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National report

Political front

Geo-strategic front:

- China builds complete nuclear industrial system in 55 years (20th September)

The year 2010 marks the 55th anniversary of the development of China's nuclear industry. Over the past 55 years, China's nuclear industry has stuck to independent innovations, effectively guaranteed national defense, actively promoted the peaceful utilization of nuclear power and established a new, complete type of nuclear industrial system that only a few countries worldwide own.

China's nuclear industry has also made significant achievements in the historical transformation from mainly military applications to combined military and civilian applications. China pursues the peaceful application of nuclear power in national security and social development.

China National Nuclear Corporation (CNNC) has participated in the construction of all domestic nuclear power stations in service and under construction. From 1999 to the first half of 2010, CNNC's in-service nuclear power units have been in normal operations with several operating indicators taking the lead worldwide.

CNNC already has the capacity to independently design, build, operate and manage nuclear power stations with capacities of 300 megawatts, 600 megawatts and 1,000 megawatts, built up a nuclear power brand through independent innovations, and contributed to fulfilling the objectives for energy efficiency and emissions reduction.

In 2010, CNNC developed CP1000 pressurized water reactors over which China has intellectual property rights. Each reactor has 1 million kilowatts of power-generating capacity per unit. This is China's current one and only 1,000-megawatt-level nuclear power unit meeting export conditions.

In terms of the construction of nuclear power plants, China Nuclear Engineering Group has completed all different types of nuclear power projects at home and abroad and fully mastered the core technologies required for building nuclear reactors with installed capacities of 300 megawatts, 600 megawatts, 700 megawatts, 900 megawatts, 1000 megawatts or higher.

China Nuclear Engineering Group has developed a set of nuclear power plant technologies and intellectual property rights, gained the ability to provide various engineering services and established an effective management system for building the nuclear power plant complex.

In addition, the company has trained a large number of talented management personnel who are also familiar with basic technologies. They also have professional personnel who are good at scientific research, design, construction or repair and can independently build nuclear power plants with installed capacity of at least 1 million kilowatt-hours including

the AP1000, EPR and other types of third-generation plants.

CNNC has developed a complete nuclear fuel-recycling system and is the only one that provides fuel elements for all nuclear power plants on the Chinese mainland. In addition, the company has built China's largest production line of nuclear fuel elements for pressurized water reactors and has been producing high-quality nuclear fuel products with comparative prices for many years. CNNC's efforts have ensured the timeliness of nuclear fuel supply and safety of the fuel and have helped China achieve a leapfrog development in the nuclear fuel-recycling industry.

The application of nuclear technologies is an important part of the peaceful use of nuclear energy. There have been more and more successful applications of nuclear technologies for peaceful use in China in recent years, and a new industry has emerged. CNNC has the most complete nuclear technology innovation system and largest production base in China, and has set up a number of high-tech subsidiaries. The explosive detection system developed by CNNC is one of the most advanced and practical technologies of its kind, and was once used in the Beijing Olympic Games, Shanghai World Expo and other major events.

By People's Daily Online

- China tries long-distance air attack mode in SCO drill (21st September)

Six warplanes took off from within China and launched long-distance "sudden attacks" in neighboring Kazakhstan in the on-going anti-terror drill of the Shanghai Cooperation Organization, said a Chinese general on Monday.

The simulated cross-border strikes were the first by the Chinese Air Force, according to Major General Meng Guoping, deputy commander of the Chinese military participating in the drill.

The six warplanes -- four H-6H bombers and two J-10 fighter jets -- were split into two missions. They were supported by an air early warning aircraft and were refueled by a flying tanker before they crossed the border into Kazakhstan, said the general.

Although the drill venue is within the range of both warplanes, they were refueled in the air to ensure a complete success of their missions, said General Meng.

Meng said by carrying out such a move in the war games, the Chinese Air Force is trying to build an integrated air battle group encompassing early warning, command, long-distance bombing, escort and air refueling.

He said the exercises are also taken as an opportunity to strengthen the air fight and support capabilities of the Chinese Air Force.

General Meng also summarized a number of new characteristics of the "Peace Mission 2010" drill, including information-based operations, field training exercises, coordinated

command and control, combined actions, and diversified external support.

"Through many years of joint exercises, we have clearly understood that these (SCO) exercises could not only showcase power and deter the 'three evil forces (of terrorism, separatism and extremism)', but also serve as an important way to train our armed forces," said the general.

"Peace Mission 2010," the seventh joint drill of its kind, involved 5,000 troops from five of the six SCO member states -- China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. Uzbekistan is not taking part in the drill, which runs between Sept. 9 and 25.

Source: Xinhua

- SCO drill now established way to build anti-terror capacity (24th September)

The regular Shanghai Cooperation Organization (SCO) military exercise had established itself as an effective anti-terror drill but the group would not develop into a military alliance, a Chinese general said in Kazakhstan Thursday.

"The SCO member states have a good prospect of cooperation in the fields of defense and security, with extensive scale and pragmatic contents," said Major General Ci Guowei, deputy director of the foreign affairs office under the Chinese Defense Ministry.

However, "the SCO is not a military alliance, and its joint anti-terror military drill will not be aimed at or threaten any specific country," he said.

Ci, who is also associate general-director of the Chinese military in "Peace Mission 2010," which is currently underway here, said the joint military drill had made great achievements in four aspects, including extent, area, content and mechanism, since it started in 2002.

"The Peace Mission 2010, the seventh joint drill of its kind, will certainly not be the last one," he said.

According to Ci, SCO members are expected to negotiate on the time and site of the next joint drill, which would be based on the international and regional situation, as well as the common understanding among them.

"The joint military drill under the SCO framework has played an important role in boosting the mutual understanding and friendship of the member states and in promoting regional development and prosperity," Ci said.

He said the joint military drill helped enhance the political mutual trust, further deepen the military cooperation and drive military construction and production.

Ci said China's forces had made notable gains: the strategic scheme capability had been improved, new domains had been explored and new gains had been achieved in the

army's management, education, and ideological and political work. Improvement had also been made in weaponry and logistics, and strategic delivery capability had been boosted.

Wu Yansheng, deputy commander of the Chinese military participating in the drill, said participating Chinese troops had made three breakthroughs during "Peace Mission 2010".

First, late-model and advanced main battle equipment were successfully involved on a large scale in the drill.

Second, the advanced performance of fighting techniques of the latest equipment was practically verified.

Third, many technological difficulties had been solved under battle conditions.

In addition, Wu said Chinese troops had also found a lot of merit in their counterparts, including strong national consciousness, high capabilities in using their equipment, attention to data analysis and self-contained training infrastructures like the Matybulak range.

"Peace Mission 2010" involved 5,000 troops from five of the six SCO member states -- China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. Uzbekistan is not taking part in the drill, which runs between Sept. 9 and 25.

Source: Xinhua

Foreign relations

- Sino-Russian ties should constantly advance, expert says (19th September)

Relations between Moscow and Beijing are currently at their best stage in history, but still need to constantly advance, a Russian political expert says.

Good relations are "like riding on a bike -- one should constantly move ahead and keep riding in order not to fall down," Yuri Tavrovski told Xinhua ahead of President Dmitry Medvedev's upcoming visit to China.

Tavrovski cited economic relations between the two countries as a very good example of such a "bike ride."

Russian-Sino economic and trade cooperation has a broad prospect and has maintained momentum, he said, adding that trade volume between the two countries might reach 60 billion U.S. dollars this year.

The existing mode of cooperation has been mutually beneficial, too, otherwise it would not have survived for long, he said.

Tavrovski pointed out that that the high-tech share of bilateral economic and trade cooperation will increase remarkably when Russia's bid to develop an initiative economy

makes headway.

"If Russia wants to change the model of bilateral trade, we must change our economy first," he said.

Medvedev understands the situation clearly and will travel to Beijing "with his eyes wide open" to glean as much as possible from China's modernization experience, Tavrovski said.

"We may study the experience of Hong Kong and Shanghai transformation, push forward the idea of regional reserve currencies, revive the projects of rapid railways and highways linking Europe to China via Moscow, and develop tourism," he said.

Tavrovski spoke positively of Sino-Russian energy cooperation.

Through ever expanding cooperation in energy, Tavrovski said, Russia could avoid being overly dependent on the Western market and China could reduce its dependence on supplies from the Middle East, the expert said.

There are problems in bilateral energy cooperation, Tavrovski said, but they were purely commercial, not political, issues.

China, he said, "has been very important for Russia as a political and economical counterweight to the West."

Neither Russia nor China treat each other as competitors "because Russia has been descending while China has been ascending, whatever respect to take," he said.

Source: Xinhua

- Japan's actions over Diaoyu Islands defy facts, draw protests (21st September)
Japan's latest decision to prolong the illegal detention of a Chinese trawler captain has kept the dispute over Diaoyu Islands under spotlight, as such defiance against facts and international norms continued to draw strong protests from the Chinese government and people.

CHINA'S SOVEREIGNTY OVER DIAOYU ISLANDS UNDISPUTABLE

The Diaoyu Islands, 120 nautical miles northeast of China's Taiwan Province, have been China's territory ever since ancient times.

All records, whether in historical books, academic research or on old maps, have well proved China's undeniable sovereignty over these islands.

The name Diaoyutai Island appeared in 1403 in a Chinese book "Voyage with the Tail Wind." By 1534, all the major islets had been identified and named in the book "Record

of the Imperial Envoy to Ryukyu."

"Record of the Imperial Envoy to Ryukyu' clarified the boundaries between China and Ryukyu and attested to the fact that the Diaoyu Islands are part of China's territory, which was acknowledged by scholars in China, Japan and Ryukyu as well as the governments of China and Ryukyu in later centuries, " Mi Qingyu, a professor at China's Nankai University wrote in a history book about the Diaoyu Islands.

On a map published by Japan between 1783 and 1785, the Diaoyu Islands were marked as within China's borderlines.

A recently discovered book written during the Qing Dynasty (1644-1912) called "Record of Ocean Nation" has again proved the islands have always been part of China.

Kiyoshi Inoue, a renowned Japanese historian, confirmed in his book titled "The Diaoyu Islands and Its Adjacent Islands" that historical facts as early as the 16th century attest, the Diaoyu, in the East China Sea between China and Japan, have been an intrinsic part of China's territory.

"It is a well-known fact that the Diaoyu Islands have been part of China's territory since the Ming Dynasty," he wrote in Chapter Three of the book.

His viewpoint was based on documents such as sea charts, logbooks and exploration records about South China, Taiwan region and the Ryukyu Islands found in the library of British Admiralty Board, as well as many Japanese historical records.

Though the Diaoyu Islands were ceded to Japan after China lost the Sino-Japanese War of 1894-1895 and signed the Treaty of Shimonoseki, the Cairo Declaration in 1943 stipulated that Japan should return all China's territories it occupied including these islands.

These provisions were later reinforced in the Potsdam Proclamation in 1945. In the same year, Japan announced its unconditional surrender while accepting the proclamation in its entirety.

With all these powerful evidence, China's sovereignty over the Diaoyu Islands is undisputed.

