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Political front

- Power, wealth can create a toxic brew in China (14th September)

China's "red clans," which include some political figures, are now among the super rich in China, according to the most recent issue of China Comment, a Xinhua News Agency periodical.

The article warned against alliances between political and business leaders.

"The red clans are in possession of abundant political resources and easy to obtain business opportunities and priorities," the article said, adding that they are mainly engaged in basic industries, such as energy and trade that require government sanctions.

"The real estate industry is one of the favorites for red clans," it said.

The magazine identified two other groups as part of China's super rich - ordinary workers who obtain a fortune from nothing and businessmen administrating State-owned enterprises that offer stocks.

The most typical examples for the former are entrepreneurs in South China's Zhejiang and Guangdong provinces, who without any identifiable social status, secure top spots in the fierce marketplace.

A commentary on Xinhuanet.com noted that the latter group also benefit from their close ties to officials.

"When a country's political and economic decisions are made by some privileged clans, it's political and economic policies are futile, reform will yield nothing and the whole society will face more tension," Pan Bisheng, a researcher at the Jiangsu Academy of Social Sciences, told People's Tribune, a biweekly magazine by People's Daily.

According to an Internet survey done by the magazine in March, over 86 percent of 4,975 Internet responders believe that it is important to separate politics from business and those alliances are the biggest concern for the public.

Global Times

- "Mainland threat" fabrication in Taiwan hurts mutual trust: mainland spokeswoman (16th September)

A mainland official Wednesday criticized some people in Taiwan for ignoring the mainland's good will and fabricating the so-called "mainland threat."

Their actions do not accord with the current atmosphere of peaceful development in cross-Strait relations, said Fan Liqing, spokeswoman for the Taiwan Affairs Office of the State Council.

Fan made the remarks after a reporter asked about the recent comments of Lai Shin-yuan, chairwoman of Taiwan's Mainland Affairs Council.

Lai said Taiwan's future is in the hands of the island's 23 million people while urging the mainland to remove its missiles targeted at the island.

"Taiwan's future lies with the great rejuvenation of the Chinese nation," Fan said, stressing that it is the secessionist forces in Taiwan and their activities that have stirred up tensions across the Strait and that threaten the peaceful development of cross-Strait relations.

When asked to comment on recent remarks by Taiwan leader Ma Ying-jeou, Fan said the promotion of the peaceful development of cross-Strait relations is in line with the fundamental interests of Chinese compatriots on both sides of the Taiwan Strait.

According to previous reports, Ma told reporters he has a so-called "Three Phases" conception for cross-Strait relations, with the first phase being Taiwan opening up to the mainland in commerce and trade as much as possible, while declining to talk about reunification.

Source: Xinhua

Foreign relations

- China urges Japan to make wise political resolution, release fisherman immediately (12th September)

Chinese State Councilor Dai Bingguo told Japan early Sunday morning to make a "wise political resolution" and immediately release the Chinese fishermen and fishing boat its coast guard seized earlier this week.

Dai made the remarks when he summoned the Japanese Ambassador to China Uichiro Niwa in the wee hours. He was the highest-ranking Chinese official to make a response after the fishing boat and its crew were seized Tuesday in waters off the Diaoyu Islands and its captain was detained on Friday.

"Dai expressed solemnly (to the Japanese ambassador) the Chinese government's grave concerns and its serious and just position," said the Foreign Ministry in a statement.

Dai warned Japan not to make a wrong judgement on the situation and urged it to make a "wise political resolution" and immediately release the fishermen and return the boat.

The Japanese ambassador expressed that he would promptly report the Chinese position to his government, according to the statement.

China decided Friday night to postpone a negotiation with Japan on the East China Sea issue, which had been scheduled for mid September, after a Japanese court ruled a 10-day detention through Sept.19 against the captain despite protests from China.

Previously, Foreign Minister Yang Jiechi on Friday summoned the Japanese ambassador and demanded Japan immediately and unconditionally release the boat and all the crew, saying China's determination to defend its sovereignty over the Diaoyu Islands and the interests of the Chinese people was unswerving.

Foreign Ministry spokeswoman Jiang Yu said Friday night when announcing the postponement of the talks that the Japanese side has "ignored China's repeated solemn representations and firm opposition, and obstinately decided to put the Chinese captain under the so-called judiciary procedures."

She said Japan's acts have violated the law of nations and basic international common sense, and are "ridiculous, illegal and invalid."

"Japan will reap as it has sown, if it continues to act recklessly," Jiang warned.

On Tuesday, two Japanese Coast Guard patrol ships and the Chinese fishing boat collided in waters off the Diaoyu Islands in the East China Sea. No injuries were reported, but the fishing boat was then intercepted by the Japanese patrol.

Source: Xinhua

- Three highlights of 'Peace Mission 2010' worth expecting (13th September)
Joint anti-terror drills of the Shanghai Cooperation Organization (SCO) entered the second phase on Monday at the Matybulak range near the largest Kazakh city of Almaty.

There are at least three highlights of the joint anti-terror drills of the Shanghai Cooperation Organization (SCO), dubbed as "Peace Mission 2010," said Li Shuyin, a research fellow of the division of world military within the People's Liberation Army Academy of Military Science (PLAAMS).

First, the anti-terrorism drill has a high degree of live-fire combat and a large scale. There are more than 5,000 troops involved in the exercise from five of the six SCO member state: China, Kazakhstan, Kyrgyzstan, Russian and Tajikistan. Uzbekistan did not take part in the event.

Troops from Chinese Air force will fly from China for the first time to implement a long-range bombing mission after arriving at exercise regions and then fly back to home. The purpose is to train the troops' capabilities in long-range strikes and air-ground coordination. In addition, the army aviation helicopters will conduct night shooting drills, which has never happened before.

Second, the equipment has many highlights. The equipment of troops attending the exercise will be displayed after the drills. In recent years, Russia carried out a reform of a "new face of armed forces" and its weapons and equipment have been improved. This display will showcase the result of the relevant reforms. For China, some equipment

featured in the parade celebrating the 60th anniversary of the National Day will be shown.

Third, the drill has a high level of mutual trust. It is the largest multilateral exercise under the framework of the SCO held outside of China and Russia, which symbolizes to a large extent the mutual level of trust among the member states of the SCO. Kazakhstan agreed to allow the air force of a foreign country into its airspace to implement the drills, which shows great trust.

By Liang Jun, People's Daily Online

- China postpones talks with Japan (12th September)

China has postponed planned negotiations with Japan on the East China Sea issue. The move is part of its response to the seizure of a Chinese fishing boat by Japanese Coast Guard off the Diaoyu Islands on Tuesday.

China's Foreign Ministry spokeswoman Jiang Yu made the announcement on Friday night after a Japanese court granted a request by prosecutors for a 10-day detention of the Chinese captain.

She said Japan has ignored China's repeated opposition to the illegal detention of the Chinese captain under the so-called judiciary procedures.

Jiang also warned Japan would further strain ties with China if it continues to act recklessly on the matter.

She noted the Diaoyu islands and its adjacent islets have been the Chinese territory since ancient times. Jiang Yu pointed out that Japan's acts have violated international norms, and are ridiculous, illegal and invalid.

Source: CCTV.com

- Chinese trawler crew seized by Japan back home (13th September)

A chartered plane of the Chinese government carrying 14 Chinese fishermen illegally seized by the Japanese authority landed in China's southeast port city of Fuzhou Monday afternoon after China's repeated solemn representations.

The fishermen were illegally detained after a trawler they were aboard collided with two Japanese Coast Guard patrol vessels near the Diaoyu Islands last Tuesday.

The fishing boat, which was "illegally detained by the Japanese side", also set off for home Monday morning and the Chinese government has sent a fishery administration ship to relevant waters ready for assistance, said the Chinese Foreign Ministry in a statement.

Source: Xinhua

- Chinese premier pledges to expand cooperation with Moldova (13th September)
Chinese Premier Wen Jiabao on Monday pledged to work with Moldova to increase win-win cooperation in sectors of agriculture, economy, trade, communication and culture.

"We should make concerted efforts to promote mutual understanding and friendship between the two peoples," Wen said while meeting with Moldova's Prime Minister Vlad Filat on the sidelines of the Annual Meeting of the New Champions 2010, or the Summer Davos, in north China's port city Tianjin.

Wen spoke highly of the healthy and stable growth of China-Moldova relations since they forged diplomatic ties, saying China respected the development path chosen by the people of Moldova.

Filat thanked China's support for its independence, sovereignty and territorial integrity. He said Moldova gave priority to promoting friendship with China in its foreign affairs, and would advance the bilateral cooperation between the two countries.

Filat reiterated that his country would firmly stick to the one-China policy.

Political leaders, scholars and business executives throughout the world, especially from emerging economies and industries, gathered here for this three-day forum to discuss topics under the theme of "Driving Growth through Sustainability."

- Vietnamese President vows to enhance friendly ties with China (13th September)
Vietnamese President Nguyen Minh Triet said in Hanoi on Sunday that Vietnamese people and Chinese people share a long and deep friendship and Vietnam is ready to enhance friendly ties with China.

Triet made the remarks when meeting with visiting Chairman of China's southwestern Guangxi Zhuang Autonomous Region Ma Biao, who is leading a 1,000-member delegation in Vietnam for trade and culture promotion.

At the meeting, Triet said Vietnam and China's Guangxi share a long borderline. Vietnam is China's gateway to markets of Association of Southeast Asian Nations (ASEAN).

Triet said China's Guangxi is conducting many major projects in Vietnam and these cooperation projects are running smoothly. Vietnam would like to strengthen ties with China's Guangxi in various sectors, he said.

For his part, Ma said Guangxi has close economic and trade links with Vietnam. The trade value between Guangxi and Vietnam accounts for nearly one fourth the total trade between China and Vietnam.

Ma said Guangxi is the host of the annual China-ASEAN Expo. Guangxi would like to be a bridge linking Chinese market and ASEAN market.

Ma said China and ASEAN have established the free trade area. Guangxi and Vietnam should make full use of the development momentum and push for the development of cross-border economic zone.

