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- China's political advisors to meet for discussion of next five-year plan (26th September)

(Xinhua) -- China's senior political advisors will meet next month to give advice on the country's 12th Five-Year Program (2011-2015), said a statement issued Sunday.

The Standing Committee of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) will hold its 11th session in October, said a statement issued after a meeting of chairman and vice chairpersons of the CPPCC National Committee.

The major agenda of the October session will be collecting proposals from political advisors about the country's next five-year development program, which is being drafted, the statement said.

At the meeting, Jia Qinglin, chairman of the CPPCC National Committee, urged political advisors to contribute their wisdom and help the country work out a comprehensive development plan.

Made up of high ranking members of the country's eight democratic parties, all walks of society and ethnic groups, the CPPCC should work together to provide quality proposals, Jia said.

The program will be discussed at the fifth plenary session of the 17th Central Committee of the Communist Party of China (CPC), scheduled to be held in Beijing in October.

The coming five years will be a key period to build a moderate prosperous society in all respects and a period to tackle thorny problems in deepening reform and opening-up and accelerate the economic transformation, said a CPC Central Committee statement in July.

- Chinese vice president urges improving quality of cadres (27th September)

(Xinhua) -- Chinese Vice President Xi Jinping has stressed the importance of education and training in guiding officials to maintain their hard working spirit and upright morality to fulfill their duties.

Education and training for the country's cadres should guide them to foster correct views of the world, power and their careers, Xi said here Monday at a meeting on cadre education and trainings.

"Cadres should be taught to sustain a hard working spirit, a passion for improvement and pure morality in order to stand various tests and do their work with a responsible attitude," Xi added.

Xi noted that these trainings should be conducted in accordance with cadres' different personalities and demands, and must be updated to fit the development of economy and society.

In addition, he urged strengthening the evaluation of officials' training results, and encouraged related departments to explore ways to incorporate these evaluations in the use of officials.

- Chinese celebrate National Day with pride, passion (1st October)

(Xinhua) -- The Chinese people celebrated the National Day of the People's Republic of China with pride and passion Friday as the world's most populous nation has become the second-largest economy after 61 years of development.

China, which sent a man into space in 2003 and has become the third nation on earth with the capabilities of doing so, is set to launch its second lunar probe, Chang'e II, Friday.

In downtown Beijing, more than 150,000 people -- many wearing traditional costumes of different ethnic groups -- from across the country gathered at the Tian'anmen Square, the heart of Beijing, to watch a grand national flag raising ceremony early Friday.

Chinese President Hu Jintao, Premier Wen Jiabao and other leaders laid flower baskets at the Monument to the People's Heroes on the square Friday to pay their respects to those who sacrificed for the nation's independence.

In Shanghai, the China National Pavilion Day was celebrated at the World Expo, bringing the global event to a climax. Top Chinese legislator Wu Bangguo addressed the celebration ceremony.

Many other Chinese cities also organized flag raising functions to mark the National Day Friday, also the first day of the "Golden Week" of the National Day Holiday with millions of people on the move for travels or family reunions.

Foreign relations

- China Deploys Helicopters to Flood-Ravaged Pakistan (STRATFOR)

China is deploying four transport helicopters to support flood victims in Pakistan. The deployment offers Beijing a chance to practice its disaster relief capabilities and form better relations with Pakistan, while projecting the image of a beneficent military throughout the region. Other countries will also take note of Beijing's growing willingness to engage in international non-combat operations, particularly in Pakistan, as other players in the region are adjusting to the planned withdrawal U.S. forces from Afghanistan.

Analysis

China's People's Liberation Army (PLA) plans to deploy four transport helicopters Sept. 21 to assist Pakistan's disaster relief efforts in response to the floods that have displaced millions across the country, the first such deployment of Chinese military helicopters overseas, according to Chinese media. Indeed, save for the deployment of naval helicopters for [counterpiracy operations near the Somali coast](#), this mission appears to be the first of its kind. The helicopters will depart from Hetian airport, in China's Xinjiang Uighur Autonomous Region, and though reports did not indicate in what region of Pakistan the helicopters would operate, a prior Chinese flood assistance mission reportedly landed at the Chaklala air base in Rawalpindi and in Thatta, Sindh province. The helicopters will engage in aerial support for flood victims, along with bringing Chinese ground personnel and relief supplies to affected areas. The deployment follows Chinese Foreign Minister Yang Jiechi's pledge Sept. 19 that China would expand its humanitarian support for Pakistan, China's chief ally in South Asia, beyond the \$47.6 million, two search-and-rescue teams, medical support, relief supplies and reconstruction assistance it has already provided.

Until now, China has been relatively cautious sending military assets abroad, with the PLA mainly observing reconstruction efforts and the government limiting its support mostly to relief funds, as was the case with the cyclones that struck Bangladesh in late 2007 and Myanmar in 2008. However, deploying military helicopters in Pakistan serves China's interests in three key ways: improving the PLA's disaster-response capabilities; expanding its international operations; and projecting a beneficent image throughout the region.

Disaster response is one of the PLA's core competencies within China, where frequent and large-scale natural disasters bring challenges to the army's abilities as well as opportunities for it to boost its public image. In the aftermath of the May 2008 Sichuan earthquake, PLA helicopter detachments suffered serious setbacks, including using old helicopters incapable of reaching affected areas, which drew attention to the need for improvements. The same helicopter group now destined for Pakistan was present in Sichuan in 2008 and the Zhouqu mudslide in August. Deploying assets abroad is a means of practicing and improving capabilities and testing them in foreign conditions and terrain for use in meeting their primary obligations at home. While the deployment of military helicopters is the boldest move yet, [China has gradually expanded its international humanitarian relief operations](#), and its International Search and Rescue Team — which has already been deployed to Pakistan, as well as Iran, Indonesia, and Haiti over the last decade — does include some elements from within the military.

Sending helicopters on relief missions is by no means unique. The United States deployed such air support in mid-August, which was to be expected given its military's proximity in Afghanistan, while Japan also sent six helicopters from its Ground Self-Defense Forces to support flood relief in early September. It is common practice for those capable of providing military assistance in humanitarian aid and disaster relief efforts to do so. In addition to the moral imperative, this can serve to build public goodwill; to demonstrate and to refine on-demand [expeditionary logistical capabilities](#); and in some cases to gain a foothold in the reconstruction process for their own country's companies. Militaries are often eager to deploy forces abroad for humanitarian purposes, not only because many of the raw logistical requirements are not at all dissimilar from other, more militarily oriented expeditionary missions but also because it is relatively rare for these assets to be used in a shooting war. Humanitarian assistance and disaster relief efforts allow them to gain valuable operational experience with a degree of regularity. For China in particular it is important to [reassure other countries in the region](#) that its rapid military modernization is a force for peace and stability rather than a threat.