JAPAN'S CLAIM CONTRADICTS INTERNATIONAL NORMS

Japan's claim to the Diaoyu Islands contradicts international norms.

One of Tokyo's arguments is that the islets were "terra nullius," (land belonging to no one) which "had been uninhabited and showed no trace of having been under the control of China."

In fact, the Diaoyu Islands had no longer been terra nullius at least since China's Ming

Dynasty (1368-1644), which established a maritime defense zone that included the islets.

By that time the Diaoyu Islands had already been discovered, named, documented and defended by China. Obviously, the islets have long been incorporated into the Chinese territory and under Chinese jurisdiction since ancient times.

Another argument for Japan's claim to the Diaoyu Islands is that the islets are not included in the territory which Japan renounced under the San Francisco Treaty signed with the United States in 1951 and at the time they had been placed under the administration of the United States. Japan also cited a bilateral agreement signed with the United States in 1971, claiming the United States "reverted" administrative rights of the Diaoyu Islands to it under that document.

However, these claims are inconsistent with historical facts. The Cairo Declaration issued by China, the United States and the United Kingdom in December 1943 clearly stated that Japan must return all the territories it seized from China.

Moreover, in urging Japan to surrender, the three countries issued the Potsdam Proclamation on July 26, 1945, which reiterated that conditions set by the Cairo Declaration must be met. In accepting the proclamation, Japan obviously has agreed to give up all the territories it took from China, including the Diaoyu Islands.

Meanwhile, the government of the People's Republic of China has long maintained that it is illegal for the United States to have unilaterally exercised so-called "administrative rights" over the Diaoyu Islands and other islands after World War II. And China never accepted the San Francisco Treaty of 1951, which was signed with the exclusion of the government of the People's Republic of China.

Japan's attempt to use the 1971 U.S.-Japan agreement as a legal basis for its claim to the Diaoyu Islands is also absurd because there is no way that an issue on China's territory can be solved by any agreements between two foreign countries.

On post-WWII territory issues and disputes, it is obvious that there are no international norms other than the Cairo Declaration and Potsdam Proclamation for Japan to follow.

Japan's recent action of illegally detaining the Chinese trawler and its crew and the latest decision to prolong its illegal detention of the ship's captain also violated international law, said Zhu Wenqi, a law professor at China's Renmin University.

The incident derived from an international dispute, but Japan's decision to resort to its domestic law ran counter to international norms and was unhelpful to solve the issue, he wrote in Monday's Fazhi Daily.

PROTESTS FROM CHINESE PUBLIC

The public in China has been angered by Japan's illegal detention of the Chinese captain, staging protests both in major Chinese cities and on the Internet.

Demonstrators gathered outside Japanese diplomatic residences across China on Saturday, which also marked the 79th anniversary of Japan's invasion into China.

In Beijing, dozens of protestors gathered outside the Japanese embassy, unfurling banners and shouting "Japan, get out of the Diaoyu Islands," "Boycott Japanese goods," "Don't forget national humiliation, don't forget Sept. 18."

"I think every Chinese in every trade and profession should take action," said a protester who only gave his surname as Wu.

The Chinese trawler captain was illegally detained by a Japanese court earlier this month after a fishing boat under his command was illegally seized by the Japanese Coast Guard in waters off the Diaoyu Islands in the East China Sea.

The incident has since triggered widespread indignation and protests in China. Though Japan has released the boat and other crew members under mounting pressure from China, the captain is still being held.

The Japanese authorities on Sunday afternoon extended the illegal detention of the captain to Sept. 29.

In front of the Japanese Consulate General in Shanghai, protesters displayed a banner reading "THE DIAOYU ISLANDS IS CHINA'S. THE DETENTION OF THE BOAT IS ILLEGAL. GIVE THE CAPTAIN BACK TO US."

They also shouted slogans such as "Give the Diaoyu Islands back to us."

Similar protests were also staged outside the Japanese Consulate General in Shenyang.

Also on Saturday, almost 100 people marched through downtown Shenzhen, protesting Japan's detention of the Chinese boat captain.

Hundreds of Hong Kong people marched to the Japanese consulate on Saturday to protest over the continued detention of the fishing boat captain.

The protesters started the demonstration Saturday afternoon from Victoria Park in Causeway Bay and ended up gathering outside the Japanese consulate, unfurling banners "DON'T FORGET SEPT. 18, GIVE THE DIAOYU ISLANDS BACK TO US."

Protests have also been staged recently in China's Taiwan.

According to media reports, a fishing boat from Taiwan dispatched by a civilian organization safeguarding Diaoyu Islands reached the waters of the islands on Sept. 14 to protest the Japanese move.

On the same day, some 100 representatives of Taiwan fishermen and civilian organizations launched protests in Taipei, calling on Chinese across the world to safeguard territory.

The outraged Chinese public has also been flooding the Internet with strong protests over Japan's move, calling on Japan to immediately and unconditionally release Zhan Qixiong, the Chinese captain.

Since the incident, "Diaoyu Islands" and "Zhan Qixiong" have become the most searched terms in China's Internet community, the world's largest online community with more than 400 million Internet users.

Meanwhile, Internet bulletin boards on several major Chinese news portals have been overwhelmed with messages saying that the Diaoyu Islands have always been an integral part of China and it's within the rights of Chinese fishermen to fish in the waters around the islands.

"The seizure of our trawler and captain has done great harm to the Chinese people. I strongly demand that Japan return the seized trawler and apologize," said a netizen on Sohu.com, who goes by the name of "1996."

DAMAGE TO SINO-JAPANESE RELATIONS

On Sunday, China's Foreign Ministry said that China's relations with Japan were being severely damaged by Japan's decision to prolong Zhan's detention, warning that China would take "strong countermeasures" if Japan did not release him.

"China will take strong countermeasures if the Japanese side clings obstinately to its own course and double its mistakes, and Japan shall bear all the consequences," Foreign Ministry spokesman Ma Zhaoxu said in a press statement.

China has already suspended bilateral exchanges at and above the ministerial levels, and halted contact with Japan on the issues of increasing civil flights and expanding aviation rights between the two countries, according to the ministry. The number of Chinese tourists to Japan has already plunged.

Wang Hanling, a maritime law expert with the Chinese Academy of Social Sciences, told Xinhua: "That Japan conducted its so-called law enforcement by force in the waters off the Diaoyu Islands was in defiance of the principles of international law as well as Chinese law. This shows that Japan is anxious to assert its so-called 'sovereignty' in the area."

"It also showed that Japanese politicians were short-sighted in considering Sino-Japanese relations," Wang added.

An article published online recently by The Wall Street Journal said it "would be dangerous" for Japan to do that.

"While Japan needs to show that it won't be intimidated," using Diaoyu Islands to do so would be dangerous, it said.

Source: Xinhua

- China, Ghana pledge to lift bilateral ties to a new high (21st September)

China and Ghana agreed Monday to lift their friendly cooperative ties to a new high, as the two nations mark the 50th anniversary of diplomatic ties this year.

Chinese President Hu Jintao and the visiting Ghanaian President, John Evans Atta Mills, reached the agreement during their talks in Beijing.

Hu spoke highly of the development of China-Ghana relations, saying China is ready to work with Ghana to increase exchange at various levels, including those between ruling parties.

He also said he hopes the two nations will support each other in international and regional affairs.

China will encourage Chinese companies to take part in the development of agriculture, resources, energy, electricity, communications and infrastructure in Ghana, Hu added.

Hu also said China will continue to direct its companies in Ghana to better serve the local people.

Hu also pledged to increase cultural exchanges with Ghana while also helping the African country develop its education, health, and personnel training systems.

Echoing Hu, Mills expressed satisfaction about the smooth development of Ghana-China ties.

He thanked China for its selfless assistance helping Ghana progress economically and socially.

Ghana will work to attract foreign investment, Mills said, adding that Ghana will protect the interests of investors.

After their talks, the two presidents witnessed the signing of a series of cooperative documents.

The Ghanaian president is in China for a six-day state visit.

Source: Xinhua

- China supports greater role for UN General Assembly: FM (21st September)

China supports for UN General Assembly to play an even greater role in handling international affairs, Chinese Foreign Minister Yang Jiechi said Monday.

Yang made the remarks in a meeting with UN General Assembly President Joseph Deiss at UN Headquarters on the sidelines of a high-level meeting on anti-poverty goals.

The foreign minister voiced hope for the General Assembly to attach greater importance to development issues, proactively implement the outcomes of the UN high-level meeting, pay attention to the concerns of developing countries and further promote international development cooperation.

On Monday morning, Yang also held separate meetings with Arab League Secretary-General Amr Moussa and the foreign ministers of Kazakhstan, Indonesia and Switzerland.

He told Mousa that China hopes for a stronger Sino-Arab strategic relationship of cooperation, and that China remains committed to supporting the just cause of the Palestinian people in seeking legitimate national interests.

Source: Xinhua

- China hopes for greater cooperation among BRIC states: FM (22nd September)
Chinese Foreign Minister Yang Jiechi on Tuesday expressed hope that the four BRIC countries -- China, India, Russia and Brazil -- will further strengthen coordination and cooperation.

Yang made the appeal as he chaired a meeting of BRIC foreign ministers in New York.

Yang told his BRIC counterparts that the four countries have constantly enhanced their cooperation in a more defined direction and within an increasingly mature mechanism, thus increasing their influences in the international arena.

He hoped that the four countries will further strengthen coordination, build a solid foundation for cooperation and broaden areas of cooperation so as to uphold the common interests of developing countries.

The foreign ministers held discussions over issues including cooperation among emerging market countries, the reform of the international financial architecture and global economic governance as well as international development cooperation.

The meeting was held on the sidelines of the UN high-level meeting on the Millennium Development Goals (MDGs), which began Monday.

On Tuesday, the Chinese foreign minister also held a bilateral meeting with his Russian counterpart, Sergei Lavrov.

Yang told Lavrov that frequent contacts at high-levels between China and Russia have

fully demonstrated the high standard of Sino- Russian strategic partnership of cooperation.

China hopes both sides will further enhance communication and coordination so as to elevate their cooperation in all areas to a new level, Yang said.

Lavrov said that Russia is willing to work with China to deepen cooperation in all areas and strengthen coordination and cooperation on major international and regional issues so as to continue to move forward bilateral relations.

Source: Xinhua

- Premier Wen calls for large-scale Sino-U.S. economic, trade co-op (23rd September)

Chinese Premier Wen Jiabao said on Wednesday that China and the United States should positively carry out a large-scale economic and trade cooperation.

When meeting celebrities from the U.S. economic and financial community, Wen said political and strategic mutual trust should be the precondition of such cooperation.

Since the establishment of diplomatic ties 31 years ago, China and the United States have developed a lot more common interests than differences. The two countries have strengthened strategic mutual trust, widened the basis for cooperation and deepened interdependence, Wen said.

He said a sound and stable Sino-U.S. economic and trade relationship is in line with the fundamental interests of both countries.