Ma said Guangxi would like to strengthen cooperation with Vietnam on education, culture, tourism, technology, health, as well as border management and border development.

Source: Xinhua

- China will work with all parties to resume six-party talks: FM (14th September)
China pledged Tuesday to make concerted efforts with all parties to create favorable conditions for the resumption of the six-party talks on the Korean Peninsula nuclear issue.

Foreign Ministry spokesperson Jiang Yu made the remarks when responding to questions concerning the upcoming visit to China by Stephen Bosworth, U.S. special envoy for the Democratic People's Republic of Korea (DPRK).

Jiang said Bosworth would arrive in Beijing Wednesday to meet with Foreign Minister Yang Jiechi and hold talks with Wu Dawei, China's special representative for Korean Peninsula affairs.

Jiang said the six-party talks and the full implementation of goals set in the Joint Statement issued on Sept. 19, 2005, would be conducive to realizing peace and stability on the Korean Peninsula and in the interests of all parties.

The Joint Statement, in which the DPRK promised to abandon all nuclear weapons and existing nuclear programs in return for economic aid, diplomatic recognition and establishment of a permanent peace regime to replace the armistice that ended the 1950-1953 Korean War, was reached during the fourth round of the six-party nuclear talks.

The six-party talks involve China, the United States, the Republic of Korea, the DPRK, Japan and Russia. They were launched in 2003, but stalled in April 2009.

Source: Xinhua

- Chinese president calls for closer ties with Switzerland (14th September)
Chinese President Hu Jintao said on Tuesday China was willing to work with Switzerland to expand exchanges and promote bilateral friendship.

In a congratulatory message to his Swiss counterpart, Doris Leuthard, to mark the 60 anniversary of the establishment of diplomatic ties of the two countries, Hu said bilateral relations had made strides in the past six decades as a result of joint efforts of the two nations.

China and Switzerland have no fundamental conflict of interests. Instead, the two

countries have broad prospects for cooperation as the two economies are complementary, said Hu.

It is always the policy of the Chinese government to develop sound and stable friendly cooperation with Switzerland on the basis of mutual respect, mutual benefit as well as non-interference of each other's domestic affairs, he added.

In her message, Leuthard said the Swiss government and people hope to further consolidate traditional friendship between the two nations and would like to make bilateral cooperation more fruitful in such sectors as politics, economics, finance, environment, technology, culture, and tourism.

Chinese Foreign Minister Yang Jiechi and his Swiss counterpart Micheline Calmy-Rey also exchanged messages on Tuesday.

Source: Xinhua

- China demands halt to Japan's so-called "legal procedures" against trawler captain: FM spokeswoman (14th September)

China Tuesday demanded Japan "immediately terminate so-called 'legal procedures'" against the detained captain of a Chinese fishing boat and his safe return home as soon as possible.

Chinese Foreign Ministry spokeswoman Jiang Yu made the remarks at a regular press briefing, calling it "an imperative matter."

Jiang's comment came a day after 14 crew members of a Chinese trawler returned to China after they and the boat were illegally detained by Japanese authorities near the Diaoyu Islands in the East China Sea last Tuesday.

Japan is still holding Zhan Qixiong, the trawler's captain.

Jiang said a delegation of China's National People's Congress, China's parliament, had agreed to postpone a scheduled visit to Japan. The decision was made after "taking into consideration all aspects."

"Japan stirred up the current grave situation and the Japanese side should hold all the responsibility," she said.

Jiang said the Chinese people had expressed their rage after the incident, showing "their firm will and determination to safeguard China's sovereignty and territory."

Referring to a Japanese elementary and junior high school hit by stones in Tianjin, Jiang said the Chinese government had always protected the safety of foreign organizations and people in China and would do so in the future.

"We do not approve of isolated radical activities and we believe the Chinese people will express their will in a rational way," Jiang said.

She reiterated that China's stance on the Diaoyu Islands was "clearcut."

"The Diaoyu Islands have been China's territory since ancient times and such a fact cannot be changed by anyone," she said.

"China was the first country to discover the Diaoyu Islands and execute effective jurisdiction over the islands. China processes indisputable sovereignty over the Diaoyu Islands and China's willingness and determination to safeguard its sovereignty and territorial integrity is unshakable," she said.

The fishermen were illegally detained after their trawler collided with two Japanese Coast Guard patrol vessels. After China lodged representations with Japan, all the crew, except the captain, returned to the southeastern city of Fuzhou on a flight chartered by the Chinese government Monday.

The trawler is en route to China under escort of two Chinese fishery administration ships.

Source: Xinhua

- China, Colombia pledge to promote trade ties (15th September)
Officials from China and Colombia on Tuesday pledged to promote bilateral economic and trade ties.

At a meeting in Bogota, Colombian Minister of Trade, Industry and Tourism Sergio Diaz-Granados and Chinese Ambassador to Colombia, Gao Zhengyue, discussed ways to deepen bilateral trade, which had witnessed growth in the last few years.

Both sides also exchanged views on promoting tourism between the two sides.

In 2008, the two-way trade volume reached 4.099 billion U.S. dollars, up 22.1 percent over 2007.

Source: Xinhua

- Detention of trawler captain "an obstacle" to Sino-Japanese ties: FM spokesperson (16th September)
China on Thursday again urged Japan to immediately set free the Chinese trawler captain who was detained last week near the Diaoyu Islands, saying the detention is "a protruding obstacle" to Sino-Japanese ties.

Foreign Ministry spokesperson Jiang Yu made the remarks at a regular press briefing, urging Japan "to take concrete actions to remove the obstacle."

Two Japan Coast Guard patrol ships and the Chinese fishing boat collided last week in waters off the Diaoyu Islands. Japan is still holding Zhan Qixiong, the trawler's captain, which China claims is illegal.

"The current situation was caused by what Japan has done on the Diaoyu Islands, so Japan should completely account for it," she said.

She reiterated that the Diaoyu Islands were Chinese territory since ancient times.

"China possesses indisputable sovereignty over the Diaoyu Islands and China's willingness and determination to safeguard its sovereignty and territorial integrity is unshakable," she said.

China had stated its solemn stance to Japan time and again through different channels, she said.

Media reports said Japan had warned nationals living or working in China to exercise caution. Jiang said she believed the Chinese people "can express their ideas by rational and legal means."

"The Chinese government will continue to protect the safety of foreign organizations and people in China, including those from Japan," she said.

After China lodged representations with Japan, all the crew, except the captain, returned to the southeastern city of Fuzhou on a flight chartered by the Chinese government Monday. The trawler returned Wednesday.

Jiang said people should remember and learn from history, and look at the future on the basis of history.

She was referring to the September 18 Incident of 1931, when Japanese troops blew up a section of the Dalian-Harbin Railway near Shenyang, and then accused the Chinese troops of sabotage as a pretext to bombard the barracks of the Chinese troops near Shenyang the same day, thus starting a massive armed invasion of northeastern China. Japan then launched an all-out invasion of China in the ensuing 14 years.

"China hopes Japan can have a correct view and proper handling of the history, and take concrete steps to stick to a path of peaceful development," Jiang said.

Source: Xinhua

- Chinese premier's presence at UN meetings crucial (15th September)

On Sept. 15, Li Baodong, permanent representative of China to the United Nations, gave an interview at the United Nations regarding Chinese Premier Wen Jiabao's participation in upcoming U.N. meetings.

Li said Premier Wen is scheduled to attend the U.N. High-Level Plenary Meeting on the Millennium Development Goals and the General Debate of the 65th Session of the U.N. General Assembly in New York from Sept. 21 to Sept. 23.

This is the second time for Wen to participate in the U.N. meetings since 2008, and the third consecutive year for major Chinese leaders to attend.

The significance of Wen's attendance of the meetings can be summed up in three aspects:

First, it embodies China's ample attention to multilateral diplomacy. Second, it shows China's support for the role of the United Nations. Third, it reflects China's determination to deal with global threats and challenges through collective efforts.

Li expressed his understanding of Wen's attendance at the U.N. meetings.

First, this important diplomatic activity will cover many aspects. Although Wen will only stay in New York for a very short time, his schedule is tight. In his speech at the conference, the premier will expound upon China's domestic and foreign policies as well as views on the current international situation. He will reiterate that China will unswervingly take a path of peaceful development and adhere to the reform and opening-up policy.

Wen will also meet with U.N. Secretary General Ban Ki-moon and the leaders of certain countries to further promote bilateral relations.

In addition, Wen will attend activities held by the United States and China-friendly organizations, give an interview to the U.S. mainstream media organizations, have an informal discussion with the heads of certain U.S.-based Chinese media agencies and meet with representatives of overseas Chinese students, emigrants and Chinese-funded institutions.

Second, this is an important diplomatic activity that helps bolster people's confidence. The current international situation and international relations are undergoing profound changes, not to mention the increasing global threats and challenges.

Due to the intertwined traditional and non-traditional security issues, the weak foundation for global economic recovery and unbalanced development in different countries, it has become even more difficult to achieve the Millennium Development Goals on schedule. However, there are grim challenges but also unprecedented opportunities.

Today, people are better at meeting challenges and have far more ways of overcoming difficulties. In addition, peace, development and cooperation have become the main theme of the current times. Wen will encourage the confidence of all parties and persuade them to exert political power according to the principles of equity and justice to jointly meet challenges and take advantage of opportunities. Wen hopes all involved will give fresh impetus to the construction of a harmonious world of enduring peace and common

prosperity.

Third, this is an important diplomatic activity aiming at strengthening the role of the United Nations. The year 2010 is the 65th anniversary of the establishment of the United Nations. The organization is now faced with a variety of new problems and challenges under the new situation.

However, generally speaking, as the most universal, most representative and most authoritative international organization, the United Nation's status has not changed. The status of the United Nations Charter as the foundation of contemporary international law and international order has not changed, nor have the expectations of the international community toward the United Nations.

Currently, the United Nations is at an important crossroads for development. China is the biggest developing country and also a permanent member of the U.N. Security Council. Wen's aim in attending the conference is to promote and strengthen the central role of the United Nations in the process of practicing multilateralism. He also hopes to further help it become the vehicle for maintaining world peace and promoting common development.

