacted its criminal law in 1979.

It will also be a major move by China to limit the use of the death penalty since the Supreme People's Court, in 2007, resumed the review and approval of all death penalty decisions.

The draft amendment also allows for leniency to offenders below 18 years or above 75, by stating that the death penalty is not to be applied to people above 75 at the time a crime is committed.

Previously, only those under age 18 at the time a crime was committed, and women pregnant at the time of the hearing, were exempt from capital punishment.

According to the draft amendment, a person who reached the age of 75 and commits a crime could be given a mitigated punishment.

TOUGHER PUNISHMENT FOR ORGANIZED CRIME As organized crime has become a threat to the public in some parts of China, the amendment offers a definition of an "organization in the nature of a criminal syndicate" and lists tougher punishments for crimes by such organizations.

It also stipulates confiscation of assets for ring leaders and fines for members of such organizations. Government employees who provide protective shields for organized crimes may face at least five years in prison, compared with up to 10 years in the 1997 version.

Organized crimes has been rampant in some areas in China. More than 1,400 gangs had been broken up and 3,400 guns confiscated amid a government crackdown on mafia-style organizations since February 2006. The crackdown is still underway.

BETTER PROTECTION OF PEOPLE'S LIVELIHOOD

Acts that endanger the public and draw complaints, including drunk driving, street racing, defaulting on payment to employees and human organ trading, have been written into the draft amendment as crimes.

The acts had only been subject to administrative or civil penalties.

Drunk drivers and street racers may face imprisonment and fines if the amendment is passed.

In a bid to better protect disadvantaged groups, those convicted of forcing others to work may face penalties of up to seven years in prison, instead of only three years, and those who provide assistance to people organizing others for prostitution may face up to 10 years in prison.

Several forced labor scandals have come to light in China in recent years.

In May 2009, police in eastern Anhui Province arrested 10 suspects for allegedly beating and forcing 32 mentally handicapped people to work in brick kilns in slave-like conditions.

Another forced-labor scandal made headlines in 2007. Then, a brick-kiln boss in northern China's Shanxi Province was found to have forced 1,340 people into labor, 367 of whom were mentally handicapped.

"This is an effective way to prevent such acts and crack down on them by listing them as crimes," said an official with the Commission for Legislative Affairs of the NPC Standing Committee.

- China's national organizations for youth and students hold congress (24th August)

(Xinhua) -- The national congress of the All-China Youth Federation (ACYF) and the All-China Students' Federation (ACSF) opened in Beijing Tuesday.

President Hu Jintao sent a letter to congratulate the opening of the congress.

Vice President Xi Jinping, also a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, attended the opening ceremony of the plenum of the ACYF's 11th National Committee and the ACSF's 25th National Congress.

About 2,000 delegates including members from the ACYF, young people from all walks of life, and members from the ACSF, middle school and college students from across China, are attending the congress.

They will revise their constitutions and reshuffle their leading bodies during the three-day event.

In the letter, Hu encouraged young people and students to contribute to the country's building of a well-off society and socialist modernization drive, and to strive to realize the Chinese nation's rejuvenation.

Hu said the ACYF and the ACSF had effectively united, organized, guided and provided services to youth and students in the past years.

He hoped the two organizations could work in more fields in future and conduct innovative activities to unite the youth and students around the CPC and the central government.

The CPC had always pinned hope on young people for its development, Hu said.

He asked CPC committees and governments at all levels to create favorable conditions for the healthy growth and career development of young people and students so as to enable them play a more important role in the country's development.

At the opening ceremony, Wang Zhaoguo, a member of the Political Bureau of the CPC Central Committee and vice chairman of the Standing Committee of the National People's Congress (NPC), extended greetings on behalf of the CPC Central Committee.

Founded on May 4, 1949, the ACYF safeguards the legitimate rights of Chinese young people and organizes social activities, including volunteer programs to assist the poor.

The 91-year-old ACSF leads the nation's 100,000 students unions, involving more than 80 million college and middle school students.

- Chinese legislature proposes increasing income, narrowing gap in wealth (24th August)

(Xinhua) -- China's top legislature, the National People's Congress (NPC), has proposed a reform in income distribution be launched as soon as possible, aiming to increase residents' income and narrow the gap in wealth.

Officials of the Financial and Economic Affairs Committee of the NPC said they have completed a research report on distribution of national income and made the proposals to be included in the 12th Five-Year Plan (2011-2015).

The research report proposes increasing the proportion of residents' income in national revenue and the proportion of labor rewards in the primary distribution of national income. It suggests that the reforms should seek to enlarge the middle class until it becomes the largest sector in society. The report also offers proposals on taxation and social security.

The legislature did not release further details on the proposed reforms in income distribution.

The NPC, for the first time in history, completed 15 research reports on 14 major subjects from March to July to provide proposals for the formulation of the critical development plans for the next five years, after top legislator Wu Bangguo called for the research at the annual legislative session.

According to a World Bank report, the Gini Coefficient for China, a main gauge of c disparity surged to 0.47 in 2009, exceeding the "security line" of 0.4, pointing to the unequal distribution of income which could arouse social unrest.

This figure was 0.21 to 0.27 three decades ago. ' In the primary distribution of national income, the proportion that goes to wages and salaries, the major source for China's mid- and low-income families, has been declining, according to Yi Xianrong, a researcher at the Chinese Academy of Social Sciences.