The total trade volume was 2.5 billion U.S. dollars when diplomatic ties were forged in 1979, while the figure has surged to over 350 billion dollars at present, Wen said, adding that it signified the bilateral economic and trade relationship has kept a sound momentum.

China became the third biggest market for U.S. exports in 2009. Over the past three decades, the U.S. enterprises have altogether invested over 62.2 billion dollars in 58,000 projects in China, and in 2008 alone, their profits amounted to approximately 8 billion dollars, according to the official data provided by the Chinese government.

Wen said the RMB exchange rate isn't responsible for the mounting U.S. trade deficits. The reason lies in the structure of Sino-U.S. investment and trade. Both countries should carry out a large-scale trade investment cooperation based on equality, mutual trust and mutual benefit.

China has taken it as its national strategy to expand domestic demands, protect intellectual property rights and promote sustainable development, Wen said.

Foreign companies in China have always enjoyed national treatment and are welcomed to

play a more active role in boosting China's development, he added.

During the discussion, participants from the U.S. side, including former U.S. Secretary of State Henry Kissinger and former Treasury Secretary Robert Rubin, also called for closer cooperation between the two countries, adding that China is a stabilizing factor for global economic and financial system.

They said the development of a sound U.S.-China economic and trade relationship would benefit both sides. The two countries should hold dialogues in wider aspects and properly handle their frictions.

During Wen's three-day visit here, he will address the UN summit on the Millennium Development Goals (MDGs), the general debate of the 65th session of the UN General Assembly, a summit of the UN Security Council member states and a high-level discussion panel on AIDS and MDGs.

He will also meet some world leaders, UN Secretary-General Ban Ki-moon, Sino-U.S. friendship groups, overseas Chinese representatives and foreign media in New York.

- Wen says achieving MDGs remain long, uphill journey, promises to expand China's foreign aid (23rd September)

Chinese Premier Wen Jiabao said on Wednesday that achieving the Millennium Development Goals (MDGs) remain a long and uphill journey, promising that China will expand its efforts in foreign assistance.

Addressing the UN summit on MDGs, Wen said we must not lose sight of the fact that progress toward the MDGs is still uneven in different regions and fields.

"Many countries have yet to make visible headway in improving the health of women and children, achieving gender equality, and protecting the eco-environment," he noted.

"A considerable number of developing countries have been hit hard by global crisis, natural disasters and volatilities in the food and energy markets," he said.

Referring to China's efforts in foreign aid, Wen said China has always been sincere and selfless in providing various aids to developing nations alike, and has promoted their economic advancement and people's well-being.

Wen announced that China will, on top of the pledged assistance, provide another 200 million U.S. dollars in aid to flood-hit Pakistan.

"From now on, China will further strengthen and improve its foreign assistance and contribute to its due share to an early realization of the MDGs throughout the world," Wen said.

He laid out a six-point proposal to step up China's foreign aid efforts.

First and the most important, improving the livelihood in developing countries.

In the coming five years, China plans to build for the developing nations 200 schools, send 3,000 medical experts, train for them 5,000 medical staff, offer medical equipment and medicine for 100 hospitals. China will also donate 14 million U.S. dollars to the Global Fund to Fight AIDS, Tuberculosis and Malaria in the following three years.

Second, reducing and canceling the debts for the least developed nations. The Chinese government, by the end of 2009, has exempted 25.6 billion yuan of debt for the heavily indebted poor countries and the least developed ones.

Third, deepening financial cooperation with developing nations. China will continue to extend financing support of a certain scale to developing nations in the form of concessional loans and preferential export buyer's credit.

Fourth, expanding economic and trade relations with developing countries. Since July, 2010, China has already given zero-tariff treatment to the exports from 33 LDCs under more than 4,700 tariff items, covering the vast majority of the products from these countries.

Fifth, furthering cooperation with developing countries in agriculture. In the next five years, China will dispatch 3,000 agricultural experts and technicians to the developing countries and help those countries train 5,000 people in China. The cooperation will also cover agricultural planning, hybrid rice, aquaculture, farmland water conservancy and agricultural machinery.

Sixth, helping developing countries develop human resources. In the next five years, China will help them train an additional 80,000 professionals in various fields for developing countries.

It will increase the number of scholarships and mid-career master's degree programs for people from developing countries. It will also help them train 3,000 school principals and teachers in China.

Arriving in New York on Tuesday for a three-day visit, Wen will also attend the general debate of the 65th session of the UN General Assembly, and a summit of the UN Security Council member states.

Source: Xinhua

- Four Japanese investigated in China for illegally videotaping military targets (24th September)

Four Japanese are being investigated in China for having entered a military zone without authorization and illegally videotaped military targets in northern Hebei Province, local state security authorities said Thursday.

The state security authorities in Shijiazhuang, capital of Hebei, have taken measures against the four people according to law after receiving a report about their illegal activities.

The authorities only gave one name of the four Japanese nationals, Sada Takahashi.

"Currently, the case is being investigated," the state security authorities in Shijiazhuang said in a statement.

No further details were provided.

Source: Xinhua

- China pledges its biggest-ever aid to Pakistan (24th September)

China has pledged to give an additional assistance of 200 million U.S. dollars to flooded Pakistan, totaling China's aid to 250 million dollars, its largest- ever humanitarian aid to a foreign country, the Chinese embassy in Islamabad said Thursday.

Chinese Premier Wen Jiabao announced the aid at a UN summit in New York on Wednesday, said Huang Xilian, the embassy spokesman.

He said China will provide the unconditional aid in accordance to the need of Pakistan to help in the efforts of flood rescue, relief and reconstruction.

China is one of the first countries providing aid to Pakistan in the immediate aftermath of the historic floods hitting a major part of the country since late July. The first batch of aid from the Chinese government, decided on Aug. 1, was handed over to Pakistan on Aug. 4.

Social organizations, enterprises, individuals from China and the Chinese people in Pakistan have been voluntarily lending a helping hand to the Pakistani people by making donations in cash or in kind.

China sent two international search and rescue teams to the worst-hit Thatta district in southern Sindh, and the Chinese army sent a 68-member medical team to Sehwan of Sindh and a 64-member rescue team with four helicopters to Hyderabad.

Huang said it is the first time that China sent out overseas so many rescue and medical teams in its history and it is the first time that Chinese military helicopters carry out an overseas humanitarian rescue and relief mission.

It is also the first time that China sent a large amount of aid to the neighbor via land route as 101 Chinese trucks reached Sust Dry Port via Khunjerab Pass by land on Sept. 1, loaded with daily necessities including flour and oil for the stranded people in Hunza area, north Pakistan.

The two-month flooding along the Indus River in Pakistan has left 1,800 people killed, over 20 million affected and millions homeless. China will continue to closely follow the flood situation and provide further support to Pakistan, the embassy said.

Source: Xinhua

- Sino-Egyptian strategic cooperation fruitful: Chinese ambassador (24th September) Chinese Ambassador to Egypt Wu Chunhua hailed on Thursday the strategic cooperation between the two countries as fruitful, saying bilateral relations have reached new levels.

"Over the past three years, I have been very glad to see that Sino-Egyptian relations have made great progress," the outgoing Chinese ambassador told Chinese and Egyptian reporters.

The two sides have conducted many high-level visits and effective cooperation in international and regional affairs, said Wu, who is to complete his three-year work here.

"We can say that Sino-Egyptian strategic cooperation is very fruitful and bilateral relations have reached new levels," Wu said.

The volume of bilateral trade increased from 3 billion U.S. dollars in 2006 to 6.24 billion U.S. dollars in 2008, Wu said. By the end of last year, the Chinese investment in Egypt exceeded 500 million U.S. dollars.

The two countries have deepened cooperation in the fields of culture, education, science and technology, tourism and press, said the Chinese ambassador.

China has 20 colleges with Arabic classes, while Egypt has five colleges with Chinese classes, according to Wu. Chinese tourists to Egypt reached 90,000 in 2009.

To promote exchanges, the two countries held a number of film festivals, arts and heritage exhibitions and drama shows.

In November 2009, Chinese Premier Wen Jiabao visited Egypt and attended the opening ceremony of the Fourth Ministerial Conference of the Forum on China-Africa Cooperation (FOCAC) held in the Egyptian Red Sea resort of Sharm el-Sheikh.

The year 2009 also marked the 10th anniversary of the establishment of China-Egypt strategic cooperative ties. Egyptian People's Assembly Speaker Ahmed Sorour and some of the country's ministers visited China over the past three years.

Source: Xinhua

- China will never waiver on issue of sovereignty: experts (24th September)

The immediate and unconditional release of the detained Chinese fisherman is the precondition for Sino-Japanese relations to return to normal, experts said Thursday, stressing that the Chinese government will "never waiver" on sovereignty issues.

China "acts sensibly" but Japan takes this as "weakness" and misjudges the situation, Gao Hong, deputy director of the Institute of Japanese Studies at the Chinese Academy of Social Sciences, a key government think tank, told Xinhua.

Premier Wen Jiabao Tuesday urged Japan to release the illegally detained Chinese captain "immediately and unconditionally."

"Otherwise, China will take further actions," said Wen, who arrived in New York Tuesday for a three-day visit. "The Japanese side bears full responsibility for the current situation, and it shall bear all the consequences that arise."

Two Japan coast guard patrol ships and the Chinese fishing boat collided in waters off the Diaoyu Islands on Sept. 7.

Wen said the Diaoyu Island is China's "sovereign territory" but the Japanese authorities illegally seized the Chinese trawler and fishermen and continues to illegally hold the trawler's captain, despite China's protestations.

- Sino-US ties rosy, yuan on steady course (25th September)

China-US relations are on the rise as Premier Wen Jiabao met President Barack Obama in New York, both stressing the huge interwoven common interests of the two economic powers far outweigh their differences.

Premier Wen said in a meeting with Obama that Beijing will continue to press ahead with reforming exchange rate system for China's currency, the yuan, and usher in a more dynamic economic and trade ties with the United States. The Chinese prime minister indicated that Beijing also hopes Washington loosen its curbs on exporting high technologies to China, and assist the two economies reach a basic balance in trade volume.

China is going to collaborate closely with the US, foster favorable conditions for President Hu Jintao's visit scheduled for early next year and push bilateral ties to a higher level, Wen said.

The White House said that the currency was the "most important issue" of the two leaders' meeting. "The President talked about the importance of our trading relation in general and the currency issue specifically to the United States and the world economy," Jeffrey Baker, a senior National Security Council official, briefed reporters.

Obama said during the talks that China needs to "do more than it has done to date", and Wen told Obama that China will "continue with reform of the yuan exchange rate mechanism." China's central bank said in mid June that it would loosen a peg against the greenback and let the yuan fluctuate more freely. Since then, the currency has risen up to 2 percent against the dollar.

The two-hour meeting between Wen and Obama on the sidelines of the United Nations General Assembly, with a call for more cooperation. The Chinese premier said China and

the US can bolster joint efforts on significant international and regional affairs, as well as on global financial woes and economic development.

"China and the US have also embraced an even closer and stronger relationship in the fields of public finance, financial industry and economic cooperation and trade," said Wen.