By People's Daily Online

- China seeks to enhance military cooperation with Thailand (16th September)
China and Thailand had conducted friendly and fruitful cooperation in the political and economic areas, said Chinese Defense Minister Liang Guanglie when meeting with Air Chief Marshal Itthaporn Subhawong, Commander-in-Chief of the Royal Thai Air Force.

Liang said relations between the Chinese and Thai armed forces had developed well with frequent high-level visits and expanded cooperation.

Itthaporn's visit would certainly help promote the development of China-Thailand relations and military ties, in particular the friendly cooperation between the air forces of the two countries, Liang said.

Itthaporn said Thailand was devoted to boosting strategic cooperative relations with China and would like to further strengthen their military exchanges and cooperation.

Source: Xinhua

- Protecting sovereignty over Diaoyu Islands accords with fundamental interests of Chinese nation, spokeswoman (16th September)
Protecting sovereignty over the Diaoyu Islands is in the common interests of compatriots on both sides of the Taiwan Strait, Fan Liqing, spokeswoman of the Taiwan Affairs Office of the State Council, told a press conference Wednesday.

"It's also in the long-term and fundamental interests of the Chinese nation," she said in response to a question regarding civilian activities in Taiwan to safeguard the Diaoyu

Islands.

Source: Xinhua

- Sino-US trade tensions escalate (17th September)

Trade tensions between the United States and China have worsened in the wake of Washington filing two cases against Beijing at the World Trade Organization (WTO), claiming "unfair trade practices" against China.

The move came amid mounting US criticism of China's exchange rate policies, despite the central parity rate of the yuan rising to 6.7181 per US dollar, a fresh high, according to the China Foreign Exchange Trading System.

The US filings target anti-dumping duties that China imposed on electrical steel from the US, used in the power sector, as well as US suppliers having no access to electronic payment services in China.

"We are concerned that China is breaking its trade commitments to the United States and other WTO partners, both by favoring its one State-owned financial services firm to the exclusion of American credit and debit card companies and by manipulating trade-remedy investigations to unfairly restrict exports of American steel," US Trade Representative Ron Kirk said in a statement, according to Dow Jones.

China imposed countervailing and anti-dumping duties on electrical steel from the US in April as the Ministry of Commerce said export subsidies on American steel hurt China's domestic steel industry.

US credit card companies complained about a lack of access to China's fast-growing market. Visa informed its member financial institutions May to stop using UnionPay as an international payment method from August 1, which was not enforced, reports said.

Consultations are the first step in a WTO dispute. Parties that do not resolve matters through consultations within 60 days may request the establishment of a WTO dispute settlement panel, according to WTO rules.

Michael Pettis, a senior associate specializing in the Chinese economy for the Beijing-based Carnegie Asia Program, told the Global Times.

Thursday that "It is hopeless for the US to force China to raise the yuan, so in order to solve domestic problems, the Obama administration has to put more pressure on bilateral trade to decrease the trade deficit."

"Trade conflicts between the two countries will get more common by next year, as there are no feasible solutions to these conflicts," he said, adding that a trade war might be triggered if the situation worsens.

Wan Jun, a researcher of the global economy at the Chinese Academy of Social Sciences, told the Global Times that "The US is experienced in using trade dispute as a tool while putting pressure on China to win US public support."

The latest trade dispute came at a time when US lawmakers are holding hearings on legislation to encourage China to let its yuan rise in value. Chinese officials have repeatedly said a rising yuan "can't solve domestic US problems such as high unemployment."

Foreign ministry spokeswoman Jiang Yu said Thursday that "appreciation of the yuan won't resolve the US trade deficit with China or domestic US problems such as high unemployment."

By Guo Qiang, Global Times

- China supports building Middle East nuclear-weapon-free zone (17th September)
China supported the proposal of establishing a Middle East nuclear-weapon-free zone, a senior Chinese diplomat said in Vienna Thursday.

China had always stood by strengthening the international non- proliferation regime, and committed to advancing the universality, effectiveness and authority of the Treaty on Non-Proliferation of Nuclear Weapons (NPT), said Hu Xiaodi, China's permanent representative and ambassador to the United Nations and Other International Organizations in Vienna.

To this end, China supported building a Middle East nuclear- weapon-free zone, maintained Israel should join the NPT as a non- nuclear-weapon state at an early date, and put all its nuclear facilities under comprehensive safeguards of the International Atomic Energy Agency (IAEA), said Hu, who was addressing the IAEA board meeting, which started Monday.

"Meanwhile, all countries in the region should conscientiously fulfill NPT obligations, as well as sign and ratify the IAEA safeguards agreements and its Additional Protocols," Hu added.

He went on to say China welcomed the proposal endorsed in the final document of the NPT Review Conference this May, which calls for convening an international conference in 2012 on the establishment of a zone free of nuclear weapons and all other weapons of mass destruction in Middle East.

Hu also stressed the willingness of the Chinese to work with the international community for a non-nuclear-weapon area in the Middle East, and achieving peace and stability in the region.

Source: Xinhua

- China beefs up its offshore law enforcement (18th September)

China has full sovereign and jurisdiction rights over the Chunxiao oil and gas field and Beijing's activities there are entirely reasonable and legitimate, Foreign Ministry spokeswoman Jiang Yu said on Friday.

Earlier, Japanese media reported that China had transported equipment into the Chunxiao field in the East China Sea and said it was probably about to carry out maintenance work there.

Jiang neither confirmed nor denied the reports but said China has every right to be active in the Chunxiao field.

Jiang added that China had "sent marine surveillance ships to strengthen law enforcement in Chinese related waters to protect maritime rights and interests".

"China's related departments have also sent fishery administration ships to China's territorial waters to provide protection to fishermen," Jiang said.

She made the comments when asked to confirm whether China's marine surveillance ships had demanded that Japan stop marine surveying activities in related waters and whether China's fishery administration ships had enhanced law enforcement activities in the areas.

A Chinese fishing boat was in collision with two Japan Coast Guard patrol ships in waters off the Diaoyu Islands in the East China Sea on Sept 7.

The seizure of the Chinese trawler and its crew by the Japan Coast Guard developed into a diplomatic crisis between China and Japan.

China has repeatedly lodged protests with Japan about the incident.

Fourteen Chinese fishermen and the trawler subsequently returned home on Monday, but the captain was still being held by Japan.

The Chinese government declared it was postponing negotiations with Japan aimed at signing a treaty over joint gas field exploitation in the East China Sea.

The two governments had planned to hold a second round of negotiations on the issue in mid-September in Beijing after the first round of talks had been held in Tokyo in late July.

Beijing and Tokyo had reached a broad agreement in June 2008 to resolve disputes in the East China Sea by jointly exploring the fields.

The two sides reached a basic understanding on the joint development.

However, due to differences over the proportion of investment and the distribution of

interest, there has been no further development since 2008.

(Source: China Daily)

Economic front

- August economic data suggests Chinese economy's continued momentum (12th September)

China's August economic data released Saturday gave relief to market participants, with the figures demonstrating the economy's continued momentum despite the government's tightening measures and moves to cool the property market.

Higher-than-expected growth in fixed asset investment, industrial production, retail sales and new loans, as well as the August trade data announced Friday, all pointed to the increasing strength of the Chinese economy.

SIGNS OF RE-ACCELERATION

China's industrial value-added output growth accelerated to 13.9 percent year on year in August from July's 13.4 percent growth, the National Bureau of Statistics (NBS) data showed.

The rebound was the first increase in the speed of growth in industrial value-added output this year, after seven consecutive months of decreases in the rate of growth as the government introduced curbs on bank lending to energy-intensive industries and the property market.

"It is a good result," the NBS spokesman Sheng Laiyun said, adding the August output data was a mild rebound from the 13.4 percent growth in July and 13.7 percent growth in June, suggesting China's industrial production stabilized from fast expansion in the first half.

Retail sales growth accelerated to 18.4 percent in August. Urban fixed asset investment also maintained a strong growth in the first eight months, up 24.8 percent from a year earlier.

Further, an unexpected acceleration in China's imports last month pointed to strong domestic demand. Exports grew 34.4 percent year on year in August, slowing from July's 38.1-percent surge, while imports rose 35.2 percent in August, sharply up from the 22.7-percent increase in July, customs data showed Friday.

Zhang Liqun, a researcher with the State Council's Development Research Center, said the investment, consumption and exports data were good and suggested that China's economic growth rates will not decline significantly.

New yuan-denominated lending picked up to 545.2 billion yuan (80.53 billion U.S. dollars) in August compared with the 532.8 billion yuan in July, the People's Bank of

China, or the central bank, said in a separate statement Saturday.

China's broad money supply (M2), which covers cash in circulation and all deposits, increased 19.2 percent year on year by the end of August, up 1.6 percentage points from the end of July.

The rebound of M2 from July indicated that China's economic slowdown was not as rapid as expected, said Liu Yuhui, economist with the Chinese Academy of Social Sciences.

"The overall economy is stable and sound. It is heading in the direction expected and as set by the government's macro-economic controls," Sheng said.

Earlier figures showed that China's GDP grew 11.1 percent year on year in the first half of the year. But its economic growth rate slowed to 10.3 percent in the second quarter, from 11.9 percent in the first three months the year. (continued)

<http://english.people.com.cn/90001/90778/7137431.html>

- China fixed-asset investment up 24.8% in first eight months (12th September)

China's fixed assets investment reached 14.1 trillion yuan (2.1 billion U.S. dollars) in the first eight months this year, a year-on-year increase of 24.8 percent, according to a report released here by the National Bureau of Statistics Saturday.

The growth rate was 0.1 percentage points lower from that for the first seven months.

State-owned and state-controlled investment rose by 20.0 percent to 5.85 trillion yuan.

Property market investment grew 36.7 percent to 2.84 trillion yuan in the first eight months.

Investment in central government projects gained 11.4 percent to hit 1.12 trillion yuan, and investment in local government projects gained 26.1 percent to 12.98 trillion yuan in the first eight months year on year.

Foreign investment climbed 2.5 percent to 488.7 billion yuan in the first eight months from a year earlier. Investment from Hong Kong, Macao and Taiwan was up 15.8 percent to 445.4 billion yuan. Domestic enterprise investment rose 26.3 percent to 13.11 trillion yuan.