The timing of the Chinese deployment is interesting because of the regional realignment taking place as the United States comes closer to its scheduled withdrawal of forces from Afghanistan and regional players look to firm up their positions in the emerging order. Pakistan is looking to its [long-time ally, China](#), for enhanced support, even though Pakistan does not see China as a substitute for the United States. One reason for this is that the financial assistance offered by Beijing often does not come with the same transparency requirements as that provided by the United States and Western aid organizations. China also holds the potential to bring Pakistan support on infrastructure, nuclear energy, and conventional arms. On the same day as the PLA's humanitarian mission was announced, Pakistan's naval chief of staff spoke with Chinese Defense Minister Liang Guanglie about jointly developing submarines with China. Meanwhile,

Beijing is interested in providing jobs for its state-owned enterprises and [establishing ports in the Indian Ocean](#) (Pakistani media recently speculated about China taking a more direct role in operating Gwadar port).

Growing ties between China and Pakistan are causing concern in neighboring India, Pakistan's chief rival, which is suspicious of China's recent assistance to Pakistan on various fronts. Indian officials have hinted that they consider China's reconstruction of the damaged Karakoram highway linking China and Pakistan a strategic priority more than a humanitarian one, and they have amplified media [rumors that Chinese soldiers are present in the disputed region of Kashmir](#). The United States, for its part, takes careful note of the expansion of military prowess implicit in China's growing counterpiracy and humanitarian relief operations; while it is not opposed to foreign powers assisting with regional problems, it has an uneasy relationship with the PLA and does not welcome the idea of a competitor. It also has taken note of China's enhanced military assertiveness, not only in East Asia but also in Central, South and Southeast Asia and in the Pacific. Needless to say, disaster relief is not easy to criticize, though it could fuel suspicions (especially in India) that China is using the occasion to expand its foothold in Pakistan for strategic rather than humanitarian reasons.

- Keeping vigilant against rancorous claims on China's "greater international responsibility" (26th September)

(Xinhua) -- Behind the groundless suspicion over China's status as a developing country are the so-called allegations of greater "China responsibility" and developed countries' intentions to shun their own international responsibility.

The Newsweek website last month quoted Bernard Baumohl, executive director of the Economic Outlook Group, a Wall Street advisory firm, as saying that "China can no longer be called an emerging economy" and must "come to terms with a greater international responsibility."

The allegation deserves more careful reading. As Chinese Premier Wen Jiabao said Thursday at the UN, "China is still in the primary stage of socialism and remains a developing country," with the per capita GDP hovering low, nationwide development being at an imbalanced level, and a big population still living under the poverty line.

It is impossible, by drawing China away from the world of developing countries, to change China's current development situation and bring Chinese people a high-level standard of living like that of developed countries.

So what is the real intention of all the skepticism?

Western countries often connect their arguments with such terms as "responsibility" and "duty." Baumohl's statement is just an example. In fact, some developed countries intend to impose more undue duties on China, shift the attention of the international community from themselves and shirk their own responsibility.

Most developed countries have not fulfilled their commitments to developing countries regarding the Millennium Development Goals (MDGs).

Take the official development assistance (ODA), a key anti-poverty effort, for example. Developed countries promised 30 years ago to devote 0.7 percent of the GDP to help poor countries, but up to date only Denmark, Luxemburg, Holland, Norway and Sweden have achieved the normal standard set by the UN.

In a recently released report titled *The Global Partnership for Development at a Critical Juncture*, the UN pointed out that among the most urgent areas identified in the report, there is a current shortfall of about 20 billion U.S. dollars in the annual level of aid as agreed five years ago by the Group of Eight (G8).

At their Gleneagles meeting, G8 members pledged that by 2010, they would increase ODA by 50 billion dollars and double aid to Africa. However, the current funding gap on commitments to Africa alone is over 16 billion dollars.

There also has been no significant reduction in the tariffs imposed by developed countries. Only 81 percent of the least developed countries' exports, excluding armaments and oil, have acquired duty-free status in industrialized countries' markets. This falls short of the 2005 commitment made by WTO members in Hong Kong, which allows 97 percent of exports from the poorest countries to enter rich-country markets without duties or quotas. "It's more helpful to give a loaf of bread than a rubber cheque," Premier Wen said in his speech at one of UN meetings last week.

Actually, most developing countries have called on developed countries to fulfill their promises and implement their major responsibilities in assisting developing countries.

However, some developed countries, which failed to honor their pledged commitments, have asked China to take the responsibility that they themselves should have assumed. It's all the more obvious that similar incidents have happened on issues like climate change and trade balance.

On the issue of carbon emission reduction, some developed countries deliberately ignored the fact that China has a low per capita figure of energy consumption, and hyped the alleged news that China has become the world's largest energy consumer, in a bid to force China to take inappropriate responsibility.

A look at developed countries themselves would find that major emission countries, including the United States, Japan and some European countries, tried their best to evade the emission-reduction responsibility.

The developing world should not be deceived by the intentions of some Western countries.

As a Chinese saying goes: responsibility is weightier than Mount Tai (a well-known high mountain in China). During past years, China has made big efforts in assisting other developing countries and has always stood by them, taking moral responsibility to help its developing brothers.

Moreover, the "spillover effect" of China's economic development has benefited many developing countries.

Any attempt to draw China away from the developing world will undoubtedly harm the overall interests of the developing countries.

- Chinese vice premier stresses economic cooperation between China, Arab states (26th September)

(Xinhua) -- Chinese Vice Premier Hui Liangyu said Sunday that China and the Arab states should work together to promote cooperation in the future.

Hui made the remarks at the 2010 China Investment and Trade Fair and the first China-Arab States Economic and Trade Forum, which opened Sunday in Yinchuan, capital of northwest China's Ningxia Hui Autonomous Region.

China and the Arab states have been traditionally friendly and complement each other economically. The two peoples should continue to expand their cooperation, Hui said.

The ancient Silk Road connected China in eastern Asia and the Arab states in western Asia 2,000 years ago. In modern times, friendly cooperation has been deepening during the beginning years of this new century, Hui said.

China-Arab relations have been upgraded, especially after the China-Arab Cooperation Forum was launched in 2004, providing an effective platform for dialogue and cooperation, Hui said.

Hui offered three suggestions to promote cooperation, including adhering to friendly cooperation, insisting on trade for mutual benefits and communications to defend the interests of developing countries.

The total volume of Sino-Arab trade grew to 132.8 billion U.S. dollars in 2008 from 5.8 billion U.S. dollars in 1996, but fell slightly in 2009 due to the global economic downturn, to 107.4 billion U.S. dollars.

- China, Russia look to "new era" of strategic relations (27th September)

(Xinhua) -- Russian President Dmitry Medvedev Monday signed a series of political and commercial deals on his second state visit to China, a sign of closer strategic ties between the two world powers.

Medvedev held talks with his Chinese counterpart Hu Jintao Monday in Beijing. They celebrated the completion of a long-awaited China-Russia oil pipeline, the largest bilateral project between the two countries.

The 999-km pipeline runs from Angarsk in Russia to Daqing in northeast China. It is part of a bilateral loan-for-oil deal that was reached in 2009. Under it, China makes a 25-billion-U.S.-dollar long-term loan to Russia while Russia supplies China with 300 million tonnes of oil through pipelines from 2011 until 2030.