The China-US relationship has advanced beyond the bilateral scope and has a major impact on the world, Wen said, adding: "Our common interests far outweigh our differences."

Wen expressed his hope that the US will recognize China's status as a full-market economy and loosen restrictions on its exports.

Obama said his administration has established an active, cooperative and broad relationship with China, calling China an "outstanding partner".

"We have worked together on a whole range of issues. Obviously, one of the most important issues has been to deal with the financial crisis and the recession that (has) traveled around the world over the last several years," said the US president, adding that the G20 cooperation has been absolutely critical.

"In economic terms, it is important for us to have frank discussion and to work cooperatively to achieve a more balanced and sustainable economic growth," said Obama.

"We also have to work cooperatively together to achieve regional peace and stability" because the world looks to the relationship between China and the US as a critical ingredient on a range of security issues, the U.S. president said.

Obama said the US welcomed China's yuan exchange rate reform and encouraged firms from both countries to increase investment.

The US is willing to strengthen cooperation with China in the fields of energy and environmental protection and jointly find an effective way to radically improve their trade relationship, Obama said.

He also said that the US has confidence in overcoming its differences with China through dialogue, by deepening common interests and by developing a strong and cooperative relationship.

The US president said he expects to meet Chinese President Hu Jintao at the G20 and Asia-Pacific Economic Cooperation summits this year and is looking forward to Hu's visit to the US next year.

Diplomats and analysts say that the generally amicable talks between Premier Wen Jiabao and President Obama have set a sound foundation for the prospects of two world

powers. They believe that the chemicals between Beijing and Washington, including a consensus on the valuation of the yuan, would be steady there and might improve, before President Hu visits the United States.

By People's Daily Online

- Chinese premier, U.S. president pledge to deepen bilateral ties (25th September)
Chinese Premier Wen Jiabao and U.S. President Barack Obama discussed issues facing the two countries on the sidelines of UN conferences here Thursday and emerged expressing confidence about the future of bilateral ties.

Wen said at the meeting that the international financial crisis had brought to the two countries not only great pressure and challenges, but also new chances for further cooperation.

The two sides should boost political and strategic mutual trust, stick to policies that delivered mutual benefits, strengthen dialogue and cooperation at multi and bilateral levels and deal with the differences in an appropriate manner, with a view to becoming partners instead of rivals, he said.

With a strong economic basis and technological and intellectual advantages, the United States would certainly overcome its temporary difficulties and achieve economic recovery and growth, which would be beneficial to China and the world, Wen said.

Trade disputes between the two countries were structural conflicts which would be solved gradually by keeping the overall situation in mind and taking comprehensive measures, he said.

Wen said China was willing to discuss with its U.S. partner, on the basis of mutual respect and equal treatment, the mode of large scale cooperation in finance, trade and investment.

China was also willing to work together with the United States to jointly safeguard the international financial stability and push for a balanced and sustainable development in bilateral trade, he added.

The Chinese premier expressed the hope that the United States would recognize China's status of a full market economy and loosen restrictions on exports to China.

Wen also reaffirmed China's unwavering determination to promote the reform of the RMB exchange rate mechanism and national treatment for foreign firms, including U.S. firms.

He noted that China and the United States had broad common interests in fighting global challenges, solving regional hot spot issues and conducting pragmatic cooperation.

The Sino-U.S. relationship had gone beyond the bilateral scope and had important

influence internationally, he said

He promised that China was ready to keep close coordination with the United States, foster favorable conditions for the visit to the United States by Chinese President Hu Jintao next year, and pushing the bilateral ties to a higher level.

Obama said his administration had established an active, cooperative and broad relationship with China.

The fact that both countries had had effective cooperation within the Group of 20 (G20) and had joined hands in fighting the international financial crisis was crucial for the whole world, he said.

The two sides should strengthen the strategic and economic dialogue, promote the implementation of the consensus reached by the G20 nations and boost the sustainable recovery of the global economy, said the U.S. president.

Obama said the United States welcomed China's RMB exchange rate reform and encouraged the firms from both sides to expand investment.

He said his country was willing to strengthen cooperation with China in the fields of energy and environmental protection, and jointly find an effective way to radically improve their trade relationship.

Obama said the United States had confidence in overcoming differences through dialogue with China, deepening common interests and developing a strong and cooperative relationship with China.

Obama said he expected to meet President Hu at the G20 and APEC summits later this year and was looking forward to Hu's visit to the United States next year.

The meeting between Wen and Obama had been expected to improve bilateral ties and deepen mutual trust at a time when Sino-U.S. relations are clouded by trade arguments but dominated by both countries' willingness to cooperate, analysts said.

Wen arrived in New York on Tuesday evening to attend a series of UN meetings.

Source:

Xinhua

http://paper.people.com.cn/rmrb/html/2010-09/25/nw.D110000renmrb_20100925_1-01.htm

Economic front

- EU should think twice before taking trade defense measures against China (19th September)

The European Union (EU) on Thursday launched an anti-subsidy probe into wireless modems imported from China, after it targeted the same Chinese product with two

separate investigations of anti-dumping and safeguards measures in June.

It is the first time that the EU has initiated triple investigations simultaneously into a single Chinese product, which is a rare practice among World Trade Organization members.

The move was the latest among a series of trade defense actions taken by the EU against China this year. According to EU statistics, the 27-nation trade bloc launched eight trade probes into Chinese products ranging from coated fine paper to ceramic tiles in the first nine months, already more than the total number of investigations opened last year.

And for the first time, the EU launched an anti-subsidy probe into Chinese products in April, targeting coated fine paper which had already faced anti-dumping investigation. Now it set another record by conducting triple investigations.

The frequent and unprecedented use of trade defense measures have led to China's concerns about increased protectionism in the EU. The rising tension serves no good to neither China nor the EU itself.

Accusing Chinese companies of unfair trade, the EU claims to be safeguarding its own legitimate interests, but things may go contrary to its wishes.

The 27-nation bloc apparently remains unclear of where its interests lie. As early as in 2006, then EU Trade Commissioner Peter Mandelson initiated a review of the EU's trade defense instruments, with a purpose to redefine Europe's "community interests" in a globalized world.

With more and more European companies outsourcing manufacturing to China for lower labor costs, they are also liable to harm caused by the trade defense measures taken by the EU.

Critics say those measures often hurt EU consumers and those European companies with a competitive edge resulting from globalized production, but coddle the laggards.

As in the case of wireless modems, the investigations would disrupt normal trade. This would only benefit one Belgian company, which is the sole producer of the same product in the EU, but millions of consumers in 27 member states would pay for that.

Unfortunately the review ended nowhere. It has become a routine that each time the EU takes trade defense measures against Chinese products, the decision would be opposed by its own industries and consumers, and EU member states are divided.

Putting aside the argument over the EU's interests, there is more need for the 27-nation bloc to have a second thought about its trade defense actions against China under the current circumstances.

Hit hard by the financial crisis and a sovereign debt crisis, the EU economy is still not out of the woods. Recovery remained fragile and to a large extent export-driven as private consumption and investment lack momentum of rebound.

Trade holds the key to a global recovery, which is no less true for the EU. By sticking to its pledge to keep markets open, the EU is in fact helping itself.

As the EU's second largest trading partner, China is doing its part to keep bilateral trade on track. It sent several business delegations to Europe to promote trade and investment last year when the EU economy was at its toughest time due to the financial crisis.

Official figures released by Eurostat showed EU exports to China actually managed to grow 4.1 percent in 2009, while its trade flows with all other major trading partners had plunged. Exports to China may actually provide a positive aspect in the EU's recovery.

In the time of crisis, the EU and China should need each other more than ever. However, the EU's move is running counter to the deepening relations.

Source: Xinhua

- Premier Wen to deliberate UN millennium goals (20th September)

Chinese Premier Wen Jiabao will fly to New York this week to attend two United Nations conferences. The Chinese leader's presence at the two important UN gatherings indicates China's active participation in international affairs and its long-term commitment to support the UN's unique role in coordinating global efforts to address issues afflicting the world now.

Wen will attend the UN high-level meeting on the Millennium Development Goals (MDGs). He is expected to elaborate on China's strategy in attaining the UN's anti-poverty goals. The event is aimed at providing the political impetus needed to tackle the remaining gaps in global efforts to achieve the MDGs.

China is the world's largest developing country and its commitment to the MDGs is globally significant. It reinforces the country's image as a responsible world power. It also sets a good example for others who are still unable to meet the global objectives and move forward.

The MDGs were established in 2000 at the Millennium Summit in New York. World leaders had pledged to do their utmost to attain the goals by 2015. The objectives included slashing poverty, fighting disease, checking environmental degradation and boosting health.

According to UN reports, global progress on poverty reduction was largely due to the reduction of hunger in China. The UN recognition speaks volumes for China's vigorous efforts in the past years to alleviate poverty and promote human development.

Since 2000, China has achieved remarkable progress in trying to reach the grand targets. It has managed to halve the number of poor people from the 1990 figure of 85 million and slashed the proportion of people living in acute poverty by more than half.

Some of the MDGs, including those on primary education and the child mortality rate, have been met in China. The country has also made great strides in women's cause: Chinese women held 20.3 percent of the seats in the National People's Congress, the legislature.

The Chinese government has also supported international development cooperation to narrow the wealth gap between an elite and the poor majority. It has provided much assistance to many developing nations and offered debt relief to 50 impoverished nations.

To honor its global commitments and bring real benefits to its people, China will meet the MDGs as scheduled. It hopes other countries in the world will do the same, to achieve the common development of our global village.

Still, formidable challenges to realize the millennium goals remain. According to a World Bank report released last week, 64 million more people are still living in extreme poverty in 2010 and about 40 million more people were short of food last year because of the global economic crisis since late 2008.

By People's Daily Online

- China cuts tourist visits to Japan, tensions rise (20th September)

Japan is paying for its inflexible foreign policy by stubbornly keeping the detention of a Chinese fishing trawler captain, as Beijing has cut a series of bilateral talks and threatening to substantively reduce Chinese tourists' travel to Japan.

China's official Xinhua News Agency reported yesterday that Chinese Vice-Foreign Minister Wang Guangya "made solemn representations" to Japanese Ambassador Uichiro Niwa Sunday evening to express strong anger and protest over Tokyo's prolonged illegal detention of a Chinese citizen.

Tensions between the two eastern Asian countries have escalated dramatically, since Japan illegally detained Chinese trawler captain Zhan Qixiong on September 7, accusing him of "obstructing Japanese officials' public duty" when his fishing boat was chased, intercepted and taken by Japan Coast Guard patrol vessels.

Beijing authorities, supported by an overwhelming public opinion throughout China, have warned of tough counter-measures after a Japanese court Sunday extended the detention of Zhan.

"China demands that Japan immediately release the captain without any preconditions," Foreign Ministry spokesman Ma Zhaoxu said yesterday in a press release, emphasizing that China viewed the detention as "illegal and invalid".

"If Japan clings obstinately to its own course and insists on making one mistake after another, China will take strong countermeasures and all the consequences should be born by the Japanese side," the spokesman said.