Source: Xinhua

- Landmark cross-Strait economic pact takes effect (13th September)

The Economic Cooperation Framework Agreement (ECFA) the Chinese mainland and Taiwan signed in June took effect Sunday, after the two sides completed the relevant procedures, marking a new era for economic ties across the Taiwan Strait.

The ECFA aims to establish a systematic mechanism for enhancing cross-Strait economic cooperation.

Under the agreement, the two sides agreed to gradually reduce and remove trade and investment barriers, and continue discussing agreements for commodities trade, services trade and investment for six months after the ECFA takes effect.

Hsiao Han-chun, director of Taiwan's Kaohsiung County Farmers' Association, said, "The ECFA's coming into effect is definitely a good thing. I shout 'bravo' on behalf of Taiwan farmers and fishermen."

Hsiao said the duty cuts on farm produce will benefit farmers and fishermen in central and southern Taiwan.

According to the "early harvest" program, an integral part of the ECFA, the duties on 539 Taiwan goods and 267 mainland products will be reduced to zero in three phases within two years from Jan. 1, 2011.

The Taiwan products involved include farm produce, chemicals, machinery, textile and auto parts.

Taiwan institutions estimated the island will save nearly 30 billion New Taiwan Dollars (943 million U.S. dollars) from the duty cuts after the ECFA takes effect.

The Chung-hua Institution for Economic Research, a Taipei-based think tank, predicted the pact will boost local GDP growth by 1.65 to 1.72 percent and generate about 260,000 new jobs in Taiwan.

The ECFA will also help Taiwan's services industries expand their businesses.

Eyeing the ECFA taking effect, financial agencies from the mainland and Taiwan have stepped up cooperation.

Taiwan-based Taishin Financial Holdings signed on Sept. 9 a cooperation agreement with mainland-based Nanjing Zijin Investment Co. Prior to this, China Huarong Asset Management Corporation (CHAMC) and Taiwan-based SinoPac Holdings signed an agreement in Beijing on Sept. 3 to begin new strategic cooperation.

In the mean time, the mainland-based Bank of China and Bank of Communications applied on Sept. 7 to set up representative offices in Taiwan.

Taiwan securities analysts have said the shares of companies which will benefit from the ECFA will help push up the benchmark Taiex Index.

Lee Shr-Hau, president of Taiwan-based Hwashin Securities Investment Consulting Co., said the ECFA will have positive effects on the shares of both the island's traditional

industries and financial services, especially those included in the "early harvest" program.

"The ECFA's taking effect also means the two sides will discuss cooperation between other industries across the Strait," he said.

In addition, under the agreement, the mainland and Taiwan will also set up a committee for cross-Strait economic cooperation.

Sheng Jiuyuan, a researcher with the Shanghai Pudong Institute for the Taiwan Economy, said the committee will be the first working organization jointly set up by the two sides under the framework of the mainland's Association for Relations Across the Taiwan Straits (ARATS) and Taiwan's Straits Exchange Foundation (SEF).

The ARATS and SEF handle cross-Strait issues on behalf of their respective authorities.

"The committee will guarantee the ECFA's implementation and ensuing negotiations," he said.

"Compared with the framework agreement, individual agreements on special subjects will entail more efforts in negotiation."

"The two sides should adopt a more practical attitude during negotiations, so as to enable cross-Strait cooperation to be a success," he said.

The mainland has been Taiwan's largest trading partner and export market since 2007, according to statistics released by both sides.

Taiwan is the mainland's sixth largest trading partner, with accumulated cross-Strait trade reaching 960 billion U.S. dollars at the end of 2009.

Source: Xinhua

- Economist: China shall sell state-owned shares (13th September)

A leading government economist has recommended Beijing launch a bid to sell off some of the government shareholdings in public companies, to back up domestic consumption and social welfare.

Xia Bin, head of the finance institute of the State Council's Development and Research Center, puts forward his suggestion to Beijing, so that the central government could have more funds at its disposal to boost China's economy, while improving rural welfare projects, including providing full coverage of medical care and pensions to all China's residents.

Xia, who also sits at the central bank's policy advisory committee, wrote in an essay: "By selling a part of its shares even while preserving control over the economy, the state can raise funds to stimulate consumption and provide relief to those in need. It can also help

to form a virtuous circle of the economy."

Beijing presides over a huge portfolio of controlling stakes in a wide range of companies, ensuring that the central government retains overall control of corporate strategies in areas from airlines and mobile phones to banking, insurance and energies.

Xia also once again put forwards his proposal that the central bank considers floating the deposit interest rates.

"The rising consumer price index means there is a perfect opportunity to introduce floating deposit rates that would help in garnering more funds," he wrote. China's consumer price index rose to 3.5 percent in August, the highest level since the eruption of the global financial crisis in late 2008.

By People's Daily Online

- Yuan hits record high against US dollar (13th September)

China's currency, the yuan, hit a high against the U.S. dollar Monday, as the central bank set the medium reference rate as one dollar exchanging 6.7509 yuan. Meanwhile, the currency also gained value against a spate of other world currencies.

Also on Monday, The Wall Street Journal reported that U.S. Treasury Secretary Timothy Geithner complained about the too slow progress of Beijing's allowing its currency to appreciate. Geithner said the yuan has made "very, very little" progress.

In an interview with the Journal conducted on Friday, Geithner was asked if he was satisfied with China's progress on the yuan. Geithner replied: "Of course not."

Geithner is due to testify before the U.S. House of Representatives Ways and Means Committee on Thursday to present the Obama administration's latest view of what the United States should do to press China to reform its exchange rate practices.

The yuan is now up 0.96 percent from June 19, when the People's Bank of China (PBOC) announced the abolition of a two-year peg to the dollar.

The yuan was little changed for more than a decade before the 2005 revaluation in which the PBOC shifted to "a managed floating exchange rate based on market supply and demand with reference to a basket of currencies", to replace a single exchange rate system solely decided by the central bank.

The reform was interrupted for nearly two years since July 2008 until mid-June this year during which China re-pegged the yuan to the dollar to help fight the global financial crisis.

By People's Daily Online

- Yuan rises help ease China's inflation: Analysts (14th September)

In a concerted measure to rein in rising inflation, the policy-makers in China have allowed substantive currency appreciations since the beginning of September, market analysts say.

Following a marked gain in the value of the yuan, or RMB, on Monday, the People's Bank of China, the central bank, set the official medium reference rate of its currency at 6.7378 per U.S. dollar on Tuesday, rising 131 basic points, the highest rate since July 2005 when China abolished the system of pegging the yuan to the greenback.

Consumer inflation in China rose at the fastest pace in nearly two years in August, when the National Bureau of Statistics said the nation's consumer price index rose 3.5 percent year-on-year, higher than the 3.0 percent annual target set by Beijing.

Chinese economists have suggested the central bank raise the value of its currency in a bid to blunt imported inflation. China's imports from other countries and regions in August rose unexpectedly by 45.5 percent year-on-year, the bureau reported.

Experts believe the recent streak of the yuan gains is expected as it helps the government combat domestic inflationary pressure. Analysts however have thrown cold water on the chances of an imminent interest rate hike by the central bank, saying the recent spike in consumer prices would be temporary and China's inflation will ease by year-end.

By People's Daily Online

- Premier: China must stabilize house prices (14th September)

Premier Wen Jiabao told a world economic forum Monday that stabilizing house prices is a top priority for every level of government in the country, stressing the task is even related to maintaining social tranquility.

The Reuters said in a report that Premier Wen's key-note speech to the opening meeting of the World Economic Forum held in Tianjin was seen as a manifestation that underlining how concerns about a red-hot real estate market have become a central focus of China's policy-makers.

Runaway property prices are not only a grave threat to the world's second largest economy, but could also undermine social stability if left unchecked, Wen said.

"It is the key responsibility of all levels of governments to stabilize housing prices and to guarantee availability of housing," said the Chinese premier.

China has been trying to curb property prices, which have soared in the second half of 2009, mostly because of vehement speculation, and threaten to swell into a big bubble that some analysts warn would endanger the world's fastest-growing major economy.

Beijing has struggled to get growth-obsessed local governments to implement centrally

directed policies to cool the property sector.

Wen's remarks made clear that officials will be evaluated on their success in stabilizing house prices, said the Reuter report.

Wen sounded a strongly confident note about the broader health of the Chinese economy and called repeated attention to country's role in promoting global recovery from the international financial crisis over the past two years.

Speaking to an audience of global executives and government officials, he also sought to allay concerns about regulations that foreign firms worry could put them at a disadvantage in the Chinese market. He said any foreign firm registered in China would be given equal treatment to their Chinese competitors.

Wen focused his speech on many of the long-term structural goals of Chinese economic reform: the need to promote more domestic consumption, to support the development of the lagging interior and to ensure a fairer distribution of income.

But his words on the property market stood out as an immediate call to action for officials across the country.

"The housing issue is not only an economic problem but also an issue of people's livelihood that affects social stability," Wen said.

Property prices have begun to stabilize, according to official data, after a months-long crackdown on speculative investment by the government. Last month, the average housing price surveyed in 70 major Chinese cities stayed at the same level as the month ago.

But local media are also full of reports of frenzied buying returning to the market in recent weeks.

There have been questions about whether the government has the resolve to step up its property tightening, for fear of tipping the economy into a slowdown. However, Wen's tone about the overall economy was unmistakably optimistic, suggesting that Beijing is not about to back down from its real estate policies.

"At present, China's economy is in good shape with relatively fast growth, a better structure, increasing employment and stable prices," he said.

"In the second quarter and after, some economic indicators showed signs of slowdown, but that was mainly caused by a high base of comparison and government controls. We have the confidence, the conditions and the ability to maintain stable and relatively fast economic growth," Wen said.

Chinese industrial production and capital spending both surprised on the upside in August, highlighting how China has remained buoyant even as the United States and Europe have

struggled to shore up their recoveries.

Wen said there was nothing mysterious about China's success.