The proportion of the total income that Chinese citizens receive from the distribution of national income fell sharply to 57.9 percent in 2007, compared with 68 percent 20 years ago, according to the People's Bank of China.

- China's officials told to assess stability risks before making policies (25th August)

(Xinhua) -- The risk of social instability must be assessed before major policies are issued in order to avoid creating social conflicts, a senior Chinese official has said.

The social stability risk evaluation system should be improved and implemented properly as the first "defensive line" in solving social conflicts, said Wang Lequan, deputy secretary of the Political and Legal Affairs Commission of the Communist Party of China (CPC) Central Committee.

Wang made the remarks during an inspection tour of the northwestern Shaanxi Province from Sunday to Wednesday.

"All the work that fails to benefit the majority of people shall not be done, and all the policies that fail to win support from the majority of people shall never come into force," said Wang, also a member of the Political Bureau of the CPC Central Committee.

He urged officials to pay close attention to social conflicts that could occur with fast economic development.

- China spends \$357 mln on flood control, drought relief this year: officials (25th August)

(Xinhua) -- The Chinese central government has spent 2.43 billion yuan (357 million U.S. dollars) on flood control and drought relief as of Aug. 23 this year, and the country's flood-fighting efforts would continue, government officials said here Wednesday.

In a breakdown, 1.22 billion yuan was spent on flood prevention, while material storage, drought relief and flood defense cost the government 100 million yuan, 315 million yuan and 793 million yuan, respectively, said Hu Jinglin, spokesman with the Ministry of Finance (MOF).

China has suffered from repeated natural calamities due to extreme weather this year, with flooding and other rain-triggered disasters leaving more than 2,300 people dead and 1,200 missing nationwide by mid-August.

To prevent further losses, the MOF and the Ministry of Water Resources has allocated 27.6 billion yuan from central finance to reinforce existing dams and reservoirs as of

early August, said Jiao Yong, vice minister of water resources, at a press conference jointly held by the two ministries.

Further, more than 10 billion yuan has been used for improving the flood control capacity of small and medium-sized rivers this year, Jiao said.

Small and medium-sized rivers are the weak link in China's flood-fighting efforts, which caused more deaths and economic losses than floods in other areas in recent years, he said.

China also plans on building a nationwide monitoring and flood-prevention system against mountain torrents in the next three years, according to Jiao.

The system would cover 1,836 counties in China that are frequently hit by mountain torrents, and would include early warnings and disaster prevention alarms, he said.

- China to set up safety system for cosmetics, skin care products (27th August)

(Xinhua) -- China's State Food and Drug Administration (SFDA) has moved to create the country's first safety assessment and monitoring system for cosmetics and skin care products, said an SFDA official.

The SFDA would soon issue an implementation plan for monitoring safety of cosmetics and skin care products as part of the system, said the official, who declined to be named, during an SFDA meeting on safety supervision that ended Friday in Yiwu city, east China's Zhejiang Province.

However, the official did not reveal the exact date for issuing the plan.

The SFDA had drawn up a draft plan for a product test system, was re-examining the qualifications of agencies that approve cosmetics and skin care products, and was screening candidates for a safety commission, he said.

The official also said the SDFDA would work to optimize the emergency response system for safety incidents, noting that such incidents had aroused great public concern.

Safety watchdogs across the country would strengthen emergency response capabilities by making emergency plans and securing enough technological, personnel, and material support among other things, the official said.

The SDFDA on Tuesday issued guidelines on its website that specify procedures, requirements and other information of safety assessment of cosmetics and skin care products.

It would be China's first system to assess and monitor safety of cosmetics and skin care products.

In 2006, Japanese-made products of SK-II, a brand of the U.S. firm Procter & Gamble Co., were found in China to contain chromium.

Chromium is an element that causes skin allergies and is widely prohibited in the production of cosmetics and skin care products.

The findings stirred waves of consumer demand for refunds nationwide and P&G temporarily pulled SK-II from Chinese mainland stores.

As it later turned out, the banned element was not added deliberately, but was contained in other ingredients of the products.

- China's legislature conducts inquiry into gov't report on grain safety (27th August)

(Xinhua) -- China's top legislature held an inquiry Friday into the government's report on grain safety in an effort to improve the legislative supervisory role.

Entrusted by the State Council, or China's Cabinet, senior officials from nine government agencies, such as the National Development and Reform Commission (NDRC), attended the inquiry to answer questions raised by lawmakers at a bimonthly session of the Standing Committee of the National People's Congress (NPC), the country's top legislature.

Such inquiries are believed to be a concrete and important step for the top legislature to exercise and improve supervision of the government.

Zhang Ping, minister in charge of China's top economic planning body, the NDRC, issued the report on the country's grain safety on Thursday and lawmakers began to deliberate and make inquiries on the report on Friday.

This is the second inquiry held by the top legislature this year. In its June session, lawmakers held an inquiry into the central government's final accounting for 2009.

INTENSE Q&A SESSION

The NPC Standing Committee's vice chairwoman, Oyuunqemag, and 21 other lawmakers peppered government officials with more than 20 questions at the inquiry.

Responding to a question on the impact of frequent natural disasters including drought, freezing weather and floods on this year's harvest, Vice Agriculture Minister Chen Xiaohua admitted that grain production has been negatively impacted.

Chen, however, said because the central authority introduced preferential policies in a timely manner, the grain crops harvested in the summer maintained the same level as in previous years, though the harvest of early rice dropped a bit.