China has suspended ministerial and provincial-level bilateral exchanges with Japan, halted talks on increasing flights between the two countries and postponed a meeting about coal with Japan, the Xinhua report said.

"The scale of Chinese tourists visiting Japan has been seriously affected," the report added.

Japan's Kyodo news agency reported that the trawler captain's detention had been extended until September 29. This was the second time an extension was granted. A Japanese court first approved an extension on September 10. It said that Japanese prosecutors can hold Zhan for a total of 20 days before deciding whether to take "legal action".

China has repeatedly demanded Japan free the captain and, in protest, has cancelled talks with Japan over natural gas reserves in the East China Sea, which is originally scheduled for this month.

Beijing has also sent marine surveillance ships to strengthen law-enforcement activities in relevant waters to safeguard China's maritime rights and interests, China's Foreign Ministry said over the weekend. China's law-enforcement ships have also been dispatched to cruise in the area and protect Chinese fishermen and their properties.

Asked to confirm media reports that China has transported materials to Chunxiao oil and gas field in the East China Sea, and may carry out maintenance operations there, the Foreign Ministry said China "possesses full sovereign and jurisdictional rights over Chunxiao and China's activities there are completely reasonable and lawful".

Huang Dahui, a professor of Japanese studies at Beijing's Renmin University of China, told the Global Times in an interview, saying that some politicians in Japan may not feeling good about it, and choose to take a tough stance to irritate China's Government and Chinese people.

"Japan may also be considering how to forge allies with other countries such as the United States to limit China's influence in the Asia-Pacific region," Huang said.

However, many Chinese experts say that as Japan's economy tilts to depend more on China's growth, Tokyo's hard-line foreign policy towards Beijing is going to anger Chinese government and Chinese people. If China decides to import less from Japan, and more from others, Japan's present struggling economy will get hurt further, they say.

By People's Daily Online

- China's yuan rises to new record against U.S. dollar Monday (20th September)

The central parity rate of the yuan, China's currency Renminbi (RMB), rose 62 basis points Monday to a new record high at 6.711 per U.S. dollar, according to the data released by the China Foreign Exchange Trading System.

Monday's yuan central parity against U.S. dollar beat the previous record of 6.7172 per U.S. dollar on Friday and extended the Chinese currency's gains to seven consecutive trading days.

The yuan has seen increased volatility in the trading days since the People's Bank of China (PBOC), the central bank, announced on June 19 this year to increase exchange rate flexibility.

Based on Monday's central parity, the Chinese currency has strengthened against the U.S. dollar by 1.7 percent from the rate of 6.8275 per U.S. dollar that was set a day before the PBOC's pledge to increase flexibility.

On China's foreign exchange spot market, the yuan can rise or fall 0.5 percent from the central parity rate during trading each day.

According to Monday's central parity rates, the yuan's value strengthened against all the currencies within its basket with lower rates except the British pound and the Malaysian Ringgit.

The PBOC released the yuan's central parity rates against a basket of currencies -- the U.S. dollar, the euro, the Japanese yen, the Hong Kong dollar, the British pound and the Malaysian Ringgit.

The yuan's parity rate against the euro was set by the central bank at 8.7595 Monday, lower from Friday's 8.7754.

The yuan's rate against 100 yen was 7.8275 Monday, down from 7.8348 Friday.

The Chinese currency weakened 192 basis points against the British pound with the central parity rate being set at 10.5014, compare with Friday's 10.4822.

The central parity of RMB against the U.S. dollar is based on a weighted average of enquired prices from all market makers before the opening of the market in each business day.

The central parity of RMB against the other five currencies is based on the central rate of RMB against the U.S. dollar of the same business day as well as the exchange rates of the five currencies against the U.S. dollar at 9 a.m. (0100 GMT) of the same business day in the international foreign exchange market.

Source: Xinhua

- China's imports to bring more opportunities for world (21st September)

At the U.S. Senate and House testimony on Chinese currency to the House Ways and Means Committee in late mid September, Treasury Secretary Timothy F. Geithner praised China that on the world economic recovery has made important contributions with its fast economic growth and the growth of Chinese imports as global economic recovery has made much headway.

Meanwhile, data from the 2010 China Import Forum 2010 held at the sponsorship of the Ministry of Commerce on August 30th show that China's share or percentage of the world imports has risen from merely one percent to eight percent annually in the last nine years since its entry to the World Trade Organization (WTO) in December 2001. China is currently not only the world's leading exporter but the world's second importer.

The Chinese government has paid great attention to transform the foreign trade development mode, promote the balanced growth of its foreign trade, and actively to expand import, so that the width and depth of the nation's market openness have been on constant rise. To date, China has reduced the average import tariff rate to 9.8 percent, much lower than the average of 46.6 percent rate for developing nations.

As of July 1 this year, China would plan "Zero Tariff" imports to the least developed countries step by step, and accelerate or hasten efforts for trade facilitation, so as to create essential conditions for various countries to further expand their exports to China.

Practice in China has given an eloquent proof that the expansion of imports has not only promoted a nation's own economic growth, and meets the growing consumption demand of its people, but will also bring huge market opportunities for countries around the world. After the eruption of global financial crisis, the Chinese government came up with a fiscal stimulus package in April 2008, which subsequently led to the fast growth of Chinese economy in 2008 and 2009, underpinned by the rapidly expanding domestic demand, business investment and spurred import requirements.

With the world export up 2 percent in 2009 amid the global economic meltdown, the increase range in the exports of Australia, Brazil, Brazil, South Africa and a few other nations to China remained more than 20 percent, and China thus became their top export market overnight in the year.

In the case of the United States, its goods export to China rose by 36 percent a month since the beginning of this year over the same 2009 period, and increased by 16 percent over the 2008, according to data provided by the American side. In drastic contrast, U.S. exports to other countries and regions across the world in 2009 were down eight percent over the same 2008 period.

To compare with many of its major trading partners, China has its comparative

advantages as it is in a different stage of development, and this provides conditions for trade partners to create a win-win situation and a balanced development in bilateral trade. On the 2010 China Import Forum, a Ministry of Commerce official said that China would take eight vital measures to optimize import structure, promote trade facilitation and improve the trade promotion setup, in order to further encourage and expand import to promote trade balance.

Nevertheless, some countries resort to the creation of man-made obstacles, and impose export restriction on their domestic enterprises. For example, the United States has beefed up or enhanced its trade restrictions on high-tech exports to China. The U.S. high-tech exports to China accounted for 18.3 percent of the total in 2001, as compared with only 7 percent in 2008.

Export control policy cannot tackle the problem of trade imbalance at all, but it does harms to the interests of domestic enterprises and citizens. Owing to the restriction of high-tech exports to China on the part of the U.S. side, some US exports have been lost, and this might cost American enterprises a trade volume of up to 100 billion US dollars in the past decade or so.

The institution of an open, smooth two-way trade channel is the only correct path to the growth of balanced trade. At this critical moment when world economy is yet to turn robust, the Chinese government has actively been opening up the market to take in imports, and offer trade facilitation measures for the industry to expand trade and promote trade balance, as a symbol to show China as a big, responsible nation. Only when the countries worldwide join hands to battle or fight trade protectionism and to cope with difficulties together, can the sustainable growth of global trade be spurred, promoted and further expanded in a sustainable and smooth way.

- Yuan appreciation will not solve U.S. trade deficit: China FM spokeswoman (22nd September)

The appreciation of the Chinese currency would not solve the U.S. trade deficit problem, China Foreign Ministry spokeswoman Jiang Yu said Tuesday.

When answering a question at the regular press briefing, Jiang said the Sino-U.S. trade imbalance was a result of the international division of labor rather than exchange rate fluctuations.

Jiang Yu pointed out that recently some officials in the U.S. criticized the RMB exchange rate, and suggested ways to push for its appreciation. "This is unwise and shortsighted," she said. The fluctuation of the RMB would not solve trade imbalance between any particular countries.

She said that China is always concerned about increasing imports from the U.S., urging the U.S. to make concrete progress in relaxing export controls to China.

The managed floating exchange rate regime is a firm policy that China is pursuing, which

was continued following further reforms of the RMB exchange rate regime in June 2010. The yuan has seen increased flexibility since the reform on June 19th.

The yuan has appreciated by 23.5 percent against the U.S. dollar since the reform of the RMB exchange rate regime in 2005.

Jiang said both China and the U.S. should make more efforts to encourage stable economic recovery. As a nation issuing the reserve currency, the U.S. should pursue responsible monetary and fiscal policies to keep major international currencies stable, in an effort to make due contributions to the world economic recovery, she added.

Source: Xinhua

- A developing China leads the world toward MDGs (22nd September)

As world leaders converge at the UN headquarters to review and boost the global efforts to meet the Millennium Development Goals (MDGs), a fact has become clear that China is taking the lead in this global endeavor.

Chinese Premier Wen Jiabao is slated to attend the high-level meeting in New York on the ambitious set of objectives, presented in the Millennium Declaration following the UN Millennium Summit exactly a decade ago.

Ten years into the arduous undertaking, extensive progress has been achieved in slashing poverty, hunger, disease, maternal and child deaths, gender inequality, environmental degradation and other ills, but advancing steps toward the 2015 deadline vary in different countries.

"China has done its best in realizing the Millennium Development Goals, and is likely to accomplish all the development goals by 2015," said UN Under-Secretary-General for Economic and Social Affairs Sha Zukang in an interview with Xinhua last week.

"China's achievements have not only improved the quality of life of the Chinese people, but also made significant contributions to the worldwide efforts to realize the Millennium Development Goals," added the senior diplomat from China.

China has every right to be proud. Entering the new millennium, Beijing formulated the grand objectives to build a moderately prosperous as well as harmonious society, which covered all the MDGs. Through years of persistent endeavors, China has gradually reached several of the global targets well ahead of the timeframe.

China is the first country to halve the ratio of the poor to the entire population. "During the past 20 years, among all the people lifted out of poverty across the world, China accounted for 70 percent," said Hong Pingfan, a senior UN economic affairs officer in charge of global economic monitoring.

- China denies banning rare earth exports to Japan (25th September)

The Ministry of Commerce denied media reports that China had banned exports of rare earths to Japan, following the arrest of a Chinese trawler captain near the disputed Diaoyu Islands that created a political storm between the two nations.

According to a New York Times report, which sourced unnamed industry experts, an initial trade embargo on all exports of rare earth minerals would last through the end of this month.

Ministry spokesman Yao Jian told the Los Angeles-based China Press that China has not taken any measures to restrict rare earth exports to Japan.

Another Chinese trade official, Chen Rongkai, said the New York Times report had "no foundation," Reuters reported.

As of press time Friday, media reports indicated the detained Chinese captain would be released Saturday.

Yao said that the foreign media speculation might serve to remind Japan that if the country decides to be headstrong on the issue, then China was prepared to take strong counter-measures as well, China Press reported.

Major rare earths traders in China and Japan told Reuters they had not heard of any ban. Rare earths are used in the production of everything from iPhones to weaponry.