"The smooth completion of the pipeline project is a model for the two countries' mutually beneficial win-win cooperation and a milestone for China-Russia energy cooperation," said Hu at the completion ceremony.

The two countries also signed 15 deals on cooperation covering coal, gas supply, energy efficiency, renewable energy, nuclear power, power grids and banking.

Medvedev arrived in northeast China's port city of Dalian Sunday to start his state visit. There, he met with veteran Chinese and Russian soldiers who participated in China's War of Resistance against Japanese Aggression (1937-1945), part of WWII, underscoring the "deep bonds" between the Russian and Chinese peoples.

- China, Russia mark completion of China-Russia crude oil pipeline (27th September)

(Xinhua) -- Chinese President Hu Jintao and his Russian counterpart, Dmitry Medvedev, attended a ceremony in Beijing Monday to mark the completion of the China-Russia crude oil pipeline.

"The smooth completion of the pipeline project is a model for the two countries' mutually beneficial win-win cooperation and a milestone for China-Russia energy cooperation," Hu said.

The ceremony came after the two held talks, during which Hu said the two sides should strive to ensure safe operation of the project.

Medvedev said the pipeline will help create closer ties between the two countries. Representatives of China National Petroleum Corporation (CNPC) in the northeast Chinese city of Daqing and representatives of Russian oil pipeline giant Transneft in the Russian town of Skovorodino reported the completion of the project via a live video-audio broadcast during the ceremony at the Great Hall of the People. Construction of the 999-kilometer pipeline began last year. Some 927 kilometers of the pipeline is in China while 72 kilometers of it is in Russia. The pipeline starts in the Russian town of Skovorodino in the far-eastern Amur region and enters China at Mohe County before continuing to Daqing, a petrochemicals hub in northeastern China. The pipeline is part of a bilateral loan-for-oil deal reached in February 2009 between the two countries. Under the deal, China makes a 25-billion-U.S.-dollar long-term loan to Russia while Russia supplies China with 300 million tons of oil through pipelines from 2011 until 2030.

- China, Thailand to hold third joint anti-terrorism training (28th September)
(Xinhua) -- Chinese and Thai special forces will hold a joint anti-terrorism training in October in a southern China city, said a statement from China's Defense Ministry on Tuesday. The drill, code-named "Strike-2010", will take place in Guilin of Guangxi Zhuang Autonomous Region from Oct. 6 to 20, said the statement. This is the third time for armies of the two countries to hold such anti-terror training since 2007. The two militaries held similar trainings in 2007 and 2008 in China's Guangdong Province and Thailand's Chiang Mai Province respectively. Each country will send 60 members for the two-week-long training. "The drill is aimed to boost traditional friendship, promote pragmatic exchanges and cooperation between the two militaries and increase the capability for the special forces to provide security for major activities so as to contribute to safeguarding peace and stability in the region," said the statement.

- Safeguarding sovereignty over Diaoyu Islands conforms to common interests of people across Taiwan Strait (29th September)
(Xinhua) -- A mainland Taiwan affairs spokeswoman said Wednesday safeguarding sovereignty over the Diaoyu Islands conforms to the common interests of people on both sides of the Taiwan Strait. Safeguarding sovereignty over the Diaoyu Islands is in the long-term interests of the Chinese nation, Fan Liqing, spokeswoman for the Taiwan Affairs Office of the State Council, said at a regular press conference. On Sept. 7, two Japan Coast Guard patrol ships and a Chinese trawler collided in waters off the Diaoyu Islands. On the following day, Japan illegally seized the Chinese trawler and detained the trawler's captain and 14 fishermen on board. The Japanese side let the 14 fishermen and the boat return to China on Sept. 15, and freed the captain last week after Chinese government's repeated demands for his return and warnings of "strong counter measures."

- China, Cuba pledge to further enhance ties (30th September)

(Xinhua) -- Chinese Vice President Xi Jinping said here Thursday that China will join hands with Cuba to strengthen cooperation and promote bilateral relations.

Xi made the remarks when meeting with Vice President of the Council of Ministers of Cuba Ricardo Cabrisas Ruiz, who was here to celebrate the 50th anniversary of the establishment of China-Cuba relations.

Extending the greetings of China's leadership to President of the Council of Ministers of Cuba Raul Castro Ruz and First Secretary of the Communist Party of Cuba Fidel Castro Ruz, Xi thanked Cabrisas for coming to China to attend the 50th anniversary celebrations. Xi reviewed the history of China-Cuba relations. "The two parties and countries have always had mutual understanding and supported each other since the establishment of ties. The China-Cuba relations have endured the changes of the international situation."

China will continue to support Cuba's just fight to maintain its sovereignty and oppose external interference, Xi said.

He also spoke highly of the fast development of China-Cuba cooperation in many areas, featuring frequent political exchanges, deepening mutual trust, smooth development of economic relations and trade, expanding cultural exchanges and close coordination in international affairs.

Cabrisas said bilateral relations between Cuba and China have witnessed comprehensive development over the past 50 years on the basis of mutual respect, equality and reciprocity.

Cuba will further enhance its cooperation with China in investment, trade and tourism, and promote the development of Cuba-China relations and the ties between Latin America and China, Cabrisas said.

- China frees three Japanese (30th September)

China has released three of the four Japanese citizens [arrested in the midst of a diplomatic stand-off](#) last week for allegedly entering a prohibited zone and videotaping military targets.

Chinese state media said the three were released on Thursday morning after they admitted violating Chinese law and "showed regret for their mistake".

But the fourth Japanese national, identified as Sada Takahashi, is still being held under house arrest for further investigation into charges of illegally videotaping military targets. Japan's foreign minister demanded the quick release of the remaining detainee.

The four people, employees of Japanese construction company [Fujita](#), were detained last week at the height of a fierce quarrel between Beijing and Tokyo over Japan's detention of a Chinese fishing boat captain in disputed waters in the East China Sea.

Amid threats of retaliation from Beijing, the [captain was released](#) last Friday and returned to China after more than two weeks in detention. China cancelled meetings and student visits and appeared to slow the movement of goods between the two countries.

One Japanese trading company said on Thursday China had resumed issuing export licences, though stricter-than-usual inspections of goods continued at some ports and airports.

China's foreign ministry warned Japan after the Fujita staff were released to "stop making irresponsible remarks" concerning the disputed territory and ongoing diplomatic tussle.

Meanwhile Uichiro Niwa, the Japanese ambassador to China, urged China to refrain from unilateral development of a gas field in the East China Sea. He warned that if China continued to take action that violated a 2008 agreement to develop the fields jointly, Japan would have to act.

The Fujita employees were in China for a project to dispose of chemical weapons abandoned by the Japanese at the end of the second world war.

Many places in China, including residential areas and farmland, are permanently or temporarily designated as military zones where foreigners are forbidden, but ordinary Chinese citizens can freely enter.