He also said he was optimistic about the harvest in autumn, which accounts for more than 70 percent of the country's grain output because the seeded area has been increased and the growth of the crops was good at present.

When asked whether the influx of foreign capital affected China's grain safety, the NDRC's vice minister, Peng Sen, said foreign companies mainly invest in the processing of cooking oil, feed, and grain in China.

For example, foreign companies produced about 50 percent of the country's edible vegetable oil, according to Peng.

Foreign companies brought with them advanced technologies, management experiences and capital and promoted competition in the industry, but they had, to some extent, negatively impacted the country's market regulations, supply guarantees, and stabilization of grain prices, Peng said.

Peng added that the government would take measures, which are in line with World Trade Organization rules, to step up management on foreign investment in the industry to create fair competition and healthy development.

Responding to a question on whether China's grain prices would experience major fluctuations in the future amid a marked rise in farm produce prices in the international market, the NDRC's vice minister, Zhang Xiaoqiang, said the government could ensure no major fluctuations occur in the grain market.

Zhang said though natural disasters this year hampered the grain harvest, the country has enough grain in storage to head off any problems.

In addition, China's imported wheat, corn and rice only account for less than 1 percent of its respective output, so the international price hike would have little impact on domestic prices, he said.

Responding to lawmakers' concerns about the diminishing cultivated land area in China, Vice Land and Resources Minister Wang Shiyuan said, though the government has successfully curbed the decrease in cultivated areas, the situation was still "grave."

China's cultivated land area decreased by 123 million mu (about 8.2 million hectares) from 1997 to 2009, he said.

The government would enhance control and supervision on the planning of land use and improve specific laws to ensure the demand of cultivated land for the country's grain security, Wang said.

Ethnic issues

Environmental front

- China mulls law amendment to better prevent soil, water loss (23rd August)

(Xinhua) -- Chinese lawmakers Monday began reviewing a draft revision of the Law on Water and Soil Conservation, which would provide comprehensive protection for land and water resources in planning, controls and monitoring.

The current law, adopted in 1991, had lagged behind the fast economic and social development and environmental requirements, said Zhou Ying, Vice Minister of Water Resources, in a report to the Standing Committee of the National People's Congress, China's top legislature.

China's loss of soil and water, reportedly among the worst in the world, has "posed severe threats to the ecology, food safety and flood control," she said.

Zhou cited problems in soil and water preservation, including inadequate coordination and monitoring, a lack of measures to prevent and control water and soil loss, and increased production and construction activities.

The draft, with a new chapter on planning, specifies that water administration departments at or above county level should draw up plans for land and water conservation and see to their implementation.

It stipulates an investigation system for cases of land and water loss.

"The location of a production or construction project should avoid key areas for land and water conservation. If a project has to be conducted in these areas, construction techniques should be improved in order to reduce surface disturbance and vegetation damage," says the document.

According to the draft, forests and grasslands should not be harmed in areas that suffer from severe land and water loss, and crop planting is banned on slopes of a 25-degree gradient.

The draft stipulates that water departments are responsible for monitoring local land and water conservation and must regularly publish the type, size and distribution of land and water losses.

More than 37 percent of the land in China, or 3.56 million square kilometers, suffered from water loss and soil erosion, according to a survey released by the Ministry of Water Resources in 2000.

Cyber/Technology Front

- "Future mail" business taking off in China (22nd August)

(Xinhua) -- Have you ever dreamed about sending a letter to yourself or your friends in the future? While express mail represents efficiency and speed and is prevalent in China, there is another type of mail emerging as a new business: "future mail."

"The letter should be delivered next 'Mother's Day' and not a day earlier!" Lin Xiaofan, a senior high school student in Hefei, capital of central China's Anhui Province, instructs one of the companies offering the service.

Companies delivering mail as slowly as their customers want are popping up all over China, in cities like Beijing, Chongqing, Hefei and Hangzhou.

The price of the service depends on how long clients want their mail to be held, and a longer period is more expensive.

Lin Xiaofan wrote the letter to her mother in advance, before she left home for a college in Beijing.

"I wrote what I was feeling at the moment. And I wanted to express my thanks and love to my mother for next Mother's Day," she says.

"Offering this service makes people slow down and let them understand the meaning of 'time' in another way," said Zheng Zhimin, manager at a "future mail" company in Hefei.

"People can write their letters in advance and we will keep them for some period and then deliver them on the day the customer designates," he said.

Zheng thinks "future mail" letters are "reminders of and catalysts for affection, friendship and love."

Feng Xiao moved to Beijing from eastern China's Anhui Province for a job after graduation. Although she has achieved some results in her career, she feels pressure from her busy life.

Feng decided to write a letter to herself on her 25th birthday and have it delivered five years later on her 30th birthday through a "future mail" company in Beijing.

"I expressed my thoughts about my current life and my expectations for the future to encourage myself to face up to the challenges of my life with courage," Feng said. She thinks the letter on her 30th birthday will be a gift to herself.

"No matter what my life will be when I am 30 years old, I will be able to look back over the past five years when I read the words, so I'm really looking forward to it," Feng said.

While "future mail" is gaining popularity, some are concerned about what happens if the postal address of the recipient changes. Also, what if the company goes broke before letters are delivered, some skeptics asked.

Zheng said customers are required to complete an acceptance form and make an assessment so they can be compensated if their letters or goods are lost or damaged.

"We keep the telephone numbers and the addresses of the clients so we can send their letters back if we are going to fail to deliver," she said.