Source: Global Times

Social front

- China to deepen reform of cultural sector over next 5 years: official (21st September)

A senior official of the Communist Party of China (CPC) in charge of culture and publicity has pledged to deepen the nation's reform of its cultural sector over the next five years.

More state-owned cultural institutions will be converted into enterprises as the nation builds a competition-based market for cultural products and services, Liu Yunshan, a Secretariat member of the CPC Central Committee and head of the Publicity Department of the CPC Central Committee, said Monday.

Liu was speaking at a workshop on a blueprint for the country's cultural reforms and development for the "12th Five-Year Plan" (2011-2015), which was held in Luoyang in central China's Henan Province.

In his speech, the official called for the mapping out of the goals and tasks of the country's cultural development in accordance with the requirements of the Scientific Outlook on Development.

"Cultural restructuring is fundamental for the emancipation of cultural productivity and the realization of cultural prosperity and development," he said.

Other speakers at the meeting included Party officials responsible for local publicity work in the provinces of Henan, Hebei, Zhejiang, Jiangxi, Shandong, Guangdong, Yunnan, Shaanxi and Fujian, as well as the autonomous regions of Guangxi and Inner Mongolia.

Source:Xinhua

- Urbanization could cost 24 trillion yuan (23rd September)

China may need to invest up to 24 trillion yuan (\$3.6 trillion) in urban infrastructure by 2020 to accommodate the increasing number of rural residents moving to the cities, according to a new report by a government think tank.

China's urbanization rate is currently around 47 percent and is increasing by about 1 percentage point each year. If the nation continues its urbanization-friendly policies, the rate could rise to 65 percent by 2020, according to the report released on Tuesday by the China Development Research Foundation.

To accommodate this increase in the urban population, the report said the country may need to invest at least 16 trillion yuan in roads, railways, power plants, water systems and social services. But it added that this could be a conservative estimate.

"If the ratio of urban infrastructure investment to the country's gross domestic product reaches 4 percent, which is the average rate in developing countries, then the total investment could amount to 24 trillion yuan."

New transportation networks, including roads, bridges and subways, will account for about 56 percent of the estimated investment, the report said.

Financing the expected urban expansion poses a major challenge.

The report said that in 2008, about 32 percent of the funding for urban infrastructure came from the government, 30 percent from bank loans and the remainder from the relevant enterprises. However, at present, all local government finance channels rely on land prices, as they either sell land to raise money or use land to secure loans.

Such a financing model will not be sustainable, the report concludes. Once the property market cools, it will have a detrimental effect on the ability of local governments to raise funds.

To meet the projected financing requirements, the report suggests non-State investors should provide a larger proportion of funds for future urban infrastructure projects.

Source:Chinadaily

- Chinese PM attends UN panel on AIDS (23rd September)

Chinese Premier Wen Jiabao on Wednesday attended a UN panel to discuss ways to enhance anti-AIDS efforts, as part of a global campaign to meet the Millennium Development Goals (MDGs).

Initiated by the Joint UN Program on HIV/AIDS (UNAIDS), the panel is co-hosted by China, Nigeria and South Africa at the UN headquarters.

During the meeting, Wen and other world leaders are expected to illustrate the developing countries' determination to cope with HIV/AIDS and achieve the MDGs, call for further cooperation among developing countries and urge developed countries and the international community to fulfill their relevant political promises.

Since China reported its first AIDS case in 1985, the world's most populous nation had recorded 319,877 HIV/AIDS cases and 49,845 deaths by October last year, according to China's Ministry of Health.

The statistics only include cases reported by medical facilities.

However, the number of new HIV carriers and AIDS patients in China had dropped from about 70,000 in 2005 to 50,000 in 2007 and 48,000 last year, Chinese Health Minister Chen Zhu told a press briefing last week.

The rapid spread of HIV/AIDS has been basically contained in China, Chen said, adding that China is confident about meeting the AIDS-related MDGs in 2015.

Source: Xinhua

- Mid-Autumn Festival embraces China's 4th Car-Free Day (23rd September)

"It seems that the world suddenly fell silent when the traditionally noisy Mid-Autumn Festival coincided with Car-Free Day," said "ice14" on the microblog at sina.com.cn.

On Wednesday, China celebrated the Mid-Autumn Festival, as well as China's fourth Car-Free Day, as citizens in 110 cities were encouraged to leave their cars and travel by public transportations, bicycles, or on foot.

In cities like Beijing, Guangzhou, and Changsha, temporary Car-Free Zones which limit the driving of private cars were set up.

Due to the campaign, many citizens chose to give up driving cars and, instead, use low-carbon means of travel.

"I decided to cycle around on this holiday with my boyfriend after learning that it's Car-Free Day today," said Li Yang, a resident of Jinan in east China's Shandong province.

In Hangzhou, the scenic capital of Zhejiang province, 51,500 bicycles were placed at 2,050 rental points to encourage residents to travel by bicycle, said Tao Xuejun, vice general manager of the Municipal Public Bicycle Service Company.

The municipal transport offices in Zhengzhou City and Kunming City also made special arrangements to support the campaign, including increasing the frequency of buses, adding bus routes, offering discounted tickets and limiting the use of government vehicles. However, the situations differ in other cities, and not all citizens are satisfied with the arrangements of the local authorities.

"Why are there still large traffic jams?" wrote "Yuerrachel", a sina microblogger under a photo showing blocked roads. "It is more of a show", said "Fengjiechuanqi" in a microblog at Sina.com.cn.

"It seems no big difference from the daily situation here. Only a few people are willing to give up driving cars," said Cui Rongrong, an economic analyst working in Shandong.

Other netizens also accused the Car-Free policy of becoming an obstacle to normal transport.

"Due to the establishment of the Car-Free Zone on major roads, the private cars which have to go other ways blocked roads outside the zone," said a microblog of "Momingqimiaode" on Sina.com.cn.

Actually, the rapid increase in the number of private cars has caused a heavy burden in China's cities. Days before the festival, many cities around the country had witnessed serious traffic jams.

Last Friday evening, 140 traffic jams occurred in Beijing due to the heavy rainfall and holiday traffic before the Mid-Autumn Festival. In the city of Changsha, more than 1,000 kilometers from Beijing, the roads were reported to have turned into huge parking lots during the past two evenings.

"It took me half an hour to go downtown yesterday, three times the time it usually takes," said Cui in Shandong.

Though the influence of the Car-Free campaign is limited, optimistic opinions about it were voiced.

"It is still helpful for increasing the public's sense of protecting the environment," said "lilili8565731" at Tieba.Baidu.com.

"I think the authorities should make more efforts to improve the public transit services with the residences' needs in mind, instead of putting on a show once a year on Car-Free Day," wrote "niuniuniuniu" at Tieba.baidu.com.

Car-Free Day was originated in France in 1998 when citizens in 35 French cities decided to stop driving cars on Sept. 22 of each year. Since then, people around the world have begun to celebrate environmentally friendly transportation every year.

Source: Xinhua

- China to issue white paper on human rights (25th September)

China will issue a white paper on its human rights Sunday, a statement from The Information Office of the State Council, or China's cabinet, said Saturday.

The Chinese government hopes to help the international community to have a better understanding of the human rights situation in China through the release of the white paper, it says.

The white paper, under the title of "Progress in China's Human Rights in 2009," is the 9th white paper on China's human rights since the country began to release such document in 1991.

Source: Xinhua

- China marks 30 years of one-child policy, aging challenges ahead (25th September)

Saturday marks the 30th anniversary of China's one-child policy. The Communist Party of China (CPC) Central Committee issued an open letter on Sept. 25, 1980, calling for CPC and Communist Youth League members to have only one child in a bid to improve lives.

The letter said, for families, more children would consume more money and food and hinder the improvement of living standards, and for the country, the population growth would affect the "accumulation of funds" for the nation's modernization drive.

It noted, however, that "the population growth problem may relax in three decades."

Additionally, the one-child policy does not cover ethnic minorities and farmers whose first child is a girl. Also, in some regions it was later adjusted to exempt couples who are, themselves, both only children.

Xia Haiyong, director of the Institute for Population Research at Nanjing University said about 400 million births were prevented after three decades of the implementation of the policy, which contributed to the increase of China's per capita GDP.

Less population also means more educational opportunities. Latest statistics show people above 15 years of age receive an average of 8.3 years of schooling, higher than the average level for developing countries.

"FEWER CHILDREN, BETTER LIFE"

"The more sons, the more blessings" has been what Chinese people believed throughout history, but the country's family planning policy has been trying to instill the slogan "fewer children, better life" into people's minds, especially farmers.

Lu Juan, 30, in Jiangsu's Jintan, obtained a 100,000-yuan (14,700 U.S. dollars) micro-credit loan on Friday from her town's family planning office for her aquaculture business. Having only one child was a criterion for applying for the loan.

She could have had another child as Lu and her husband are both only children, but she decided not to have another and the couple are dedicated to raising the only child.

Song Yueqin, director of the Jintan Family Planning Bureau, said in the past, persuading people not to have more children was "extremely difficult" as people would "go through the back door" to secure a birth quota. Some even went abroad to give birth.

But China still managed to maintain a low fertility level. The natural population growth rate stood at 5.05/1,000 last year, which has also brought about aging problems.

The Office of the China National Committee on Ageing says the number of people aged 60 or above stood at 167 million in 2009, or 12.5 percent of the 1.3-billion population.

Xia said the emergence of the aging problem is a symbol of social progress and improving living standards, but it also challenges the country's services for the aged.

He suggested promoting community-based care for the aged as the pressure on only children means they may not have enough time to care for aging parents.

Source: Xinhua

Ethnic issues

Environmental front

- Energy efficient buildings has capacity to cut 23 million tons of CO₂ in China (21st September)

As of 2009, China has set up 4.1 billion square meters of energy efficient buildings in total, accounting for 21.7 percent of gross urban construction areas, which has the capacity to reduce carbon dioxide emissions by 23.4 million tons, said Li Bingren, chief economist of the Ministry of Housing and Urban-rural Construction, recently.

Li Bingren said the mandatory standard ratio of energy-saving in the design and construction stages of newly-built buildings reached up to 99 percent and 90 percent, respectively, compared to 96 percent and 54 percent in 2006, showing great improvement in a few years.

According to Li, as of October 2009, 15 provinces and cities of northern China have

reconstructed a total of 109.5 million square meters in energy-saving buildings, which is expected to save 750,000 tons of standard coal and reduce carbon dioxide emissions by 2 million tons annually.

On the other hand, applications of renewable energy are increasingly prevalent in newly-built constructions. It was reported that application areas of solar thermal energy and superficial geothermal energy has reached up to around 1.2 billion square meters and 139 million square meters nationwide, respectively, by the end of last year.

Moreover, installed capacity of photovoltaic construction applications also reached up to 182 megawatts in 210 demonstration projects.

Li said due to accelerated urbanization, the total building energy consumption in China continues to grow rapidly at present. The increase in the number of new construction projects in cities and towns every year has led to faster growth in energy consumption. With improved living standards, household appliances increased significantly, which led to rapid growth in energy consumption of unit building areas. Moreover, indoor comfort requirements of residents also contribute to an increase in energy consumption.