Local government officials sometimes claim ordinary neighbourhoods are military zones when they want to detain or refuse entry to foreign journalists trying to report on corruption, land disputes or other sensitive topics.

The release of the three Fujita employees was greeted with relief in Japan, although political leaders continued to express unhappiness with China's response. Seiji Maehara, foreign minister, said "China has not clearly explained why [the four have been under] house arrest. We would like to request China release the remaining person as soon as possible".

<http://www.ft.com/cms/s/0/8d87c232-cc43-11df-bd28-00144feab49a.html>

- National Day celebrated at Chinese embassies around world (30th September)
(Xinhua) -- Chinese embassies around the world held receptions and other activities to mark the 61st birthday of the People's Republic of China.

In Bulgaria, a reception held by the Chinese Embassy on Wednesday was attended by more than 300 guests, including Chief of Staff of the Bulgarian Armed Forces General Simeon Hristov Simeonov, deputy ministers, members of the Bulgarian Parliament, and foreign diplomats.

Addressing the reception, Guo Yezhou, the new Chinese ambassador to Bulgaria said China and Bulgaria enjoy traditional friendship. Guo, who arrived in Sofia on Aug. 16, said he had been impressed by the Bulgarian people's hospitality and friendship.

He said that his colleagues and he himself are looking forward to further strengthening cooperation with their Bulgarian partners.

In Belarus, a reception held on Tuesday evening drew more than 180 guests from Belarusian government institutions, business communities, diplomatic corps and other circles.

Chinese ambassador Lu Guicheng hailed a series of achievements scored by China, but at the same time pointed out that China is still a developing country facing many problems and challenges.

He said China will steadily boost the friendly ties with Belarus, and he believed Belarusian President Alexander Lukashenko's visit to China in October will contribute to promoting bilateral cooperation to a higher level.

First Deputy Prime Minister of Belarus Vladimir Semashko lauded China's development and the role it plays on the international arena.

To steadily consolidate and develop the Belarus-China relations is always the Belarusian government's diplomatic priority, he stressed, adding that Belarus is ready to join hands with China in more fields.

In Denmark, a grand reception on Wednesday was attended by around 200 guests.

Chinese Ambassador to Denmark Xie Hangsheng said China highly values its relationship with Denmark and hopes the two sides can enhance their mutually beneficial cooperation.

The ambassador said China is committed to following the path of peaceful development and is ready to join hands with the international community to cope with global challenges and promote world peace, development and prosperity.

The guests there also watched with interest a photo exhibition and a documentary film on the Shanghai Expo.

At a reception in Pyongyang, Liu Hongcai, Chinese ambassador to the Democratic People's Republic of Korea (DPRK), congratulated the successful holding of the conference of the ruling Workers' Party of Korea (WPK) and the reelection of Kim Jong Il as the party general secretary.

He said China will steadily cement the friendly and cooperative relationship between China and the DPRK.

Yang Hyong Sop, vice-president of DPRK's Presidium of the Supreme People's Assembly, said that to steadily consolidate and develop the DPRK-China friendly and cooperative relationship is the consistent stand of the WPK and the DPRK government.

- Ban hails China's strong support to UN (30th September)

(Xinhua) -- UN Secretary-General Ban Ki-moon Wednesday hailed China's strong support to the world body, saying he looks forward to his upcoming visit to Shanghai Expo in late October.

"I respect the Chinese people, and I am very much grateful for the strong support and friendship Chinese people and government have shown to me. That has become a great source of encouragement to me," Ban told Xinhua when attending a reception marking the National Day at the residence of Chinese Mission to the United Nations.

Calling China "a global power" and "one of the most important member states of the United Nations," Ban said he needs China's support and would like to "work very closely together with Chinese people and government."

Talking about his China visit next month, Ban said he expects a series of bilateral meetings with Chinese leaders, discussing how to further strengthen the partnership between the United Nations with China.

He also spoke highly of the World Expo, which has been held in Shanghai since May 1 and will last until Oct. 31.

"The Shanghai Expo has won great praise from the international community and I am looking forward to my own visit to Shanghai Expo later next month," Ban said.

Chinese Ambassador to the UN Li Baodong held the reception to mark the 61st anniversary of the founding of the People's Republic of China, which falls on Oct. 1.

UN General Assembly President Joseph Deiss, ambassadors from the United States, Britain, Russia, France and other countries to the UN, joined some 600 guests at the reception.

- U.S. reaffirms commitment to deepen ties with China (30th September)

(Xinhua) -- Secretary of State Hillary Clinton on Wednesday congratulated Chinese people on their National Day and reaffirmed U.S. commitment to working with China to deepen bilateral relationship.

"On behalf of President (Barack) Obama and the people of the United States, I congratulate the Chinese people as you celebrate your 61st National Day on October 1," the secretary said in a statement posted on the official website of the State Department.

"Like millions of people from around the world, this year I was privileged to attend the Shanghai World Expo and to see first-hand how much China has achieved in recent years. Every visit offers fresh insights into the dynamism of this nation and the talents of its people," she said.

Secretary Clinton said she was also pleased to participate in the U.S.-China Strategic & Economic Dialogue in Beijing, which is the premier forum for shared efforts from the two sides to build a positive, cooperative, and comprehensive relationship between the two countries.

"The historic ties between our people run deep, and they continue to bind us together. This year we have launched new efforts to promote educational and cultural exchanges, including our goal of sending 100,000 American students to China over the next four years to learn Mandarin and experience the hospitality of the Chinese people," she said.

"In honor of this festive occasion, I reaffirm the commitment of the United States to working together to deepen our relationship, and I offer my best wishes to all the families of China for a safe and happy holiday," the secretary said.

- China ready to work with new leadership of DPRK ruling party: CPC official (1st October)

(Xinhua) -- A senior official of the Communist Party of China (CPC) said Friday that China is ready to work with the new leadership of the ruling Workers' Party of Korea (WPK) of the Democratic People's Republic of Korea (DPRK), to promote bilateral ties.

Liu Yunshan, member of the Political Bureau of the CPC Central Committee, made the remarks when holding talks with a visiting WPK delegation.

The delegation is headed by Choe Thae Bok, member of both the political bureau and the secretariat of the WPK Central Committee, who is in Beijing to inform China of the WPK Conference.

Liu, also member of the Secretariat of the CPC Central Committee and head of the committee's Publicity Department, extended warm congratulations on the successful convening of the WPK Conference, which reelected Kim Jong Il as the WPK General Secretary and elected the country's highest leading body.

Liu said he hoped the DPRK people could make more achievements in developing their economy and improving living standards under the leadership of the new leading collective headed by Kim Jong Il.

He pledged to maintain and carry on the tradition exercised by the two countries of informing each other of major issues, saying inter-party contacts could play a bigger role in strategic bilateral communication.

The CPC and the Chinese government unswervingly followed the principle of constantly reinforcing and promoting the China-DPRK friendship of cooperation, Liu said.

China was willing to work with the new WPK leadership to develop bilateral ties, realize more benefits for the two peoples and more contributions to lasting regional peace and common prosperity, he said.