In Beijing, one "future mail" company is considering renting a safe-deposit box at a bank for letters and goods to be stored to ensure their security over long periods.

"It will be exciting if I can receive my own letter several decades in the future. But I won't be too disappointed if I cannot, because what is more important are the feelings when I write the letter," said Zhu Min, who works for a foreign company in Shanghai.

Most of the business's customers are college students and young white-collar workers. Psychologists said young Chinese might have a new vent for their pent-up feelings through the service.

"People living in modern cities may feel so stressed that some of them become lonely and confused, but 'future mail' can bring some comfort to them. They can record, express and share their feelings by writing a letter. They then can send it to the future to relieve their stress and anxieties," Fan Chenghui, a psychologist in Hefei, said.

"Some write down their life goals. This is actually a form of self-encouragement for young people," Fan added.

"For the 'future mail' letter writers, each letter represents hope. They put their hopes and wishes in the letter so they can experience the connection between the past and the present while they receive the letter. It can help people reunderstand the meaning of 'time'," said Wang Kaiyu, a sociologist in Anhui Province.

- Tencent buys Google-backed Comsenz (25th August)
(Xinhuanet) -- Tencent Holdings Ltd has acquired a Google-backed Chinese social networking company for reportedly US\$60 million, the country's biggest Internet firm said yesterday.

The acquisition marked another step for Tencent, which has leads China's online game and instant message markets, to expand into the social network sector, following its US\$300 million investment in a Russian social website early this year.

Shenzhen-based Tencent said it had bought Comsenz, a Beijing-based social-networking provider, which was invested by Google, Sequoia Capital and Morningside Ventures.

At present, Comsenz has more than 1.4 million online clients through its open source platform Discuz!, it said in a statement on its website.

After the acquisition, Tencent will integrate instant message platform and service, QQ, into Comsenz's website platform, which is expected to expand its dominance in China which has more than 400 million Internet users.

"Paying customers only account for 10 percent of Tencent's active IM (instant message) users, implying ample upside," said Richard Ji, an analyst at Morgan Stanley.

Both sides declined to reveal the deal value.

But China Business News reported that it was more than US\$60 million, citing a source familiar with the situation.

In April, Tencent said it would buy a 10 percent stake in Russia's Digital Sky Technologies for US\$300 million in what was viewed as a major overseas expansion among domestic dot-com giants.

(Source: Shanghai Daily)

- Chinese telecommunication magnate to expand Nigerian market (25th August)

(Xinhua) -- The Chinese telecommunications giant Zhongxing Telecommunication Equipment Corporation (ZTE) will strengthen cooperation with its partners and expand its market in Nigeria, a ZTE manager said Tuesday.

Han Guoqing, the general manager of ZTE's subsidiary company in Nigeria, told Xinhua that as a country with the largest population in Africa, Nigeria would be the key for ZTE's business in Africa in the next three to five years.

The Nigerian subsidiary company was established in 1999 and has strategic cooperation with all GSM and CDMA operators there, Han said, adding that his company has played an important role in helping Nigeria develop its own telecommunication market and create jobs.

From Monday to Wednesday a promoting meeting will be held to enhance ZTE's cooperation with local telecommunication operators.

Russel Osi, a manager from Bharti Airtel, one of the local operators, said it is possible to cooperate with ZTE as ZTE's wireless products are very competitive.

ZTE is a provider of telecommunications equipment and network solutions. It delivers innovative, custom-made products and services to over 500 operators in more than 140 countries.

Regional report

North

Politics

- Chinese Vice President calls for better Party building at grassroots level (24th August)

(Xinhua) -- Chinese Vice President Xi Jinping has called for more efforts to promote the building of Communist Party of China (CPC) organizations at grassroots level and in non-public-owned enterprises.

Xi, also a Standing Committee member of the Political Bureau of the CPC Central Committee, made the remarks during his inspection tour in Beijing on Monday.

The Party organizations and the Party members should be given full play to promote the core business of the enterprises, Xi said.

Xi also noted the working methods of Party building should be improved by both maintaining the fine tradition and continuing reforms and innovation to suit the current new situation of diversified social organizations, increasing migrant populations and widespread information networking.

Xi urged the deepening of the reforms of the Party personnel system to improve the Party personnel management and optimize its human resources, and to promote the willingness, courage and competence among Party cadres.

During his inspection tour, Xi visited Zhongguancun district, the hi-tech center in Beijing, and the Beijing Financial Street, the city's financial hub.

Xi also took a trip on the city's subway to review the planning, construction and operation of the subway.

He called for efforts to build Beijing into an attraction for renowned international enterprises and international talents as well as a city with advanced socialist culture and harmonious livings.

Social front

Economic front

- North China grain exports to Russia increase 26.5% amid Russian drought (22nd August)

Chinese grain exports to Russia from Manzhouli, in north China's Inner Mongolia Autonomous Region, hit 12,000 tonnes in the first seven months of the year, up 26.5 percent from the same period last year, customs statistics show.

The value of the grain exports during the period rose to 3.58 million U.S. dollars during the period, up 110 percent from a year earlier.

The increase in grain exports to Russia has been driven by the drop in Russian grain output after the country was hit by drought from May.

Northwest

Politics

Social front

- China's top political advisor urges Xinjiang people to fight against extremism, separatism, terrorism (23rd August)

(Xinhua) -- Top Chinese political advisor Jia Qinglin Monday called on people in northwest China's Xinjiang Uygur Autonomous Region to fight against the "three forces" of extremism, separatism and terrorism, to ensure social stability, ethnic harmony and the unity of the country.

Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), made the call during his inspection tour to Ili Kazak Autonomous Prefecture of Xinjiang.

Jia asked the local people to cherish ethnic unity and to promote prosperity for all ethnic groups.

Jia urged local people to earnestly study the roadmap outlined by the central work conference on Xinjiang's development held in May.

He also urged the development of local industries with their own characteristics.

He asked the local government to be more dedicated to cultivating and promoting cadres of ethnic minority groups, so as to allow them to play a more active role in boosting economic development and maintaining social stability.

Economic front

- Development fundamental to stability of Xinjiang: Chinese top political advisor (26th August)

(Xinhua) -- Jia Qinglin, China's top political advisor, has said economic and social development would help Xinjiang Uygur Autonomous Region overcome challenges and bring long-term stability to the region.

Jia made the remarks during a tour in Xinjiang from Aug. 20-26, where he visited local enterprises, villages, urban communities and border areas.

Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference, visited food, clean energy and retail firms in Xinjiang.

He said Xinjiang should utilize its rich resources in an environment-friendly manner to enhance the competitiveness of its economy.

He also advised the region to take advantage of various policy incentives given by the central government, as well as aid from other provinces, to achieve leap-forward development.

Jia urged local governments to give priority to improving people's livelihoods which meant creating more jobs, providing better education, housing and medical care and enriching cultural life.

Jia said more local officials from various ethnic groups should be promoted, which he believed could help boost Xinjiang's social-economic development and stability.

Jia also stressed that ethnic solidarity and development of religious groups played vital roles in achieving stability, harmony and economic growth of the region.

- Oil giants, Xinjiang stocks drive Chinese share market higher (27th August)

(Xinhua) -- Chinese stocks maintained Thursday's upward move to close higher Friday, buoyed by the strong performance of oil giants and Xinjiang-related shares.

The benchmark Shanghai Composite Index closed at 2,610.74, up 7.26 points, or 0.28 percent.

The Shenzhen Component Index increased 25.24 points, or 0.23 percent, to end at 11,034.73.

Turnover shrank to 155.5 billion yuan (22.87 billion U.S. dollars) from 168 billion yuan the previous trading day.

Gainers outnumbered losers by 497 to 346 in Shanghai and 665 to 330 in Shenzhen.

Oil refiners posted gains Friday after PetroChina Co., China's largest oil and gas producer, reported Thursday its first-half profit rose 29.4 percent year on year.

The company's shares climbed 0.68 percent to 10.31 yuan while Sinopec, another oil giant, gained 0.12 percent to 8.25 yuan per share.

Xinjiang-related shares were also at the center of the day's gains after the central government stepped up efforts to develop the country's vast northwestern regions and raise living standards.

Shang Fulin, chairman of China Securities Regulatory Commission, said Friday in Urumqi, capital of Xinjiang Uygur Autonomous Region, that the government would continue its efforts to boost the development of the capital market in Xinjiang.

Other high-ranking officials, including Zhou Xiaochuan, governor of China's central bank, have also said China would support the development of Xinjiang's small and medium-sized enterprises.

Xinjiang Tianshan Woollen Textiles Co. rose by the daily limit of 10 percent to 13.62 yuan per share while Xinjiang Urban Construction Co. gained 1.15 percent to 12.27 yuan per share.

Northeast **Politics**

- China appoints acting governor of northeast province (27th August)

(Xinhua) -- Wang Xiankui was appointed acting governor of northeast China's Heilongjiang Province Friday.

Wang, 58, was appointed at the 19th session of the Standing Committee of the 11th Heilongjiang Provincial People's Congress in Harbin, the provincial capital.

The session also accepted the resignation of Li Zhanshu, former governor of Heilongjiang and now Communist Party chief of the southwestern Guizhou Province.

Wang is a native of Cangxian County in the northern Hebei Province. He joined the Communist Party of China (CPC) in 1974.

Wang served as deputy CPC chief of the northwestern Gansu Province between April 2003 and October 2006. He was deputy CPC chief of the eastern Jiangxi Province from October 2006 to August 2010.

Social front

- Doubts surround China's plane crash probe (26th August)

(Xinhua) -- Two days after the deadliest commercial plane crash in China in nearly six years killed 42 people in a remote northeastern city, doubts and speculations continue to swirl and no progress has been reported in the government investigation.

A brief press conference was held Thursday afternoon -- the first in more than 40 hours after a Brazil-made ERJ-190 turbine jet run by Henan Airlines crashed at Lindu Airport of Yichun, Heilongjiang Province.

But officials and an airline executive who addressed the conference did not say what caused the accident or whether their data analysis of the two black boxes found on Wednesday had achieved any results.

"The black boxes have been sent to Beijing and our specialists are still working on the data," said Lu Xue'er, an official in charge of aviation safety at the General Administration of Civil Aviation (CAAC).

A representative from Henan Airlines offered an apology and condolences to the victims and their families.

"We're grieved over the tragedy," said Liu Hang, Chairman of the Supervisory Board the airline. "Our condolences for the dead and apologies to all the victims, their families and the whole society."

He said his company had opened 24-hour hotlines at its headquarters in Zhengzhou, central Henan Province, Harbin and Yichun to help victims' family members arrange their trips.