"We have implemented an active fiscal policy and an appropriately loose monetary policy in an unprecedented stimulus package," he said. "At the same time, we have successfully controlled the fiscal and financial risks."

Much of the government's burst of spending last year was financed by bank lending, and analysts say the cost will eventually hit home in the form of an increase in loan defaults.

But Wen said the banking sector was in a strong position, with an industry-wide capital adequacy ratio of 11.1 percent and a non-performing loan ratio of just 2.8 percent.

He also said that the risks of rapid lending to local governments, though serious, were being brought under control.

"We have launched measures to enhance the management of local government financing vehicles and are in the process of intense implementation," the premier said.

Source: People's Daily Online / Agencies

- China to boost cooperation with World Bank: vice premier (14th September)
China wishes to bring its cooperation with the World Bank to higher levels, Vice Premier Li Keqiang said in Beijing Monday, the 30th anniversary of China's cooperation with the bank.

"Both sides should seize the new cooperation opportunities as China strives to restructure economy, improve people's livelihood and maintain sustainable development," he said during his meeting with Robert Zoellick, President of the World Bank.

China and the World Bank have extensive cooperation in poverty relief and development projects both in China and other countries in the world. The success rate of the bank's projects in China are among the highest in the world, Li said.

"The cooperation between China and the World Bank is fruitful and mutually beneficial," he added.

The World Bank wishes to further expand cooperation with China and to introduce China's experience of reform and development to other developing countries, said Robert Zoellick.

Source:Xinhua

- China's stimulus package benefits China and world (14th September)

China's stimulus package, policies and measures are timely, forceful and effective, which have not only benefitted the country but made important contribution to the world economic recovery, Premier Wen Jiabao said in Tianjin Monday.

He made the remarks at the World Economic Forum Annual Meeting of the New Champions, also known as the Summer Davos, in north China's port city of Tianjin.

"At a time of negative economic growth for major developed countries, the fast economic stabilization and rapid economic growth of China and other developing countries greatly boosted international confidence in overcoming the financial crisis and provided a strong impetus to the world economic growth," Wen said.

China's imports totaled 1.0056 trillion U.S. dollars in 2009, with its trade surplus dropping by 102 billion U.S. dollars, according to Wen.

In the first seven months of this year, China's imports hit 766.6 billion U.S. dollars, up 47.2 percent from one year earlier and the trade surplus was reduced by 22.6 billion U.S. dollars compared with the same period last year.

"This shows that China's economic growth has provided major development opportunities for the multinationals and created huge demand for major economies and neighboring countries," Wen said.

"It has become an important engine for the world economic recovery," he said.

Source: Xinhua

- Chinese statistics chief hopes for 10% economic growth, 3% inflation in 2010 (15th September)

It would be a "good result" for China's economy if the country could achieve a growth rate of around 10 percent and around 3 percent rise in consumer prices this year, Chinese statistics chief said here Wednesday.

Ma Jiantang, director of the National Bureau of Statistics, made such remarks at the ongoing World Economic Forum Annual Meeting of the New Champions in north China's port city of Tianjin.

He said he is not worried about the speed of China's economic growth. What worries him are how to accelerate the transformation of the nation's economic development pattern, how to enhance the rates of resources utilization efficiency and how to protect the environment.

Ma said the country should put more efforts to the economic restructuring and the transformation of the nation's economic growth model.

Ma also said the ministry will create a scientific system of statistical indicators to guide governments at all levels, industries and companies to transform development pattern.

He said statistical data should "truly and accurately" reflect the process of the transformation.

He also said it was "very hard" for official data to reflect individual feelings on prices and each person's income.

Source: Xinhua

- Commerce Ministry: Wrong to accuse yuan (15th September)

China's Ministry of Commerce said Wednesday that it is inaccurate and void of economics for some American Congressional members to draw the conclusion that China's currency is undervalued on account of its running a trade surplus with the United States.

Yao Jian, the ministry spokesman, told reporters that despite China has trade surpluses with America, the country runs deficits with Australia, South Korea and other partners.

He said that the United States should acknowledge a fact that it has attained a substantive increase in its exports to China, the world's major developing economy. American exports to China accounted for 6.8 percent of its total export shipments last year, rising 1.8 percentage points compared with 2008.

Yao also mentioned that a deputy commerce minister will head a 30-strong trade delegation to the United States to seek cooperation opportunities in the fields of energy and technology.

In the past few days, senior Obama administration officials and some Congress members criticized China's currency policy, accusing it of manipulating the value of the yuan so as to maintain a trade advantage against the United States.

China's central bank made the central parity rate of the yuan to the greenback at 6.7250 yuan per dollar Wednesday, a fresh high since it ended a de-facto peg of its currency to the dollar, in force since the eruption of the global financial crisis in late 2008. The yuan has gained about 1.4 percent against the dollar since June.

By People's Daily Online

- Leading U.S. business groups strongly against Chinese currency bill (15th September)

A group of leading U.S. business organizations on Tuesday urged the exclusion of a bill to pressure China to revalue its currency.

"We strongly oppose legislation that would allow the use of either the antidumping or countervailing duty law to address currency concerns," the group of top U.S. business agencies said in a joint letter.

The letter, signed by 36 business and farm groups, including the American Chamber of Commerce in China, the Business Roundtable, the National Foreign Trade Council and the Coalition of Service Industries, was addressed to the House of Representatives Ways and Means Committee Chairman Sander Levin, whose panel is to hold two days of hearings this week on the issue of Chinese currency, or yuan.

The proposed Currency Reform for Fair Trade Act would also appear to "violate the United States' commitments under the World Trade Organization rules" governing the calculation of antidumping duties and the types of subsidies that are subject to countervailing duties, according to the letter.

These business groups emphasized the importance of a "healthy and sustainable trading relationship with China", adding that "this goal will not be achieved through a singular focus on currency or the type of damaging and unilateral legislation proposed."

China announced on July 19, 2010 to proceed further with the reform of the yuan exchange rate regime to enhance its exchange rate flexibility.

"We should not undermine or violate the international rules that help our economy prosper" in an attempt to achieve those goals, said the letter.

Source: Xinhua

- China is major target of trade protectionism (15th September)

China has become the main target country of global trade protectionism and some countries have used carbon tariffs to conduct trade protectionism under the guise of coping with climate change, said Yi Xiaozhun, vice minister of the Ministry of Commerce (MOFCOM).

"Trade protectionism is on the rise worldwide. In 2009, the number of non-tariff measures taken by WTO members reached 1,489, a 17 percent increase from the 1,272 non-tariff measures in 2008," Yi said during the forum.

According to data released by Yi, in 2009, with a global export share of less than 10 percent, China suffered from 40 percent of the aggregate global anti-dumping cases, 75 percent of global anti-dumping cases and 43 percent of global trade investigations. This means that China has become the main target country of trade protectionism.

Supachai Panitchpakdi, Secretary-General of the U.N. Conference on Trade and Development (UNCTAD), said when releasing the Trade and Development Report 2010 on Sept .10 that China has become the target of trade protectionism. China along with some emerging economies has taken some measures to address the issue.

However, Panitchpakdi believes that there is no need to pay too much attention to the issue, because some countries adopted such measures to stimulate their economies. Many

enterprises have therefore received subsidies and support. Nevertheless, these measures did not belong to trade protectionism, but are the policies to save the economy.

By People's Daily Online

- Multinational companies hold greater confidence in investing in China (16th September)

China's enormous market, sound infrastructure, complete supporting policies and measures as well as its stable environment are attracting more multinational companies to invest in China.

Valuing the increasingly mature market

The high-speed economic growth has led to the continual rise in China's position in the global competitiveness index as well as new changes in China's investment environment. During the opening day of 2010 Summer Davos Forum in Tianjin, executives from multinational companies conducted lively discussions surrounding the topic of "The Road Ahead for Multinational Companies in China."

GE generated 5.3 billion U.S dollars in sales revenue in China in 2009, an increase of 14 percent from the previous year.

Ferdinando Beccalli-Falco, CEO of GE International, said GE is more confident to invest in China. China's investment environment has not worsened, but the competition in some sectors is intensifying, which is a normal situation.

For instance, the rise in multinational companies' production costs in China is an inevitable result of China's economic development. Given China's vast geographic size as well as different economic development stages and production costs in its various regions, the rise in costs should not be overly stressed in a one-sided manner.

GE attaches importance to China's increasingly mature market and innovative technologies. China will become a technological development base and a cradle of technological innovation.

Coca Cola plans to invest 2 billion U.S. dollars in China from 2009 to 2011 and is scheduled to establish two new factories in Guangdong and Inner Mongolia in October 2010.

Glenn Jordan, president of Coca-Cola's Pacific Group, said during the forum that the Chinese market is increasingly important to any multinational company and a large number of newcomers are making the market competition in China fiercer. Some multinational companies believe that their investment costs in China will rise and China's investment environment is worse than it was. This is not accurate, he said. As the Chinese market has been evolving and becoming mature along with the economic development, the rise in cost in China is natural.

- China rebuffs pressure on yuan (16th September)

China Wednesday rejected a charge of manipulating its currency amid what appears to be a fresh mounting wave of pressure from the United States for a stronger yuan before the midterm election in November there.

"It is groundless for the US to criticize China's exchange rate policy simply according to the trade surplus alone," Yao Jian, spokesman with the Ministry of Commerce, said Wednesday at a news conference.

US exports to China have substantially increased in recent years, he said, and US exports to China accounted for 6.8 percent of its total export shipments last year, rising 1.4 percentage points compared with 2008.

Yao's comments came ahead of two days of key US congressional hearings later in the day, launched by the House of Representatives Ways and Means Committee, which will hear testimony from US industry heads, trade experts and Treasury Secretary Timothy Geithner about how to prompt China to let the yuan rise in value, Reuters reported.

Some foreign critics and manufacturers say the Chinese currency is undervalued by as much as 40 percent. They believe China's undervalued currency is an artificial boost for China's export industry.

According to government statistics, China posted a third straight trade surplus of more than \$20 billion in August, fueling long-time claims that the yuan is undervalued.