Choe Thae Bok said the DPRK-China traditional friendship would be sure to continue to advance.

He also expressed congratulations on the 61st anniversary of the founding of the People's Republic of China.

The Chinese people were bound to make greater progress in socialist modernization under the leadership of the CPC Central Committee headed by General Secretary Hu Jintao, Choe Thae Bok said.

According to DPRK's official news agency KCNA, the WPK Conference was held in Pyongyang Tuesday, and made decisions on three main agenda items, including the reelection of Kim Jong Il as general secretary of the WPK, the revision of the WPK Charter and the election of the new central leadership of the WPK.

- Amicable ties between Japan, China vital: Japanese PM (1st October)

(Xinhua) -- Japanese Prime Minister Naoto Kan said on Friday amicable ties between Japan and China were vital not only for the two nations but also for the peace and stability in the Asia-Pacific region.

Kan made the remarks at a policy speech at the opening of an extraordinary Diet session on Friday.

He said he looked forward to deepening ties with China.

"Even if a variety of problems occur between Japan and China, I believe it would be important to address them calmly as neighbors," Kan was quoted by the Kyodo News as saying.

The Japanese Prime Minister also vowed to improve Japan's diplomatic skills in the rapidly changing global environment.

Kan said Japan should engage in proactive diplomacy in an international community which was experiencing a watershed because the security and economic situation had changed drastically as a result of the rise of emerging countries.

- EU envoy: China, EU forging reliable partnership (1st October)

(Xinhua) -- China and the European Union (EU) are forging a reliable partnership as one's stability, growth and prosperity are in the interests of the other, said an EU envoy on Thursday.

Serge Abou, EU Ambassador to China, made the remarks before Chinese Premier Wen Jiabao attends the eighth Asia-Europe Meeting (ASEM8) and the 13th China-EU summit from Oct. 4 to 6. The ASEM summit, under the theme "Quality of Life: Achieving Greater Well-being and More Dignity for all Citizens," will focus on global finance and economic governance, sustainable development, and social and cultural exchange between Asia and Europe.

China, as the second largest economy in the world, plays an important role in the meetings, Abou said, adding that the growth of Chinese economy contributed much to the world, especially amid the financial crisis.

Abou described the relationship between China and the EU as "maturing partnership," with trade as "the first taproot" of the ties.

The 27-member EU is China's biggest trade partner while China is the EU's second-largest trade partner and most important source of imports. This year, China-EU trade has witnessed remarkable growth and bilateral trade volume exceeded 300 billion U.S.

dollars for the first eight months, up 36.2 percent compared with the same period last year.

However, Abou was not satisfied with the figures. Trade and investment are not big enough considering China's 1.3-billion population, said the ambassador. He looks forward to more cooperation between the two countries in agriculture among other sectors.

"We welcome Chinese rise and Chinese prosperity," said Abou, adding that the EU would like to be more "engaged" in China's growth.

Besides, China and the EU are also cooperating in energy, climate change and higher education, said the envoy.

There are 200,000 Chinese students in Europe and tourists to European countries are also increasing, he added.

"The Chinese language is the second foreign language studied in my country France in secondary schools, just after English," said the EU official, adding that, by contrast, it was very "exotic" to learn Chinese when he was young.

"That means we have a solid basis to deepen our relationship," he added.

- China's Aggressive New Diplomacy (1st October)

Ever since Deng Xiaoping dumped the Marxist half of Marxism-Leninism some 30 years ago, the Chinese regime has depended on the twin pillars of economic growth and nationalism for its legitimacy. Usually the world sees more of the former than the latter. Perhaps not anymore.

In the last two weeks, China has engaged in an unusually bitter spat with Japan over the uninhabited Senkaku Islands, claimed by Japan since the 1890s and disputed by the Chinese since the 1970s. Beijing reacted to Japan's detention of a Chinese fishing boat captain in increasingly emotive terms, including the arrest of Japanese expats and midnight harangues of Japan's ambassador in Beijing. Even though Japan released the captain over the weekend, Beijing is keeping up the pressure by demanding an apology. The Senkaku clash is of a piece with other fishy incidents. Last year, Chinese fishing boats harassed a U.S. Navy ship in waters that are international by everyone's definition except that of Beijing, which claims the South China Sea as its "historical waters." More recently, fleets of Chinese fishing ships illegally entered Indonesian waters in May and June, leading to a stand-off with Indonesian patrol craft that ended when one of the Chinese vessels aimed a large-caliber gun at the Indonesians.

After the South Korean corvette Cheonan was sunk by a North Korean torpedo, China promised Seoul it wouldn't shield the guilty party. But once the investigation was complete, Beijing closed ranks behind Pyongyang, shielding it from U.N. condemnation and tightening military ties. After two decades of developing strong economic and diplomatic links to Beijing, South Koreans must face the reality that China's interest in keeping the peninsula divided trumps all.

China's new assertiveness is more than a matter of provocation and petulance. It's also a new state of mind. Under both Mao and Deng, China posed as the champion of the Third World and railed against allegedly hegemonic powers like the U.S. and the Soviet Union. Deng was usually careful to put intractable disputes with its neighbors on hold in favor of economic development.

Yet in July, when Hillary Clinton took the side of Vietnam in mildly pushing back against China's claims to the South China Sea, Foreign Minister Yang Jiechi could barely contain his anger. Calling the Secretary of State's remarks "an attack on China," he lectured that "China is a big country and other countries are small countries, and that's just a fact."

China's behavior may be for domestic consumption, or perhaps it is related to the jockeying for power at the next leadership succession in 2012. But it will do lasting damage to China's standing in the region, where governments will not easily bend to a form of diplomacy that smacks of an imperial tribute system.

China's preference has long been to keep all disputes with its neighbors on a bilateral basis. But with China's new assertiveness, it's hardly surprising that "small countries" should fear this strategy as another form of "divide and conquer." As Singapore's founding father Lee Kuan Yew wrote recently, "China has to carefully consider whether insisting on dealing with the Asean countries separately will make them gravitate closer to the U.S."

That's precisely what seems to be happening. The hastily arranged summit between President Barack Obama and the leaders from Southeast Asian nations last Friday in New York was a relatively low-key event. But the summit's joint statement, reaffirming the importance of "freedom of navigation" and "maritime security," no doubt got Beijing's attention.

There is still time to nudge China's leaders back to the Dengist road, perhaps long enough for political pluralism to take hold. One key is to keep the door open to Chinese goods so that China cannot conclude that its economic rise is being stifled. But at the same time, the onus is on the U.S. to show that it has the will and means to protect its allies against aggression.

As social pressures build within China, some in the leadership may be falling back on one of their core claims to legitimacy—that only the Communist Party can restore China's dignity after a "century of humiliation" at the hands of foreign powers. A rising power that depends on old grievances to maintain authoritarian rule is inherently unstable. The U.S. needs to show firm but fair treatment to help the statesmen in Beijing shepherd China through this dangerous period.

http://online.wsj.com/article/SB10001424052748704483004575523710432896610.html?mod=googlenews_wsj

- Chinese Premier promises more open policies for foreign talent (1st October) (Xinhua) -- Chinese Premier Wen Jiabao said here Thursday that the Chinese government would develop more open policies to attract high-level foreign talent to China.