Two local government officials also attended the press conference, which lasted for about 10 minutes and left no time for questions.

Before the press conference, everyone stood in silence tribute to mourn the dead.

Tuesday night's disaster ended CAAC's record 2,102 days of safe air travel in China -- 69 months without an accident.

Of all the 96 people on board, 54 survived with injuries. Most of them were hospitalized in Yichun and 15 serious cases were airlifted to Harbin Wednesday night.

Among the serious cases were five children, aged from 6 to 10. Four of them suffered burns and two were still in critical condition, said doctors in Harbin.

Yichun Airport reopened Thursday with the landing of an Airbus 320 run by China Southern Airlines early in the afternoon, carrying some family members of the victims. It flew back to Harbin shortly afterwards, carrying passengers who had been laid over Tuesday night.

Economic front

Southwest

Politics

Social front

Economic front

- Development of China's Tibet will benefit Nepal: diplomat (22nd August)

(Xinhua) -- Since neighboring China's Tibet Autonomous Region (TAR) has achieved a remarkable progress within a short span of time, Nepal will benefit tremendously from it, Naindra Prasad Upadhaya, Nepali Consul General in Lhasa, capital city of TAR, told Xinhua on Sunday.

Upadhaya was appointed Consul General in Lhasa on Oct. 24, 2007 for a four-year term by the Nepali government.

"I have observed dramatic change in the development of TAR since I took office. With the priority given by the central government, TAR has been progressing rapidly. Before they paid attention to infrastructure development but these days they are focusing on social and cultural development," Upadhaya said.

"Western development plan put forward by the central government a decade ago made it possible for TAR to achieve such a miraculous development in a short period," he said. Now, there is road network access to each of 73 counties and districts of TAR, he added.

TAR's living standard has also increased. In 2009, the gross domestic product of TAR amounted to 44.14 billion yuan, representing a growth rate of 12.4 percent from a year earlier. The annual per-capita net income of farmers and herdsmen stood at 3,589 yuan, rising 1.7 times over that of 2000.

Upadhaya stressed that Nepal as a friendly neighbor of China should take advantage of the transportation network developed in TAR.

"Though road link from Lhasa to Nepal has almost completed, we are pretty much hopeful of railway connectivity between two countries to allow Nepal to benefit from TAR's development," he said.

South central

Politics

Social front

- Senior CPC leader stresses stability (26th August)

(Xinhua) -- Senior Communist Party of China (CPC) leader Zhou Yongkang has called on officials to ensure law enforcement is fair and clean in order to maintain social stability.

During an inspection tour of central China's Hunan Province from Aug. 22 to 25, Zhou urged authorities to settle social disputes properly and develop social administration systems to safeguard stability.

On Monday, Zhou, a Standing Committee member of the Political Bureau of the CPC Central Committee, went to Zhijiang Road community of Huaihua city to inspect services and administration.

He instructed the local government to resolve living and working problems for poverty-stricken people.

Zhou then visited the home of Pan Niansheng in Jingping village, Zhongfang County. He told local officials accompanying him to make practical plans for the county's development and provide good public services.

He also visited Xingcheng Prison, known for excellent vocational training for prisoners to help them better adapt to society.

He urged Hunan provincial government to further advance the prosperity process, making people's livelihoods the priority, and the coordination of rural and urban, economic and social development the emphasis.

Economic front

East

Politics

Social front

Economic front

- Chinese vice premier urges implementation of affordable housing construction plan (22nd August)

(Xinhua) - Chinese Vice Premier Li Keqiang on Saturday called for more favorable policies to encourage the construction of affordable housing.

Li made the remarks at a meeting on affordable housing held in Changzhou city of east China's Jiangsu Province.

He reiterated that China would complete construction of 5.8 million units of affordable housing, including low-rent housing, public rental housing and resettlement housing for relocated residents from redeveloped urban shanty towns.

In May, the Ministry of Housing and Urban-Rural Development signed an agreement with local governments nationwide to build 5.8 million units of affordable housing.

"Meanwhile, measures should be taken to increase the supply of commercial housing to meet people's reasonable needs of housing consumption," he said.

He said local governments should adopt a realistic approach to affordable housing construction and plans should be based upon local needs.

For populous cities, construction should focus on public rental housing that provides homes for low- and medium-income families, newly-employed school graduates and migrant workers, he said.

- China seeks to build largest regional cooperation platform for mutual development (27th August)

(Xinhua) -- China has begun efforts to build the largest regional cooperation platform, covering a geographical area that produces around one-third of the country's GDP.

As key to this effort, on Friday, the 6th Pan Pearl River Delta (PPRD) Regional Cooperation and Development Forum opened in Fuzhou, capital of southeast China's Fujian Province.

The forum, scheduled to run from Aug. 27-31, is celebrated the theme of "deepening cooperation and seeking common development". It has attracted more than 10,000 participants, including officials, entrepreneurs and celebrities from the Chinese mainland, Hong Kong and Macao special administrative regions, as well as Taiwan.

The forum, begun in 2004, seeks to stimulate the economy within the pan-Pearl River Delta region, which covers Hainan, Yunnan, Hunan, Guangdong, Jiangxi, Fujian, Sichuan, Guizhou, Guangxi, as well as Hong Kong and Macao special administrative regions.

This move would help enhance regional cooperation, encourage labor mobility and accelerate the relocation of industry from China's well-off coastal region to the comparatively underdeveloped western region, said Xu Shangwu, secretary general of the Organizing Committee of the forum.