Ahead of the US congressional hearings, the central parity rate of the yuan strengthened to a new record Wednesday at 6.725 per US dollar, according to the data released by the China Foreign Exchange Trading System, and appreciated in value for four consecutive trading days.

"The flexibility of the yuan exchange rate has already increased, and there is little possibility of a sharp appreciation of the yuan," Li Daokui, a member of the Monetary Policy Committee of the People's Bank of China, the central bank, told the Global Times Wednesday on the sidelines of the Summer Davos forum in Tianjin.

"China's exchange rate policies should not change under external pressure," Li noted, adding that the future of the yuan exchange rate rests with the pace of economic adjustments.

The Chinese currency has seen increased volatility since the central bank announced on June 19 this year to increase exchange rate flexibility, according to Li.

Ding Yifan, a researcher at the Development Research Center of the State Council, told the Global Times Wednesday that "Washington's punitive measures against China on the yuan issue would spark a trade war, and the US will be the loser."

By Li Qiaoyi and Guo Qiang, Global Times

- China's 4 trillion yuan stimulus package creates 22 million jobs (17th September)
China's 4 trillion yuan stimulus package has created 22 million job opportunities over the past two years, said Yin Weimin, minister of Human Resources and Social Security, when delivering a keynote speech at the Fifth Asia-Pacific Economic Cooperation (APEC) Human Resources Development Ministerial Meeting in Beijing on Sept. 16.

Yu said China will strive to build a harmonious society, achieve full employment and create decent job opportunities in the present and a certain future period.

Yin said that the government helped more than 1.6 million troubled enterprises to stabilize 60 million job posts in 2009 by means, such as postponing the collection of social security contributions, lowering social insurance premium rates and offering social security, post and training subsidies.

The government also initiated the "Special Professional Training Plan" that subsidizes professional training and supports entrepreneurship in order to expand the training coverage, prolong training time, reduce the number of unemployed and enhance trainees' career transfer and employment adaptation abilities.

In 2009, relevant departments organized a total of more than 21 million urban and rural workers to participate in government-subsidized professional training. The government allocated 29.1 billion yuan in social security funds in 2009, an increase of almost 17 percent from the previous year.

In addition, in order to expand the social security coverage and raise the remuneration standard, the government launched a new type of rural social pension pilot scheme in 320 counties, covering 130 million rural residents for the first time.

By Zhang Qian, People's Daily Online

- Yuan likely to come up at Sino-EU summit (18th September)
The European Union (EU) is very likely to pressure China on currency appreciation at the upcoming Sino-EU summit in Brussels.

The EU hinted in a document released at the end of a one-day summit on Thursday that currency policy was high on the list of strategic interests the EU planned to pursue when Chinese and EU leaders meet in October.

"In view of the EU-China summit in particular, the European Union should actively pursue its strategic interests, (including) the dialogue on exchange rate policies," the document said.

President of the European Council Herman Van Rompuy said at a press conference on

Thursday the EU had already come up with unified ideas on what would top its agenda regarding the EU-China relationship though it was yet to work out an overall strategy.

"We have precise ideas on how to position ourselves vis--vis China (as reflected in the document)," said Van Rompuy.

"So thanks to today's discussion, when the president of the European Commission and I meet the Chinese Premier in Brussels, three weeks from now, we will not speak just for Brussels, we can speak on behalf of the 27 (EU member states)."

Apart from currency policies, a spate of other issues such as the promotion of bilateral trade, market access for goods and services, investment conditions, and the protection of intellectual property rights are high on the EU's list of strategic interests.

The EU also wants to discuss the opening up of public procurement markets and stronger discipline in the field of export subsidies when Premier Wen Jiabao visits Brussels.

Belgian Ambassador to China Patrick Nijs told China Daily that the EU-China summit is taking place in a new context, brought about by the Lisbon Treaty.

Van Rompuy said the Lisbon Treaty requires the European Council to define the EU's strategic interests, give strategic direction and deepen its involvement in the EU's foreign policy.

"I hope there will be a maximum discussion and exchanges in an open manner," said Nijs.

Regarding technology transfer, Nijs said he wouldn't expect it to happen at a government-to-government level, but instead at a business-to-business level.

"We should not blame anyone (for global climate change) because it's useless, and we have to work together to prevent the world becoming unlivable," Nijs added.

The ambassador pointed to China's efforts in sustainable development, and said that the nation deserves more credit than it has been given by Europe. "People in Europe should be a little bit more aware that China didn't just look on and let others do the work now we have to find a common standard to measure the level we have reached and the next level we aim at," said Nijs.

Nijs said the best way to solve the problem of the arms embargo on China is for all EU member states to have a discussion behind closed doors.

"We are really working to understand China's position on that. I know how close it is to the heart of China and how they think the EU is not acting fairly on that."

However, the ambassador stressed there has to be a consensus among all EU member states before the embargo can be lifted.

Van Rompuy said the EU economic outlook was not good, whereas others in the world were growing rapidly. "Moreover, we started to realize how the economic strength of emerging countries is transforming into real political power," he said.

"This affects us. New players do not always share our interests and world views," Nijss added.

(Source: China Daily)

Social front

- Senior Chinese legislator calls for promotion of gender equality (12th September)
Visiting Senior Chinese legislator Chen Zhili on Saturday called for the promotion of gender equality through education.

Since the Fourth World Conference on Women, society has become more aware that the empowerment of women and the improvement of their status is critical to economic, political and social development, Chen said during a keynote speech at the UNESCO forum on gender equality in Athens.

Chen, vice chairwoman of the Standing Committee of the National People's Congress (NPC), said China has witnessed great improvement in the status of women in recent years.

With the implementation of the Women Protection Law as well as other national policies on gender equality, the rights of Chinese women in the area of education, work and politics are guaranteed, Chen said.

Chen also spoke highly of the efforts made by UNESCO to promote sustainable development through gender equality.

During her speech, Chen made several proposals to promote gender equality. The proposals included creating a stronger voice for gender equality that should be heard by all people, especially male decision makers, she said. Women should be encouraged, she said, to gain the spirit of self-esteem, self-confidence and self-reliance.

Chen also urged countries around the world to strengthen exchanges and cooperation in policy-making regarding gender equality.

Source: Xinhua

- China's percentage of elderly highest in 2030 (12th September)
The proportion of people above 65 in China will surpass that of Japan in 2030, which will make China the world's most aged society, according to a report released Friday by Chinese Academy of Social Sciences (CASS), China News Service reported.

The report, called China's Financial Policy Report from 2010 to 2011, says China will enter the phase of intense aging in 2050, when senior citizens above 60 will consist of more than 30 percent of the total population.

According to the latest demographic data predicted by the United Nations, China's aging problem is not so serious in 2010, with people above 60 consisting of 12 percent of the total population, which is below the average level of the Organization for Economic Cooperation and Development (OECD). But in the following 30 years, it will become more of an aged society with its accelerating elderly population.

The report also says as a result of this, China's demographic dividend, meaning a rise in the rate of economic growth due to a rising share of working age people in a population, will peak in 2013 and gradually decrease from there.

The problem with an increase in China's elderly population will slow GDP per capita growth, investment and capital accumulation, while at the same time increase public debt. China needs to find a solution for this in order to ensure continuous and steady economic development, according to the report.

Source: CRIENGLISH.com

- 'Chinese-style suicide' stirs concerns (13th September)

There have been many suicides in China since early 2010. For example, more than 10 Foxconn employees jumped to their deaths this year, which caused quite a stir among the public and the media at home and abroad. Experts coined a term "Chinese-style suicide" to describe this high-profile social phenomenon which came into public spotlight for the first time.

A prominent feature of the "Chinese-style suicide" is that most of Chinese suicide victims did not kill themselves because they were mentally ill. Instead, they committed suicide mainly because of their families' economic problems and the traditional Chinese outlook on life: laying down one's life for justice.

As the "Chinese-style suicide" is not directly related to mental illness, it is impractical to use Western theories to prevent suicides in China. In other words, suicides in the Western world are more of a medical problem, while suicides in China have become largely a public health and social problem because a large number of the Chinese people who committed suicide did not have any mental illness.

More than one fourth of the 1 million annual suicides worldwide are from China. According to the shocking data popularized among China's academic circle, there are more than 287,000 suicides and 2 million attempted suicides in China per year, with a high suicide rate of 23 suicide deaths per 100,000 persons. Suicide has become the fifth leading cause of death in China.

However, the suicide issue had long been neglected in China. The turning point occurred

in 2002 when the article "Suicide Rate in China: 1995-1999," written by a Canadian doctor named Michael R. Phillips and his Chinese counterparts Xianyun Li and Yanping Zhang, was released in the international authoritative medical journal Lancet and attracted attention at home and abroad. The high suicide rate and special suicide modes in China disclosed in the article became the focus of China's suicide issue.

Michael R. Phillips found through surveys that the suicides in China are quite different from those in other countries. The suicide rate in China's rural areas is three to five times higher than that in urban areas and the female suicide rate is 25 percent higher than the male suicide rate. Among the Chinese youth between the ages of 15 and 34, suicide is the top cause of death, while suicide was only the third or fourth leading cause of death for those at the same age group in North American countries.

YangCheng Evening News contributes to this report.

By People's Daily Online

- Baby with defects born every 30 seconds in China (13th September)
Sept. 12, 2010 is China's fifth "Birth Defects Prevention Day."

As experts have said, China has a high incidence of birth defects. Every year about 800,000 to 1.2 million Chinese babies are born with defects, indicating that a baby with defects is born every 30 seconds in China.

Only between 20 and 30 percent of these infants can live a relatively good life after early diagnosis and proper treatments, while 30 to 40 percent will die shortly after birth.

In addition, around 40 percent will have to live with permanent disabilities, meaning that about 400,000 Chinese families become caught in the maelstrom of life-long suffering each year.

"Every year, China spends tens of billions of yuan treating children with birth defects, and their basic living expenses total an additional tens of billions of yuan. Furthermore, the indirect costs incurred by birth defects stand at several hundred billion yuan a year," said Jiang Fan, vice minister of the National Population and Family Planning Commission.