China's development would not be achieved without the understanding and support from the international community, Wen said.

He also urged government departments to create more favorable policies for foreign experts in China, concretely implement the policies and provide better working and living conditions for these experts.

Wen made the remarks during his meeting with 50 foreign experts who had won this year's "Friendship Award" at the Great Hall of the People.

Wen, on behalf of the Chinese government and the people, congratulated the winners and thanked them for their outstanding contribution to the country's social and economic development.

He also met with the winners' family members and extended his greetings to them, as well as to all foreign experts and friends working in China.

Foreign experts in China were the participants in China's development and the eyewitnesses of such development and progress in China, Wen said.

The achievements China had gained were a result of both the hard work of the Chinese people and the wisdom and efforts of the foreign experts, he said.

The "Friendship Award" is an annual award issued by the Chinese government to honor outstanding foreign experts in China. A total of 1,149 foreign experts from 60 countries have been awarded the honor since it was issued in 1991.

This year's 50 winners come from 16 countries, and they are experts in various fields such as industry, agriculture, energy technology, environment, education, health and cultural sectors. They received the award at a ceremony on Wednesday.

On Thursday, Wen also met with new ambassadors to China from 32 countries at the Great Hall of the People.

http://news.xinhuanet.com/english2010/china/2010-10/01/c_13537920.htm

- Japanese PM highlights importance of relations with China (1st October)

(Xinhua) -- Japanese Prime Minister Naoto Kan highlighted Friday the importance of relations between Japan and China, saying it was essential to deepen the mutually beneficial relations.

While Kan was explaining his concerns regarding China at the opening session of the Japanese Diet.

"As neighboring countries separated by a thin strip of water, Japan and China are of great importance to each other. It is acknowledged that relations between the two countries are of critical importance to the Asia-Pacific region and, I might say, the entire world," he said.

He urged both countries to proceed calmly with current issues, including the recent maritime collisions in the East China Sea that sparked a diplomatic spat, saying that cooperation was indispensable.

"In terms of the relationship between Japan and China as a whole, it is essential we work together to deepen our mutually beneficial relationship based on common strategic interests from a broad perspective, including peace and prosperity in the Asia-Pacific region and increasing cooperation in the economic field," Kan said.

Separately, Japanese Foreign Minister Seiji Maehara said Friday Japan was open to discussions with China in order to prevent further maritime incidents as strained bilateral ties between Japan and China were "not productive."

"It is necessary that Japan and China reach an accord on how to avert an incident," Maehara said at a meeting hosted by Kyodo News.

"We are required to strategically establish a win-win relationship between the two countries, considering that tensions and confrontations are disadvantageous for both," he said.

- China expresses concern over situations in Ecuador (1st October)

(Xinhua) -- China on Friday expressed its concern over the situations in Ecuador, where clashes have left dozens of people injured.

China and Ecuador are friendly countries and China believes Ecuador will resume stability soon under the leadership of Ecuadorian President Rafael Correa and Ecuadorian government, Chinese Foreign Ministry spokesman Ma Zhaoxu said in a press release.

An early resumption of stability is in the fundamental interest of the Ecuadorian people, he said.

According to early reports, about 50 people were injured Thursday during clashes between rebel police and supporters of the Ecuadorian president.

- China Tells Japan to Maintain Relations After Dispute Over Islands Erupts (2nd October)

China called on Japan to make an effort to maintain relations as a dispute over islands both nations claim sent relations to their lowest in five years.

"I hope Japan will work with China to jointly maintain relations between the two countries," Ma said, adding China has always attached importance to developing ties with Japan.

The uninhabited islets in the East China Sea, known as Senkaku in Japanese and Diaoyu in Chinese, have been Chinese territory since ancient times, Foreign Ministry spokesman [Ma Zhaoxu](#) said late yesterday, according to the state-run Xinhua news agency. Japan's claim to the territory is "absurd, illegal and invalid," he said.

Japanese Prime Minister [Naoto Kan](#) yesterday reiterated that the islands are Japanese territory historically and based on international law. Sovereignty over the area would give the holder rights to undersea gas and oil reserves.

Relations between Japan and China deteriorated after a Chinese fishing boat collided with two Japanese Coast Guard vessels. The release of the trawler's captain after he was held for 17 days failed to assuage the Chinese government.

China two days ago released three of four Japanese employees of a construction firm, Fujita Corp., who were arrested for allegedly videotaping military targets.

After the trawler collision, China cut off ministerial talks and disrupted exports of rare earth metals such as cerium, used in polishing glass for hard-disk drives and as a catalyst to reduce car emissions.

China issued a travel advisory for Japan after Chinese tourists on a bus were harassed on Sept. 30.

The diplomatic row is the most serious since 2005, when thousands of Chinese protested Japanese textbooks, saying they downplayed that nation's wartime atrocities.

<http://www.bloomberg.com/news/2010-10-02/china-tells-japan-to-maintain-relations-after-dispute-over-islands-erupts.html>

- Greece hopes Wen visit will boost China investment (2nd October)

(Reuters) - Chinese Premier Wen Jiabao arrives in Greece on Saturday for a two-day visit the country's leaders hope will help boost investment and confidence in its ailing economy.

Greece needs foreign investment to revive its fortunes and help it fulfil the terms of a 110 billion euro (\$150.2 billion) bailout, which rescued it from bankruptcy in May but forced it to impose strict austerity measures deepening its recession.

Wen, starting a tour of European countries, will give a vote of confidence in Greece's economy, Chinese officials said.

Greek officials said no major deals would be concluded but Greece and China would pledge to stimulate investment by signing a memorandum of understanding.

All eyes will be on whether Wen and Greek Prime Minister George Papandreou discuss Greek government bonds. Greek daily Imerisia reported on Saturday without quoting any sources that China had given Greece assurances it would buy government bonds once the country returns to markets.

A finance ministry official declined to comment. [

Greece has said it wants to return to markets sometime next year, although the EU/IMF package allows it to wait until 2012.

One Greek official told Reuters this week bonds were not on the agenda of the Chinese premier's visit and it was up to top officials to decide whether to discuss this or not.

COOPERATION DEALS

China has said it needs to diversify its foreign currency holdings and has bought Spanish government bonds. In January, Greece denied media reports it planned to sell up to 25 billion euros to China.

Private companies will sign about a dozen cooperation deals covering shipping, logistics, construction and tourism, along the lines of another set of accords signed in July, an official close to Investment Minister Harris Pamboukis said..

"We want to build this strategic partnership with China," the official said. "The purpose is not a signature on something big."

Greek government spokesman George Petalotis told reporters on Friday Wen's visit was a show of confidence in the Greek economy, pointing out that a few days earlier Athens signed a \$5 billion framework deal to attract investment from Qatar.

"All this shows our country is changing course," he said.