This would improve the comprehensive economic strength and global competitiveness of the entire region, he said.

During the previous five PPRD forums, more than 14,000 cooperative projects have been agreed, with their total investments exceeding 1.8 trillion yuan (264.71 billion U.S. dollars), according to government statistics.

The GDP of the nine provincial regions in the Chinese mainland totaled 10.5 trillion yuan last year, up 11.8 percent from one year earlier. The growth rate was higher than the national GDP increase.

In addition to boosting the growth and cooperation in the pan-Pearl River Delta, China is also accelerating regional development in the northeastern region, Yangtze River Delta region, Bohai rim region, as well as the pan-Beibu Gulf Economic Zone.

HONGKONG AND MACAU

Politics

- Chinese legislature to vote on amendments to Hong Kong law (25th August)

(Xinhua) - China's top legislature is to vote on the draft amendments to the annexes to the Basic Law of the Hong Kong Special Administrative Region, it was announced on Wednesday. The draft amendments deal with methods of selecting Hong Kong's Chief Executive and forming the Legislative Council.

The decision was made at a meeting of the Chairmen's Council of the National People's Congress (NPC) Standing Committee. The meeting was presided over by Chairman Wu Bangguo.

Legislators also decided submit to a vote the draft amendments to the Law on Officers in Reserve Forces, the draft People's Mediation Law and a proposal for the NPC to ratify the International Convention for the Suppression of Acts of Nuclear Terrorism.

Social front

- HK travel agency confirms 21 tourists hijacked in Manila (23rd August)

(Xinhua) -- A bus carrying 21 tourists and one tour guide from Hong Kong was hijacked in the Philippine capital Manila on Monday morning, manager of Hongthai travel agency Lau Mei-sze has confirmed.

Lau said six tourists including three children, 2 adults and one tour guide, had been released by the abductors.

She said the 22 Hong Kongers had planned to come back to Hong Kong on Monday evening.

Joseph Tung, the executive director of Travel Industry Council of Hong Kong (TIC), said the passengers were aged between 4 and 72. He said the TIC was in close contacts with the Security Bureau of the Hong Kong government.

Xinhua also contacted the Security Bureau but has not yet received any response.

- Chinese President, Premier offer condolences for Hong Kong victims of hostage crisis (24th August)

(Xinhua) -- Chinese President Hu Jintao and Premier Wen Jiabao on Tuesday expressed their condolences to the families of the eight Hong Kong tourists killed in a hostage crisis in the Philippines.

In a joint letter to Donald Tsang Yam-kuen, chief executive of Hong Kong Special Administrative Region (SAR), Hu and Wen expressed their deep sorrow for the families of those killed and consolation for the injured.

Chinese Vice President Xi Jinping on Tuesday also expressed his condolences in a letter to Tsang.

The coachload of Hong Kong tourists were held hostage for more than 10 hours by a former policeman who was protesting his dismissal before police commandos stormed the vehicle.

- Philippine president asks for understanding from HK people, apologizes for any offense made (25th August)

(Xinhua) -- Philippine President Aquino on Wednesday asked the people of Hong Kong for "understanding" in relation to the hostage-taking incident that claimed the lives of eight of their nationals, and apologized if any of his actions -- though unintentional -- had offended them.

The President also said, at a press conference held at the presidential palace, that he will order Executive Secretary Paquito Ochoa Jr. and Budget Secretary Florencio Abad to look into the provision of financial "assistance" to the survivors and the families of the victims, to be drawn from the President's Social Fund or government savings.

Asked for his message to Hong Kong people enraged by the government's handling of the incident, he said, "We ask for their understanding. We are correcting deficiencies that we have noted in the implementation of our operating procedures, and none of us wanted this outcome."

Responding to criticisms from Hong Kong people, posted on an anti-Philippines page in Facebook, that he allegedly grinned throughout a news briefing, the president said, "My smile might have been misunderstood....If I have offended certain people, I apologize to

them. Obviously, there was no joy by attending to that situation.... I apologize if I have offended certain people who misunderstood the facial expression," he said.

Aquino said he smiles when he's happy and also when he is exasperated, and that the latter case applied during his first post-tragedy briefing.

He said that during his phone call to Tsang, he "begged for their understanding on the outcome of this situation."

Aquino said that the government has received reports that there is "a scaling down of the rhetoric that is being expressed at this current time" in Hong Kong, referring to public indignation over the incident.

In a news briefing, Presidential Spokesman Edwin Lacierda appealed to the people of Hong Kong "for some understanding" and expressed hope that they would not vent their anger on innocent Filipinos in Hong Kong.

The president also announced that Vice President Jejomar Binay, Foreign Affairs Secretary Alberto Romulo and Presidential Spokesman Edwin Lacierda will comprise the high-level delegation that will travel to Beijing and Hong Kong to personally deliver the Philippine government's messages.

"In Beijing, they will personally deliver our messages to President Hu Jintao and also the foreign minister. They will then proceed to Hong Kong to talk to the Chief Executive of the SAR, Donald Tsang, to deliver our letters to the respective officials," he said.

On criticisms that he was not visible during the day of the incident, Aquino said that there was already a crisis management head and the ground commander who was "more capable in determining which forces to employ."

"I purposely tried not to interfere with everything he had to do because he had so many things on his plate, " he said.