Zheng Xiaoying, director of the Institute of Population Research under Peking University believes that those with birth defects are mainly in the rural and impoverished areas and some effective preventative measures cannot be implemented in such areas. How to prevent and control birth defects in rural and impoverished areas is a severe challenge facing China.

China's National Population and Family Planning Commission initiated the pilot free pre-pregnancy health check project in April 2010, providing rural couples who are planning for pregnancy with free pre-pregnancy health checks.

It is known that the population and family planning departments are stepping up the training for a new profession—reproductive health consultants, which is one of the measures to prevent and control birth defects. Some certified reproductive health consultants have already started offering services in regions such as Jiangsu, Chongqing and Beijing.

By Ye Xin, People's Daily Online

- First Chinese female judge sworn in at ICJ (14th September)

Xue Hanqin was sworn in Monday as a judge of the Hague-based International Court of Justice (ICJ), becoming the first Chinese woman to get the job.

Another female judge, Joan E. Donoghue from the United States, assumed office together with Xue.

"It is the first time in the court's history that two female judges will serve simultaneously," the ICJ said in a statement.

Almost all ICJ judges had been male with only one exception -- British Dame Rosalyn Higgins, who served on the court from 1995 to 2009.

Xue, a veteran Chinese diplomat and an expert of international law, was elected to the ICJ with all 15 votes in the Security Council and a majority of votes in the UN General Assembly in June. She is the third Chinese judge in the Court.

"More and more women take active part in the major international justice organizations, which marks the improvement of civilization," Xue told Xinhua.

Xue is no stranger to the Dutch city. She used to serve as Chinese ambassador in The Hague.

"What is remarkable about the two new judges is not just that they will bring down the average age of the members of the ICJ," Dr. Olivier Ribbelink, senior researcher at T.M.C. Asser Institute commented, "but also, strangely enough, that they are women."

"Although it may be too early to say, perhaps their nomination forebodes a new attitude towards the ICJ and international law," Ribbelink added.

Shortly after the swearing in ceremony, Xue and Donoghue joined their colleagues to start public hearings of a case concerning application of the International Convention on the Elimination of All Forms of Racial Discrimination between Georgia and Russia.

"More than a dozen cases are on trial now and all the judges have a lot of work to do," which shows that most governments attach more and more importance to the ICJ, said Xue, who turns 55 on Wednesday.

"This will benefit the development of international law and bring profound influence to the international society," she added.

Donoghue, a former legal adviser in the U.S. Department of State, was elected to the ICJ on Sept 9.

The ICJ, the principal judicial organ of the United Nations, has 15 judges who are each elected to a nine-year term of office and may be re-elected. In order to ensure a measure of continuity in the composition of the court, one third of the membership is renewed every three years.

Source: Xinhua

Ethnic issues

- Chinese vice premier urges officials to better handle ethnic work (14th September)
Chinese Vice Premier Hui Liangyu said Monday that government officials must "urgently" improve their abilities to strengthen ethnic unity and boost the development of ethnic regions.

Hui made the remarks Monday at a seminar for officials at province and ministry levels on ethnic work.

"After years of efforts, the country's minority groups and ethnic regions have experienced world-shaking changes. The living standards of various ethnic groups have improved greatly," Hui said.

However, Hui said, many problems still existed that prevented minority groups and ethnic regions from achieving faster development.

He said ethnic issues were having a wider influence on the whole of society, and the factors that affected ethnic relations had become more complicated.

Hui urged government officials to carefully study the basic knowledge related to ethnic problems and deeply understand the country's ethnic policies.

In addition, he called for more efforts to support impoverished ethnic areas while strengthening protection of the rights of migrant people of minority groups in urban areas.

Source: Xinhua

Environmental front

- UN official lauds China for climate change role (15th September)
The United Nations' climate chief has hailed China's efforts to improve the prospects of a climate summit in Mexico later this year by hosting a crucial round of talks in Tianjin next month.

"Hosting the negotiations in Tianjin, the last formal stop before Cancun is an important gesture by China," Christiana Figueres, the executive secretary of the UN Framework Convention on Climate Change (UNFCCC), told China Daily.

Figueres, who was appointed to the post in May, finalized preparations for the Oct 4-9 meeting in the northern port city of Tianjin during a visit to Beijing last week.

Vice-Premier Li Keqiang said China would work with other countries and the UN to push sustainable development when he met Figueres on Friday.

Young-Woo Park, regional director and representative of Asia and the Pacific with the UN Environment Programme, also welcomed the Chinese government's initiative last week.

"Regardless of how Tianjin contributes to the Cancun summit, organizing the event already sends a clear signal to both the international community and the Chinese people of how seriously China's government is taking the climate issue," he told China Daily.

- China targets 2 more pollutants under 12th 5-Year Plan (17th September)

The Sixth Environment and Development China (International) Forum and Fourth Fruit Exhibition on China International Building Environment-Friendly Society opened on Sept. 16, in Beijing.

Zhou Shengxian, the minister of environmental protection in China, pointed out in his theme forum report that China has undoubtedly accomplished its emissions reduction mission in the 11th Five-Year Plan. China will increase the kinds of key pollutants slated for emission reduction. They will be increased from two to four, namely organic pollutants, ammonia nitrogen, sulfur dioxide and nitrogen oxide.

Between 2006 and 2009, the emissions of organic pollutants and sulfur dioxide decreased by nearly 9.7 percent and more than 13.14 percent respectively. In the first half of 2010, the emissions of sulfur dioxide increased by more than 0.22 percent compared to that of the same period of 2009.

But in the second quarter, the year-on-year growth rate of the emissions dropped by 1 percentage point compared to that of the first quarter. In the first half of 2010, the emissions of organic pollutants decreased by more than 2.4 percent compared to the same period of last year.

The 11th Five-Year Plan emissions reduction goal of sulfur dioxide was realized one year ahead of schedule, and the emissions reduction goal of organic pollutants was realized six months ahead of schedule.

Zhou said that they will continue to promote pollution reduction during the 12th Five-Year Plan and are preliminarily consider increasing the controlled pollution factors from

two (organic pollutants and sulfur dioxide) to four, which are organic pollutants, ammonia nitrogen, sulfur dioxide and nitrogen oxide.

In the emissions reduction tasks, they will widely listen to opinions from the provinces and cities and comprehensively consider the environmental carrying capacities and bearing capacities in different regions so that the tasks in these regions are more rational and feasible.

By Zhang Qian, People's Daily Online

Cyber/Technology Front

- Alibaba to help U.S. students in e-commerce job creation (12th September)

Alibaba Group, China's largest e-commerce company, said Saturday it will invest 3 million U.S. dollars to help U.S. college students in e-commerce job creation.

The "Schwarzenegger Emerging Entrepreneur Initiative," named after California Governor Arnold Schwarzenegger, will select 3,000 students from 15 colleges in California, the United States, by the end of 2011, said Alibaba's Chief Executive Officer David Wei.

Each selected student will receive 1,000 U.S. dollars from Alibaba, to pay the cost of operating online shops and logistic service, Wei said at the 7th Netpreneur Summit in Hangzhou, capital of eastern Zhejiang Province.

"With the project we wish to help those young students to launch their entrepreneur career," said Wei.

Hangzhou-based Alibaba has helped create 20,000 job opportunities in California after its acquisition of two U.S. IT companies this year, Schwarzenegger said at meeting organized by Alibaba.

Schwarzenegger visited Hangzhou during his six-day trip to China, Japan and the Republic of Korea, to promote trade for his state.

The job creation plan was seen as the latest move of the Chinese company to enhance the presence of its newly-launched AliExpress service in the United States, as the aided start-ups are encouraged to open online shops through the platform.

At the end of April, Alibaba launched AliExpress, an online platform that allows buyers to directly purchase goods from exporters in small quantities. AliExpress will accept users of eBay Inc.'s PayPal service on the platform.

Also this year, Alibaba acquired Auctiva, a company that develops eBay auction management software, and Vendio, which also provides services for eBay.

Alibaba said Auctiva's platform will be integrated with Alibaba's online marketplace. Since AliExpress will allow users to list product on eBay as well, the merger will bring more than 250,000 new customers to the Alibaba.com.

Source: Xinhua

- E-commerce market to touch \$220b by 2014, says report (14th September)

The nation's e-commerce market is expected to reach 1.5 trillion yuan (\$220 billion) by 2014, Deutsche Bank said in a recent report.

The business-to-consumer (B2C) and consumer-to-consumer (C2C) segments are expected to grow by a compound annual growth rate of 42 percent to 1.523 trillion yuan, and will account for 7.2 percent of all domestic retail sales by 2014. Internet penetration is expected to grow by 59.3 percent to 812 million individual users.

"E-commerce is one of the most exciting subsets within the Chinese Internet space," said Alan Hellowell, head of Asian telecommunications, media and technology research at Deutsche Bank.

"We expect this to change significantly as the Internet population grows and more consumers turn to the Internet for their business and personal consumption needs," he said.

B2C providers are expected to aggressively expand their product categories, while market consolidation will occur as competition among product providers intensifies from current low levels.

Strength of logistics and other value-added services will become more important for consumers in China than the breadth of product categories or depth of specific offerings in the next five years, the bank said.

"Three key factors will determine the success of e-commerce in China. They are: successfully marketing a product, inventory management and the ability to efficiently and cheaply deliver the goods. The third factor, logistics, has not proved a bottleneck to growth so far, but improvements need to be made to keep pace with the growing demands of the e-commerce sector in China," Hellowell said.

However, China's warehousing is unable to meet the demands of e-commerce, with a lack of appropriate providers with the necessary warehouse management systems and hardware required for online businesses. As such, significant investment is being made to build efficient distribution networks to plug this gap.

Deutsche Bank distinguishes between 'platform' e-commerce models - where companies will outsource warehousing, transportation and delivery to third parties - and 'self-build' models, where companies will create their own warehousing and delivery capabilities.

"We prefer the platform approach as it is more cost-efficient and scalable. This scalability allows volumes and business to increase more quickly, which are critical for both e-commerce platforms and logistics partners," said Hellowell.

China has 404 million Internet users, according to the China Internet Network Information Center, having grown by 86 million, or 28.9 percent, between 2008 and 2009. In 2008, Internet-related industries generated a turnover of 650 billion yuan, which Deutsche Bank estimates grew by 36 percent year-on-year to total 884 billion yuan in 2009.