<http://in.reuters.com/article/idINIndia-51891020101002>

- China experts say panda suffocated to death in Japan: report (2nd October)

Chinese experts sent to Japan to investigate the death of a giant panda on loan to a zoo have determined that the animal died of asphyxiation, state media reported Saturday.

Kou Kou died last month at the Oji zoo in the western port city of Kobe after it had received an anaesthetic so that veterinarians could extract semen from the 14-year-old male panda to impregnate his partner, Tan Tan.

Experts found that Kou Kou had suffocated when "objects in its stomach went into its lungs, leading to asphyxiation," the official Xinhua news agency reported.

Earlier, reports suggested the experts believed that the death could have been caused by an overdose of sedatives and were questioning why Japanese veterinarians were extracting semen outside the animal's mating period.

A breeding agreement between Beijing and Tokyo includes the stipulation that Japan pay 500,000 dollars in compensation if a panda dies due to human error, state media reported previously.

Xinhua said Saturday that China and Japan would settle the matter in accordance with their cooperation agreement on panda research, without providing further details.

The panda's death came amid the worst crisis in relations between the two countries in years, stemming from the collision of a Chinese fishing trawler and two Japanese coastguard vessels near disputed islets in the East China Sea.

It also comes after Tokyo's Ueno Zoo reached an agreement in July to receive a pair of pandas from China in a deal that will cost nearly one million dollars a year for the next decade.

The money is to be spent on protecting wild animals in China.

Giant pandas, a highly endangered species native to parts of China, are notoriously slow at reproducing in captivity.

There are just 1,600 pandas left in the wild. Nearly 300 others are in captive-breeding programmes worldwide, mainly in China, according to official reports.

- China vows to double trade with crisis-hit Greece (2ND October)

Chinese Premier Wen Jiabao vowed Saturday to double trade with Greece within five years, and to buy Greek bonds when the crisis-hit country returns to international markets.

Wen started a weeklong tour of European countries in Athens, heading a delegation that signed 11 private business deals and two state cooperation agreements for trade and cultural affairs.

"When Greece is in trouble, China will help -- that's when real friendship matters," Wen said after meeting Prime Minister George Papandreou.

He said China planned to double its annual trade volume with Greece to \$8 billion (euro5.83 billion) by 2015.

Wen said China hoped to help other fragile economies in the EU.

"China will make a great effort to support countries in the eurozone as well as Greece to overcome the international financial crisis and achieve recovery and fiscal adjustment," he said.

"China will have a very positive position toward the purchase of new bonds that Greece will issue."

Wen said China also planned to provide a \$5 billion credit line to Greek shipowners to help boost the purchase of Chinese-built vessels.

"I thank China for its vote of confidence in Greece," Papandreou said. "These agreements will have a significant effect."

On Monday, Wen will fly to Brussels to attend a China-European Union summit and other meetings before traveling on to Italy and Turkey.

Greece is eager to attract more foreign investment after mounting debts forced it to seek bailout loans this year from EU countries and the International Monetary Fund.

Chinese shipping and transport giant Cosco Group has said it wants to expand operations in Greece, after securing a \$1 billion concession deal last year for the country's largest container-terminal port.

Wen and Papandreou visited the terminal later Saturday, joined by Cosco president Wei Jiafu.

Members of the international news media were barred from covering the visit.

Greece's Socialist government, slashing costs but struggling to meet revenue targets, recently created a Cabinet post dedicated to attracting foreign investment, and has promised to slash bureaucracy.

Last month, Greece signed an investment deal with Qatar worth a potential \$5 billion that could include a major redevelopment of a disused sports complex from the 2004 Olympics in Athens, though the agreement did not refer to any specific projects.

Greece is receiving bailout loans from EU countries and the IMF worth euro110 billion through 2012.

Trade volume between the two countries was euro3.1 billion in 2009, down from euro3.4 billion in 2008, according to Greek government figures.

The deals signed Saturday range from a private agreement to import Greek marble to a Chinese-led development project at the country's main port of Piraeus.

Greek officials have said the country plans to return to the bond market sometime next year.

<http://www.businessweek.com/ap/financialnews/D9IJM9080.htm>

Economic front

- China to continue moderately easy monetary policy, boost yuan exchange rate flexibility: central bank (29th September)

(Xinhua) -- China will continue to implement a moderately easy monetary policy while making it more targeted and flexible, the People's Bank of China (PBOC), China's central bank, said Wednesday.

The bank also pledged to further improve the formation mechanism of the yuan exchange rate, to increase its flexibility, according to a statement posted on the bank's website after the quarterly meeting of the bank's monetary policy committee presided over by PBOC governor Zhou Xiaochuan.

China's economy is in "good shape," and it is well on track to meet the government's macro-control targets, the statement said.

But the country still faces the tasks of maintaining steady and rapid economic development, restructuring its economy and controlling inflation, the statement added.

The bank also noted that the global economy is gradually recovering but that it still has structural problems and that it faces risks.

The government will keep the consistency and stability of macro-economic policy while making it better-targeted and more flexible.

The bank will also closely follow developments in the global economy while maintaining an appropriate growth rate in lending, the statement said.

China's yuan has appreciated in value against the U.S. dollar amid increased volatility since the central bank announced on June 19 it would increase exchange rate flexibility.

The central parity rate of the yuan rose 115 basis points, or 0.17 percent, Wednesday to a new record high at 6.6936 per U.S. dollar, according to China Foreign Exchange Trading System data.

- China firmly opposes U.S. bill on foreign currency reform: Foreign Ministry (30th October)

(Xinhua) -- China firmly opposes legislation passed by the U.S. House of Representatives on Wednesday to penalize countries that allegedly manipulate their currency values for trade advantages, Chinese Foreign Ministry spokeswoman Jiang Yu said Thursday.

China urged U.S. lawmakers to fully comprehend the importance of Sino-U.S. trade and resist protectionism to avoid harming the interests of the people of China, the United States, and the world, Jiang said when answering a question at a regular press briefing.

Jiang said China had made clear its principle and stance on many occasions concerning issues related to RMB exchange rate.

Any attempts to exercise protectionism against China with the excuse of RMB exchange rate would seriously damage Sino-U.S. trade and badly affect the economic revival of both countries and the world.

The U.S. House of Representatives on Wednesday passed the proposed Currency Reform for Fair Trade Act, which allows the Commerce Department to impose trade sanctions against its trade partners for allegedly manipulating their currencies.

- Chinese company inks MoU with Cambodia on economic acceleration platform project (30th September)

(Xinhua) -- China's ZTE Corporation on Thursday signed a memorandum of understanding (MoU) with Cambodian government to cooperate and participate in

Cambodia's Economic Acceleration Platform (CEAP) project which was launched by Cambodian National ICT Development Authority (NiDA).

The signing ceremony of the MoU on cooperation was held Thursday in the presence of Cambodian Deputy Prime Minister and Minister of Council of Ministers Sok An and Chinese Ambassador to Cambodia Pan Guangxue and other government officials.