Aquino also said that he has accepted the offer of Manila Police District Chief Rodolfo Magtibay to go on leave and that he "respects him for taking full responsibility as ground commander for the outcome of the incident."

"I have directed (PNP Chief) Gen. (Jesus) Verzosa to accept his offer of leave, he said.

In terms of handling such incidents in the future, the president said the security-related organs and other departments such as the Department of Tourism, Department of Social Welfare, and the Department of Health will meet to work out "a more fine-tuned crisis management protocol in place."

- HK media doubt Philippine police on handling of hostage incident (25th August)

(Xinhua) -- Hong Kong continued to be locked in deep sorrow and anger on Wednesday over Monday's abduction tragedy in the Philippines, as the city's media unveiled more details of the 11-hour incident and continued to question the Philippine police on the handling of the incident.

In an editorial, the Ta Kung Pao daily, said the incident, which broke out all of a sudden, dealt a big blow to the Hong Kong government and its people and presented a grave challenge and test.

"Hong Kong people have identified with those involved in the incident, united as one supported one another and expressed strong sense of right and justice. This has been truly affecting, which is set to lend warmth and relief to the heartbroken families of the hostage victims," said the daily.

The newspaper also cast doubt on the Philippine police in dealing with the crisis, asking why the police had missed several important chances to end the crisis at the beginning hours of the incident, which eventually led to great casualties.

The daily said most Hong Kong people were asking the city's government to follow up the incident closely and urged the Philippine authorities to clearly explain the incident in details as soon as possible.

Another daily, Wen Wei Po also run an editorial and doubted the Philippine police. "While the Hong Kong people feel outright angry over the cold-blooded deeds of the murderer, they are also extremely dissatisfied over the Philippine authorities' failure to put as top priority safety of the hostages so as to avoid the tragedy in an effective manner," it said.

The editorial said the hostage-taker's demands sounded no much trickiness and had no strong political implications, which the Philippine authorities should have handled them properly by putting as top priority safety of the hostages.

The Economic Daily said in its editorial that there was no evidence showing that the Philippine police were prepared in terms of manpower, equipment or operational tactics to deal with various emergencies. Accordingly, they missed opportunities to rescue those passengers quickly enough, and they had wasted another hour in rescuing those injured, which could have probably caused deaths of several injured hostages.

These scenarios had made those Hong Kong people who were watching live broadcast of the crisis feel deeply sad and disappointed, said the Economic Daily.

In its editorial, the Ming Pao daily said the incident exposed the Philippine police's general incapability of responding to various emergencies. The newspaper urged the Philippine government to explain the incident openly and honestly.

The hostage crisis in Manila, involving a 21-member Hong Kong tour group, ended on Monday night with eight hostages killed and several others injured, one of whom in critical conditions.

The 21 Hong Kong tourists along with four Filipinos including a driver and a guide on board a bus were taken hostage by a dismissed Filipino policeman on Monday morning.

The hijacker was killed by police in a rescue operation after he shot dead several hostages.

- HK, Philippines to exchange probe info on hostage crisis (28th August)

(Xinhua) -- Hong Kong Police will investigate the deaths of the Hong Kong tourists slain in Monday's hostage tragedy in Manila, and will exchange information with the Philippine authorities through Interpol when necessary, Under Secretary for Security Lai Tung-kwok of Hong Kong said Saturday.

Speaking on radio talk shows, Lai said although Police officers cannot take enforcement action in Manila, they can ask to collect evidence from witnesses in the presence of their Philippine counterparts.

Hong Kong has sent two Police officers to Manila to assist in the investigation, and their work has gone smoothly. More officers will be sent to the city if necessary, he added.

Survivors' statements will be essential to the investigation, Lai said, adding arrangements will be made when they are in a fit state.

The government will also arrange sharing sessions for all staff who went to Manila to help the victims. The move will help alleviate emotional problems arising from the incident, he said.

An ex-policeman turned gunman hijacked a tour bus carrying 21 Hong Kong tourists Monday morning in Manila, the Philippines. The incident ended with eight tourists dead and seven injured. The hostage taker was killed in police assault.

Economic front

- Average earnings in Macao's major sectors up in June (26th August)

(Xinhua) -- The average earnings of employees working in Macao's major sectors registered year-on-year increase between 0.5 percent to 6.4 percent in June 2010, according to a survey released on Thursday by the city's Statistics and Census Service (DSEC).

The Survey on Manpower Needs and Wages, conducted by the DSEC, showed that average earnings (excluding bonuses and allowances) of full-time employees working in

the Wholesale and retail trade, Transport, storage and communications, and Security activities went up by 6.4 percent, 1.2 percent and 0.5 percent year-on-year to 9,200 patacas (1,150 U.S. dollars), 15,100 patacas (1,888 dollars) and 7,440 patacas (930 dollars) in June 2010, the figures indicated.

The number of paid employees in the Wholesale and retail trade, and Security activities increased by 6.4 percent and 10.1 percent year-on-year while that of Transport, storage and communications, dropped by 3.9 percent in the period, according to the survey.

At the end of June 2010, Wholesale and retail trade, Security activities and Transport, storage and communications respectively reported 3,072, 796 and 327 vacancies.

In terms of recruitment prerequisites, 59.4 percent of the vacancies in Wholesale and retail trade and 48.2 percent of those in the Transport, storage and communications sector required working experience. 75.5 percent of the vacancies in Wholesale and retail trade required junior secondary education or higher, while 77.8 percent of those in Security activities required primary education only, according to the DSEC.