There are currently 20,700 e-business websites according to the China e-Business Research Center, which Deutsche Bank expects will grow to more than 23,000 by the end of 2010, with total sales revenue of 20 billion yuan.

Source: China Daily

- 'Digital China' to take shape in 2015 (17th September)

The State Bureau of Surveying and Mapping has promoted the construction of digital cities in China in the past two years. So far, pilot projects of digital city construction have been launched in 112 cities, which account for about one-third of all cities in China, according to the Science and Technology Daily.

"We estimate that the construction of most digital cities will be completed in 2015, and a 'digital China' will be basically formed by then," said the bureau's director Xu Deming at the launching ceremony of the "Chinese Digital Cities Construction Project" recently held in Linyi City, Shandong Province.

Xu said that the construction of digital cities has achieved initial success. From 2006 to 2008, the bureau carried out the pilot project of building the geospatial data framework in 40 cities, and large-scale geospatial databases that can be updated on demand were established in some of those cities.

In addition, based on the databases and systems for managing traffic, cities have built similar setups for municipal services, underground pipe networks, public security, fire fighting and other functions.

- China Mobile to take on Baidu with search engine (17th September)

China Mobile Ltd, the world's biggest phone carrier by customers, plans to start an Internet-search engine next year, challenging Baidu Inc, as the slowing wireless market leads the company to data services for growth.

"Because the penetration rate of mobile phones in China is very high, it's very normal that we have a growth slowdown," Wang Jianzhou, chairman of China Mobile Ltd, said in an interview on Wednesday at the World Economic Forum in Tianjin. "Many shareholders ask us 'What will be your next source of growth?' We think the next source of growth will be data."

The move to enter a market led by Baidu may highlight the end of the type of growth that helped China Mobile's revenue jump almost sevenfold. The operator joins carriers in the United States, Europe and Japan in turning to data services to spur earnings as the Chinese phone market saturates.

"For China Mobile to get a meaningful contribution from new businesses, they really have to turn into big successes to make a difference, as the company is so big," said Jim Tang, who rates the stock "neutral" at Shenyin Wanguo Securities in Shanghai. "China Mobile gets about 70 percent of its revenue from voice, and growth is completely flat there."

China Mobile has gained 6.7 percent in Hong Kong trading this year, underperforming China Unicom (Hong Kong) Ltd's 14 percent gain and China Telecom Corp's 30 percent advance, amid concerns about the company growth.

China Mobile's revenue will rise 7 percent to 484 billion yuan (\$72 billion) this year, according to the average of 29 analyst estimates compiled by Bloomberg. That would be the slowest increase since the company's 1997 Hong Kong listing and the analysts estimate growth to keep decelerating through 2012.

Growth is slowing as more than 60 percent of China's population owns a mobile phone, compared with less than 10 percent at the beginning of the decade.

"There is less growth potential in China Mobile now than there was," Paul Wuh, an analyst at Samsung Securities Co in Hong Kong, said last week. "They are just not growing that fast anymore."

China Mobile Communications Corp, parent of the listed company, last month reached agreement with China's official Xinhua News Agency to partner in Internet search.

The partnership will lead to the creation of a venture that should begin providing Internet search service next year, Wang said.

Details on the division of ownership between Xinhua News Agency and China Mobile are yet to be determined, Wang said.

The new search engine will be available for personal computers and mobile phones, Wang said.

China Mobile won't exclude market leader Baidu's search engine from phones on its network, he said.

Baidu, based in Beijing, controls 71 percent of China's Internet search market, followed by Google Inc's 27 percent, according to estimates at research firm iResearch. Baidu leads the mobile-Internet search market with a 34.3 percent share, the South China

Morning Post said on Tuesday, citing research company Analysys International.

"It is a very competitive market," Wang said of Internet search. "It still has huge potential for growth. We'd like to use our advantage of mobile phone users to create a new service."

Mobile Internet and other data services will be key to maintaining revenue growth, Wang said.

Data traffic more than doubled in the first half of the year, he said.

Source:China Daily

Regional report

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- Premier Wen urges Tianjin's new area to take lead (15th September)

Chinese Premier Wen Jiabao has urged the Binhai New Area of Tianjin Municipality to take the lead in China's development.

Wen made the remarks during his inspection tour of the coastal municipality in north China Sunday on the sidelines of the 2010 Summer Davos Forum, which opened Monday.

Details of Premier Wen's inspection tour of the Tianjin Binhai New Area were made public in a press release by the General Office of the State Council Tuesday.

After hearing a report by the Tianjin municipal government, Premier Wen said the Binhai New Area was at the forefront of China's reform and opening up drive and must seize opportunities and explore a new path to reform boldly and lead the country's development.

Wen said the Binhai New Area should look to become a place of advanced industries.

He said the area should lead the country's scientific and technological innovation by adopting a core strategy of training and attract talented workers while upgrading innovation capabilities.

The premier urged the Binhai New Area to start trials of major reforms and opening-up and be a model in its reform of important fields and key sectors.

The new area, which is 2,270-square km in size, has doubled its gross domestic product (GDP) in the past three years and contributed to half of the municipality's economy.

Lying between China's national capital of Beijing and the Bohai Bay, the area is seen by the State Council, or the Cabinet, as one of the country's key economic hubs.

After arriving at the Binhai New Area on Sunday morning, Premier Wen inspected the aerospace industry.

When he visited the industrialization base of China's next-generation carrier rocket, Premier Wen told scientific researchers to advance the construction of the base to better satisfy the need of China's future space transportation and commercial launching service for international satellites.

The premier then inspected an assembly factory of the Airbus A320 model in the area. Two years ago, he attended a ceremony marking the factory's inauguration.

The Airbus assembly factory has delivered 29 A320 passenger planes in the past two years and will produce 44 more next year.

Wen boarded an A320 plane under assembly and inspected the layout of the passenger cabin and pilot's compartment.

"The development of the Airbus Tianjin assembly factory proves Chinese technicians are aspiring," Wen told foreign and Chinese scientists and engineers at the factory, calling the factory "a result of the China-Europe friendship."

"China's market is of great potential and we welcome the long-stay of foreign experts here," Wen said.

Premier Wen then visited the biotechnological research institute, the National Supercomputing Center in Tianjin and the bonded zone around Tianjin Port. He also urged the municipal government to take concrete measures to improve residents' livelihoods in the area.

Northwest

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Economic front

- Senior Chinese leader urges greater efforts for Xinjiang's leapfrog development (15th September)

Senior Chinese leader Li Changchun has urged northwestern Xinjiang region to make more efforts to achieve leapfrog development in both economy and people's standards of living, while ensuring ethnic unity.

Li, a member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee, made the remarks during his inspection in northwestern Xinjiang Uygur Autonomous Region from Sept. 10 to 14.

While visiting Horgas, reportedly the largest trucking hub along the northwestern border, Li urged local officials to take full advantage of the trucking hub's geological location and further expand.

Li expressed his hope that Horgas would become a pilot area for trade and investment as the country is seeking further development westward.

During his inspections of various companies, Li urged business officials to expand businesses and make greater efforts to become world-famous enterprises by developing

core technologies and independent brands.

Also, Li visited a community, in the city of Yining, where residents of 12 ethnic groups live in harmony.

"Ethnic unity is the basic life line for people in Xinjiang, and is also a key guarantee for Xinjiang's prosperous development," Li said, stressing that local people should cherish ethnic unity as they cherish their eyes.

Additionally, Li called for a series of "outstanding" cultural products to meet the demands of local people and urged them to push forward the construction of a public cultural service system.

Source: Xinhua

Northeast

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Southwest

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Social front

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South central

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- Shanghai braces for tourist flood (16th September)

Shanghai is expected to be the most popular domestic tourist destination during the coming seven-day National Day holiday as tourists flood into the city to visit the Expo 2010 Shanghai in its last month.

The National Tourism Administration has forecast that 210 million tourists will travel

domestically during the upcoming Mid-Autumn Festival and National Day holidays.

Zhu Chengrong, a senior official with the Shanghai Municipal Tourism Administration, predicted that the city will receive more than 8 million tourists during the National Day holiday, which starts on Oct 1, up about 40 percent from last year, according to a report by China Tourism News.

"There is no doubt that Shanghai will be the most popular destination during this year's National Day holiday," said Mao Weihai, a department manager of Shanghai Business Holiday Travel Service Company.

He said his company has been receiving at least 2,000 tourists heading for Shanghai every day in the past few months, and the number will "surge for sure during the holiday".

Mao said the traditionally hot tourist destinations during the National Day holiday, such as Southwest China's Yunnan and Sichuan provinces, might have fewer visitors this year.

"The frequent natural calamities such as landslides and droughts haunting these places have intimidated some tourists from going there," he said. "Among all lines operated by our company, the ones heading for Southwest China may have the biggest economic losses this year."

The blooming tourism market in Shanghai has helped stimulate the markets in neighboring places such as Jiangsu and Zhejiang provinces. Mao said most travel agencies are expecting to see their profits in these lines at least double this year.

"They have made almost two years' worth of profits from the Jiangsu and Zhejiang lines," he said.

However, as tourists flood into Shanghai, local residents have found overseas travel lines a good alternative to evade the swarm of people. Europe, Southeast Asia and Japan are popular as usual, and Turkey and Egypt have seen a growing popularity among tourists this year.

"I started planning my National Day holiday trip to Jeju Island in South Korea almost one month in advance. But the competition for a reservation with a travel agency is really intense," said a purchasing agent surnamed Wan working with a US-funded furniture company in Shanghai.

"The price that I saw on ctrip.com one day was no longer available a day later. Finally I had to book the four-day trip at 4,400 yuan (\$650), almost 1,000 yuan higher than the price I saw one month ago," Wan said.

Mao from Shanghai Business Holiday Travel Service Company said because more travelers are expected to make trips during the coming holiday, the prices for almost all domestic travel lines have increased by an average of 20 percent compared with the same

period

last

year.

China Daily

Economic front

HONGKONG AND MACAU

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