China's per capita energy consumption rose from 0.5 tons of standard coal of 1978 to 2 tons of standard coal of 2007, which is still less than in Western countries.

By Li Mu, People's Daily Online

- China seeks binding climate deal by 2011: Report (25th September)

China wants the world to seal a binding climate change treaty by late 2011, a Chinese negotiator said in a newspaper on Friday, blaming U.S. politics for impeding talks and making a deal on global warming impossible this year.

Li Gao, a senior Chinese negotiator on climate change, said his government would remain unyielding on issues of "principle" in the talks aimed at forging a successor to the Kyoto Protocol. The first period of that key treaty on fighting global warming expires at the end of 2012.

Li also vowed to keep pressing rich countries to promise deeper cuts to carbon dioxide and other greenhouse gases from human activity that are stoking global warming, said the China Economic Times, which reported his comments.

Many governments and experts have already dismissed hopes for a full climate change treaty at the next major negotiation meeting, to be held in Cancun, Mexico at the end of this year.

Li underscored that gloom, but also said his government hoped Cancun could be a stepping stone to negotiations next year that will culminate in a meeting in South Africa in November.

"China hopes that based on the outcomes from Cancun, we'll be able to settle on a legally binding document at the meeting in South Africa," Li said. "After the South Africa meeting, we'll move to concrete implementation."

Li oversees the international climate change negotiations office at China's National Development and Reform Commission, a sprawling agency that steers economy policy.

The deadline for a new binding global pact was originally set for late 2009, but a final round of negotiations in Copenhagen ended in acrimonious failure.

The United States, European Union and other governments want China to take on stronger commitments to control and eventually cut its emissions. But Li said it was U.S. political uncertainty that had stymied any hope of the Cancun meeting agreeing on a treaty to succeed Kyoto.

"The biggest obstacle comes from the United States," Li said. "Without any (climate change) legislation, it can't possibly join in a legally binding international document."

The U.S. Senate has dropped efforts to put emissions curbs in an energy bill now focused on reforming offshore drilling.

Negotiators from nearly 200 nations are haggling over a complex draft accord on climate change, and a further round of talks at the northern Chinese port of Tianjin opens on October 4.

Li said Beijing would keep pressing for certain principles, including that developing countries like China should not shoulder the same absolute caps on emissions that rich countries must take on.

Agencies / People's Daily Online

Cyber/Technology Front

- China unveils blueprint to boost digital publication industry (22nd September)

China has rolled out a blueprint to boost the nation's digital publication industry.

The blueprint, issued by the General Administration of Press and Publication, sets out the goal for all publishers to offer digital publications to the market by 2020.

The blueprint outlined that by the end of 2015 the entire revenue generated by digital publications should represent one fourth of the total revenue of the publication industry.

Further, also within this timeframe, China will build eight to 10 national industrial parks for digital publications, and each of the industrial parks should generate a revenue of over 10 billion yuan (1.48 billion U.S.dollars).

Additionally, the blueprint projects there will be around 20 major digital publication enterprises by the end of 2015, each of which will generate an annual turnover of over 1 billion yuan.

China will provide favorable policies to competitive publication enterprises, including granting them Internet copyrights at the earliest time, according to the blueprint.

The blueprint stresses the need for upgraded R&D capacities of Internet game production, so that China's indigenously produced online games can take a larger market share at home and abroad.

China's digital publication industry has taken off in recent years. In 2009, the revenue of this industry reached 79.9 billion yuan (11.9 U.S.Dollar), an increase of 50.6 percent year on year.

Digital publications include Internet periodicals, books and newspapers, Internet games, VCDs, DVDs and other publications in digital form.

Source: Xinhua

- China has 1.13 bln phone users by August: official (25th September)
China's phone subscribers rose to 1.13 billion by the end of August, said Yang Xueshan, vice minister of industry and information technology, on Saturday.

Yang made the remarks at a forum in Shanghai, but he did not give the separate figures on fix-line and mobile phone users.

But according to the ministry, the country's phone users stood at 1.11 billion by the end of June, with 805 million mobile phone users and 305 fix-line phone users.

China's Internet users reached 420 million by the end of June, with the Internet penetration rate hitting 31.8 percent, said Yang.

The sales revenue of China's electronics and information products manufacturers exceeded 2.8 trillion yuan in the first half of the year, Yang said.

The software industry generated a revenue of 723.1 billion yuan in the Jan.-July period, up 29 percent year on year, the official added.

Source: Xinhua

Regional report

North

Politics

Social front

- Beijing traffic seizes up under rising pressure (20th September)

The capital was choked by 88 traffic jams on Sunday morning, approaching the congestion created earlier this year by heavy snowfall, as Beijing struggles to cope with the large number of vehicles on the road in the run-up to two national holidays, the city's traffic management bureau reported.

A record 140 traffic jams paralyzed the city's road system on Friday evening, as the number of vehicles on the streets exceeded 4.5 million, according to the Beijing Traffic Management Bureau.

The authority had warned there would be heavy pressure on the roads on Sunday after it was made a work day to accommodate this week's Mid-Autumn Festival, as well as because no traffic restrictions apply on that day.

To minimize bottlenecks, Beijing now limits the number of cars that may be on the road during the week, according to the last number of vehicle license plates.

Traffic was moving slower than 20 km per hour on 88 trunk roads and expressways in Beijing at 9 am on Sunday, Beijing News reported. The morning rush extended an extra hour, according to the report.

Beijing Traffic Radio quoted city traffic police as having said that at 6pm the situation was better than on Friday evening, though serious snarl-ups remained on major ring roads and intersections.

Last Wednesday, the Beijing Traffic Management Bureau warned that the city's roads were exhibiting pre-festival symptoms, as "residents made more trips during off-peak hours and at night".

The bureau said: "Shopping, visiting friends and relatives, and party going will contribute to major traffic flows on the city's ring roads before the national holidays."

The three-day holiday for the Mid-Autumn Festival, when families traditionally gather and exchange gifts, starts on Wednesday and the seven-day holiday for National Day begins on Oct 1.

The traffic bureau said Beijing will be further tested on Sept 25, 26 and Oct 9, which will once again be considered work days without traffic restrictions.

Before last Friday, the previous record for simultaneous traffic congestions was 90, recorded early this year amid heavy snow, Beijing News reported.

Taxi driver Liu Tong, 49, who has driven in Beijing for 20 years, said these days the capital is like "a free car park", adding: "Snarls no longer get on my nerves after I became accustomed to them."

With Sunday considered a work day, the subway system responded to the challenge by keeping train capacities as high as on regular work days, a move it plans to repeat on the days before and after the two holiday periods.

As of Sept 12, there were 6.1 million drivers and 4.5 million registered motor vehicles on the streets of the capital, according to figures from the city's traffic bureau.

Jia Yuanhua, professor of traffic system engineering at Beijing Jiaotong University, said a huge gap exists between the demand and supply of traffic infrastructure in Beijing.

He said some of the traffic management measures that have been adopted by Beijing's traffic administrators, such as limiting the number of cars on the road, only "ease the pain without eradicating the problem".

The government should regard the traffic issue as of the same importance as its policies on health and employment, he added.

Source: China Daily

Economic front

- China's first credit asset trading regulations released (21st September)

Beijing Financial Assets Exchange (BFAE) officially released credit asset trading regulations on Sept. 20. Since there are no precedents in China, the release of the BFAE credit asset trading regulations indicated that the credit asset trading market now has to abide by regulations for the first time.

BFAE also issued membership cards and manuals of trading regulations to the first batch of members on Sept. 20. The first batch of 10 credit portfolios was also officially listed, involving a total of nearly 9.9 billion yuan and will publicly search transferees with intentions in the market.

China's credit asset trading market has not been active enough due to reasons such as lack of mechanisms and channels, which has obstructed the rational and effective disposition of financial resources in the market to a certain degree. The establishment of the BFAE credit asset trading platform filled the gap in Beijing's financial product trading market and will play an important role in promoting the standardization of the national credit asset trading market.

Xiong Yan, chairman of the BFAE board, said that the research work into the full set of materials for the BFAE credit asset trading regulations began as early as the BFAE was being established. It took six months of independent research and development to complete.

BFAE collected various views and proposals and combined the actual situations of domestic credit asset trading and eventually formed a complete system of one plus nine. The contents of the regulations cover the entire process from trading application, listing, bargaining and bidding, closing, settlement and registration to asset management.

By People's Daily Online

- Beijing to promote foreign investments with 17 measures (25th September)

The Beijing Administration for Industry and Commerce recently released a report containing practical measures to support and encourage the development of foreign-funded enterprises in Beijing in terms of market accessions, annual inspections, oversight and management.

In terms of the market accession for foreign-funded enterprises, the new measures will help the investors of foreign-funded enterprises to convert their creditors' rights to the enterprises into registered capital.

It will also lower requirements for company name registration allowing certain foreign companies' wholly-owned subsidiaries to use "China" in their company names. This measure only will apply to subsidiaries engaged in high-tech or service industries that have at least 30 million yuan in registered capital.

Beijing will move to attract multinational companies to establish functional institutions and service outsourcing enterprises.

In terms of annual inspections of foreign-funded enterprises, Beijing will further improve the online annual inspection system to reduce business costs and establish special annual inspection channels for those who have regional headquarters or many subsidiaries in Beijing.

Beijing will also offer support to foreign-funded enterprises with temporary operating difficulties and help those that have not started operations or have suspended operations to pass the annual inspections after declaring the suspension of business.

In terms of optimizing the investment environment, Beijing will first provide foreign-funded enterprises with high-quality market accession services in major localization as well as mergers and acquisitions projects of large and major enterprises. Second, Beijing will firmly execute national policies in the introduction of foreign investments.

Third, it will help foreign-funded enterprises to ease the difficulties in investment contributions, allowing those whose first-phase investments have reached the minimum

amount of statutory registered capital to prolong their investment contributions until the time limit.

Fourth, for qualified foreign-funded enterprises that cannot make investment contributions as pledged because of financial distress, relevant authorities may prolong the period of their investments until the statutory time limit or help them to reduce their registered capital, transfer shares to other companies or cancel the registration. Fifth, to expand their financial channels, Beijing will continue to provide them with a variety of service measures, such as equity pledges, pledges of movables as well as pledges of the exclusive rights to trademarks.

Furthermore, Beijing will continue to strengthen trademark protection. It will actively guide foreign-funded enterprises to enhance their trademark registration, usage, protection and management abilities, and also further strengthen the protection of foreign-funded enterprises' exclusive rights to trademarks.

By People's Daily Online

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Northeast
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- China's Yunnan eyes deeper trade links with SE Asia with overland transportation (24th September)

For Li Qiang, chairman of the Linrui Wood Products Company in southwestern China's Yunnan Province, Yunnan's strategy of opening-up to its neighbors in southeast Asia means larger profits for his company.

"If the highways are built in accordance with province's development strategy, my doors will no longer have to travel to Shanghai before being shipped overseas," said Li earlier

this month as he stroked one of his doors outside his office in Tengchong County.

Li has been exporting wood doors for five years, sending one to two containers every month. Each container holds 800 wooden doors. But most have to travel to far away Shanghai and Guangzhou before they can be exported.

"The transportation fees can be cut by half if the products are exported through Myanmar, which neighbors Tengchong County, and then to India and across the Indian Ocean," Li said.

Yunnan is implementing a ten-year development strategy dubbed the "Bridgehead Strategy" amid a national effort to develop China's relatively-backward western regions.

Li's wishes may come true in the near future.

Xiong Qinghua, head of the Yunnan Provincial Department of Commerce, said this year is the first year of the province's "Bridgehead Strategy," which will develop Yunnan role as a connector between China and southeast Asia.

Yunnan neighbors Vietnam, Laos and Myanmar.

"The strategy is a chance for Yunnan to accelerate its development," Xiong said.

The core of the "Bridgehead Strategy" is building international transportation routes and the establishment of foreign trade production bases, said Qi Huan, a researcher with the Yunnan Academy of Social Sciences, adding that the promotion of the China-ASEAN (Association of Southeast Asian Nations) free trade zone is also important.

Since the 1990s, Yunnan has been building an international transport route from Yunnan to Myanmar and then on to the Indian Ocean.

The new route is expected to cut transportation costs. Previously, most products had to be transported to coastal areas in southeast China before being loaded onto ships that would sail the Straits of Malacca.

Yunnan has been actively taking part in the construction of the free trade zone between China and the ASEAN.

The ASEAN is a geo-political and economic organization of ten countries located in Southeastern Asia.

The ASEAN groups Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Myanmar, Cambodia, Laos and Vietnam.

Yunnan has 12 civil airports in use and it ranks fourth in air passenger volume across China.

A new airport in Kunming, capital of Yunnan, is under construction and is hoped to become a hub to connect China with southeast Asia and south Asia.

Yunnan's exports and imports leaped from about 2 billion U.S. dollars in 2004 to 8.02 billion U.S. dollars in 2009.

Qin Guangrong, governor of Yunnan Province, said Yunnan will work to become two things: a base to produce industries being transferred from eastern Chinese regions and a base to exports for southeast Asia.

"Yunnan can serve as a bridge to connect three large markets - China, southeast Asia and south Asia. The strategy will promote cooperation between China and the regions near the Indian Ocean," Qin added.

Source: Xinhua

South central

Politics

Social front

- New charity law to bring sector into line in south China (24th September)

China's first regional charity law is being deliberated in southern Hunan Province to protect donors and ensure accountability.

Early last week, the draft of the Charity Regulation of Hunan Province was submitted to the Standing Committee of the People's Congress of Hunan, the provincial legislature, for deliberation. Within it, obligations of donators are clarified for the first time.

"This law could be a legislation reference point for protecting the legal rights of the beneficiary and charity organizations as well as clamping down on fake pledges," said Xu Chenguang, a local legislator.

This year, several Chinese celebrities including film star Zhang Ziyi were criticized for failing to carry out their charity pledges. They were suspected of making the pledges to elevate their personal fame.

According to the draft, a donator should sign a contract which states when and how he will fulfill his pledge.

During the past three years, China has witnessed several serious disasters such as the Wenchuan earthquake, Yushu earthquake and Zhouqu mudslide. More and more Chinese have joined in charity campaigns to help the victims.

Statistics from the Chinese Academy of Social Science shows that China's individual donations had surpassed corporate donations for the first time in 2008, accounting for 54

percent of the total donations.

However, recent reports about China's top rich who hesitated to attend a billionaires' banquet, sponsored by Bill Gates and Warren Buffet, drew public attention to how willing China's rich were to part with their wealth.

Wang Zhongwu, sociology professor with Shandong University told Xinhua that most Chinese do not want to admit how rich they are for fear of being blackmailed by illegal charity groups to donate.

Under the draft, only non-profit organizations can solicit contributions.

The regulation also stipulates that a detailed fund-raising plan including the purpose, time and methods should be posted on local governmental websites before a charity campaign starts.

A summarizing report should also be publicized in the same way within 20 days of the campaign finishing.

Organizations that violate the rules can face a fine of 20,000 to 50,000 yuan.

Monitoring from media and donors are encouraged and inspections by local authorities are made mandatory in the draft.

Zhang Shun, a Chinese businessman told Xinhua that he could not trust China's charity organizations. He said he had helped more than twenty college students with their education by giving money to them directly.

"I want to know exactly how every penny I donate is used, yet most charity organizations don't give detailed explanations," said Zhang.

Once it comes into effect, the regulation could well change how China's charities work, said the sociology professor Wang.

"Our goal is to regulate charity actions, strengthen the management of charitable donations and rebuild the public trust in charity organizations," said Yang Ke, the local legislator who helped draft the regulation.

"It is necessary for China to establish a national law to increase the transparency of charities and encourage charitable actions," said Wang Zhongwu.

In July, Gao Fengtao, deputy director of the Legislative Affairs Office of the State Council said at a forum on charity legislation that a national charity law was being drafted, but he did not say when the draft could be submitted to the top legislature for deliberation.

Source: Xinhua

Economic front

East

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Economic front

- Toyota faces charges of corporate bribery in China (21st September)

Toyota Motor Finance (China) was fined by the Industrial and Commercial Bureau of Hangzhou, Zhejiang, for bribing dealers in the region, according to Xinhua.

This is the first commercial bribery fine for both Toyota Motor Finance (China) and Toyota Motor Corp.

According to the bureau, between August 2008 and April 2010, Toyota's auto finance company paid nearly 71,000 yuan to three dealers in Zhejiang Province under the name of "service" and "processing" fees to gain unfair advantages over other car loan programs. The car loan profit it made through the three dealers during this period totaled almost 760,000 yuan, which is about 426,000 yuan after taxes.

Xinhua says one-year loans from Toyota carry an annual interest rate as high as 10 percent to 13 percent, compared with less than 7 percent from major state-owned banks; Toyota paid 4.5 percent of the interest it received to the dealers.

Citing China's law against competition distortion, the bureau decided to confiscate the after-tax profit and impose a fine of 140,000 yuan. This, however, may not be the end of Toyota's trouble, because the bureau is reportedly in process of investigating it in several other regions.

Although illegal, corporate bribery is virtually a standard price in the business world of China. By taking on Toyota at this particular moment, the government may be sending warnings to Japan on what it could lose since emotions are running high over a disputed island in East China Sea after Japan detained the captain of a Chinese fishing boat two weeks ago.

- Shanghai ranked sixth in global financial centers (21st September)

The eighth Global Financial Centers Index (GFCI8) released by the Z/Yen group recently shows London and New York rank the first and second, respectively, in bank industries and financial services. Hong Kong ranks the third.

While the big change is that Shanghai surged five places to the sixth as one of the top ten global financial centers. This is the first time that Shanghai squeezed onto the top ten list. GFCI8 shows Shanghai had significantly improved in the rankings of "human" and

"business environment" up four places to reach the sixth and the seventh, respectively.

"The two indicators are both the most important factors for the development of the global financial centers. The improvement in 'human' is the result of the adjustment of the personnel structure during promoting the development Shanghai as a financial center," He Ying, vice president of Shanghai Financial University, said to International Financial News during a interview.

In Shanghai, only 1 percent of employers are financial accounting practitioners, compared to around 10 percent in London and New York. So we put focus on the personnel development in number in Shanghai. The fact shows the establishment of personnel system in Shanghai as financial center lies not only in number, but also in structure, said He Ying, because the graduates from financial universities could not find jobs, while the financial institutions could not recruit talents.

In terms of business environment, He Ying says the global financial crisis has provided good opportunities for the establishment of Shanghai global financial center. The good performance of China's economy was eye-catching. In the midst of this, China's financial sectors, played a significant supporting role, which provided better conditions for the establishment of the Shanghai financial center.

By Liang Jun, People's Daily Online

HONGKONG AND MACAU

Politics

- HKSAR gov't to scrutinize Manila's inquiry report (21st September)

The Hong Kong Special Administrative Region (HKSAR) government will scrutinize the Philippines' first report on the hostage-taking incident, and expects the Philippine authorities to step up efforts to complete the work as soon as possible, said a Hong Kong government spokesman on Monday.

The HKSAR government on Monday received from the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in Hong Kong a copy of the first report of the Incident Investigation and Review Committee of the Philippines on the hostage-taking incident in Manila.

The HKSAR government needs time to scrutinize the lengthy document, said the spokesman.

He said the committee has not been evasive in confronting the critical questions, whose positive attitude deserves to be acknowledged, and the committee has demonstrated its sincere efforts in working against time and relative physical constraints in completing its first report.

The spokesman said the report gives a detailed account of the incident and contains

severe criticisms of the key responsible Philippine officials for their lapses of judgment and the way they handled the matter. It also recommends that the relevant officials be held responsible and actions be taken against them accordingly.

"While we are not yet in a position to comment on the relevant conclusions, we acknowledge that the committee has been serious in handling the matter." he said.

He also noted that the report admits that the causes of death of the eight victims and the causes of injury of the seven others need to be further ascertained, thus final conclusions have yet to be drawn.

"We expect the Philippine authorities to step up their efforts to complete the work as soon as possible. We and the Philippine authorities have been cooperating well in this regard. To this end, we will continue to work closely with the Philippine authorities to facilitate communication between the two sides for further investigation and follow-up forensic and ballistic examinations."

The Coroner's Court of the HKSAR has earlier instructed the Hong Kong Police to assist in the investigation. The government will submit the Philippine authorities' first report and other related investigation materials to the Coroner's Court for consideration. Upon receiving the relevant information and the independent investigation report to be compiled by the Hong Kong police, the Coroner will decide whether to hold a hearing.

The spokesman reiterated that the incident is a heart-wrenching tragedy. "As shown by the Philippine investigation report, it could have been avoided."

He said the HKSAR government sincerely hopes that the Philippine authorities could continue with their efforts in dealing with the aftermath properly, including taking action against the negligent officers, following up with the investigation, and dealing with the matter "in a fair manner so that the call for justice can be answered."

Source: Xinhua

Social front

Economic front

- Hong Kong's minimum wage regime to be in place next year: official (23rd September)

Secretary for Labor and Welfare of the Hong Kong government, Matthew Cheung, said Wednesday the city aims to have the statutory minimum wage regime implemented in the first half of next year.

Cheung said the city's Provisional Minimum Wage Commission will soon submit its recommendation on the initial wage rate to the government for consideration.

"A minimum wage will not eradicate poverty, but will go a long way towards easing the difficulties of the working poor. Gone will be the days of blatant exploitation through

paying excessively low wages," he said.

Cheung said the minimum wage bill, passed two months ago, sets an optimal minimum hourly wage to forestall excessively low pay without unduly affecting labor market flexibility, economic growth and competitiveness.

The city's 60-member Legislative Council passed the Minimum Wage bill on July 17, which aims to establish an optimal statutory minimum wage regime to forestall excessively low wages without unduly affecting labor market flexibility, economic growth and competitiveness or causing significant loss in low-paid jobs.

Source: Xinhua