Zhao Yong, vice-president of ZTE for Southeast Asian region said at the ceremony that it is the day of a milestone for ZTE. He promised to closely cooperate with NiDA, and to fulfill task well within required time and with high quality.

Sok An and Ambassador Pan highly valued the cooperation project between the two countries, and expressing their belief that the project of CEAP will help the Royal Government of Cambodia to develop information and digital age, to enhance government's working efficiency, and to promote the rapid economic development, as well as to contribute for the further enhancing and deepening of the traditional friendly relations between the two countries.

In an effort to speed up the process of building a digital Cambodia, Cambodian NiDA plans to develop Cambodia's Economic Acceleration Platform to promote the building of a nationwide high-speed fiber optic information network which will help the building of electronization of commerce, finance, communication, digital television, education, medical, customs administration and others.

The project came in line with the Cambodian government's priority policy to develop the industry of communications with wide acceptance of investments from foreign countries.

- China says U.S. currency act violates WTO rules (30th September)

(Xinhua) -- China said Thursday that a trade bill passed by U.S. lawmakers targeting the yuan violated World Trade Organization (WTO) rules, and reaffirmed protective trade measures would not help sort out U.S. domestic problems.

The U.S. House of Representatives Wednesday passed the Currency Reform for Fair Trade Act to allow the United States to impose trade sanctions against its trade partners for allegedly manipulating their currency, in a move Chinese officials say indicates rising U.S. trade protectionism.

With November's midterm elections approaching, the 348-79 vote sends the measure to the Senate. The bill must gain Senate approval and be signed into law by President Barack Obama.

"The U.S.-proposed anti-subsidy investigation into Chinese imports on the grounds of exchange rate violates WTO rules," Yao Jian, spokesman of China's Ministry of Commerce (MOC), told Xinhua Thursday.

With mounting domestic political pressure arising from high unemployment and lackluster economic recovery, U.S. lawmakers are increasingly arguing that an undervalued yuan gives Chinese imports an unfair trade advantage at the expense of millions of American jobs.

Yao refuted the claim that China had gained a trade advantage by means of an undervalued yuan. The outcome of trade between the two countries was instead dependent on the trade and investment structures.

Although China had a trade surplus with the United States, it also had hefty trade deficit with many Asian countries, he said.

A trade surplus should not be blamed on an under-valued yuan, neither should it be used as an excuse for trade protectionism, he said.

Yao said Sino-U.S. trade relations had long been mutually beneficial as China was the United States's fastest-growing export destination.

He cited U.S. customs figures showing U.S. exports to China rose 36.24 percent in the first seven months over the same period last year, 14.4 percentage points higher than Chinese exports to the United States and 13.6 percentage points higher than U.S. exports overall.

Unilateral restrictions could not re-balance bilateral trade. The United States should lift the ban on high-tech exports to China, and expand its export categories, Yao said.

He said China was willing to take measures, together with the U.S., to help balance bilateral trade relations.

"We hope all parties in the United States can evaluate the facts in an objective and comprehensive way, and make the right decision conducive to long-term economic and trade relations between the two countries, which would also be beneficial to the interests of the United States," he said.

More than 1,200 U.S. companies in China said in a letter to Xinhua on Thursday that they opposed the legislation, since it would put thousands of jobs related with the U.S. exports to risks, if a trade war broke out.

"China-bashing will not help the U.S. economy out of the woods, and instead will cost more jobs in the United States. We appeal the U.S. senate not to pass the bill after thorough examination," Hua Jinsheng, chairman of the American Chamber of Commerce, said.

Huo Jianguo, head of the research institute of the MOC, said, "Pressuring China on the yuan will not solve U.S. domestic problems. Unilateral restrictions will only intensify trade frictions and make the U.S. economy even worse.

"There is no legal basis to launch countervailing probes on the grounds of an undervalued currency. It is inappropriate and untenable," he said.

- Property, financial stocks drive Chinese share market higher (30th September) (Xinhua) -- Chinese shares advanced Thursday as property stocks climbed despite the introduction of new measures to curb real estate prices.

The benchmark Shanghai Composite Index rose 1.72 percent, or 44.98 points, to close at 2,655.66.

The Shenzhen Component Index gained 2.18 percent, or 244.68 points, to end at 11,468.54.

Combined turnover stood at 183 billion yuan (27.31 billion U.S. dollars).

Gainers outnumbered losers 790 to 95 in Shanghai and 966 to 106 in Shenzhen.

Property developers rallied Thursday after the government rolled out weaker-than-expected measures to curb soaring property prices.

The government ordered banks nationwide to suspend lending for third home purchases and raised the minimum down-payment for all first-time home buyers to above 30 percent, according to a statement released Wednesday by the State Council, China's Cabinet.

The statement also said property tax pilot programs would be stepped up and then extended to the entire country, without providing further details.

China Vanke Co., the nation's biggest listed property developer, gained 7.55 percent to 8.4 yuan per share. Poly Real Estate Group Co., the country's second-largest developer by market value, jumped 8.9 percent to 12.36 yuan per share.

Financial shares also posted widespread gains Thursday after China's central bank said Wednesday the country would continue to implement a moderately easy monetary policy while making it more targeted and flexible.

The central bank also vowed to maintain an appropriate growth rate in lending.

Industrial and Commercial Bank of China, the country's biggest lender, rose 0.75 percent to 4.04 yuan per share while Agricultural Bank of China, the nation's third-largest lender by assets, climbed 3.16 percent to 2.61 yuan per share.

- World stocks rise as China manufacturing jumps (1st October)

World stock markets rose Friday as stronger growth in Chinese manufacturing suggested the world's No. 2 economy isn't slowing as sharply as feared.

European markets opened higher, following Asia's advance, while oil prices extended gains to rise above \$80 a barrel on hints in U.S. economic indicators of stronger demand for fuel.

Providing a lift to sentiment was news that growth in China's manufacturing gathered pace in September, easing fears of a significant slowdown in the world's No. 2 economy. Japan added to the optimism by reporting a fall in unemployment.

Economic indicators from the U.S. were also brighter: Chicago area manufacturing jumped in September, first-time claims for unemployment benefits fell more than expected last week, and second-quarter economic growth was revised slightly higher.

Wall Street, meanwhile, chalked up its best September in 71 years on Thursday even after key indexes ended the month on a weak note as investors locked in profits from a multi-week rally.

In early European trading, the FTSE 100 index of leading British shares rose 0.7 percent to 5,587.00, Germany's DAX gained 0.6 percent to 6,265.28 and the CAC-40 in France was up 0.6 percent at 3,738.25.

Wall Street was set to gain. Dow futures added 50 points, or 0.5 percent, to 10,773.00. Broader S&P futures advanced 5.5, or 0.5 percent, to 1,142.30.

In Asia, Japan's benchmark Nikkei 225 stock average climbed 34.88, or 0.4 percent, to 9,404.23.

The index held firm after the government said Japan's jobless rate improved in August, falling to 5.1 percent from 5.2 percent in July and marking the second straight month of decline.

South Korea's Kospi added 0.2 percent to 1,876.73 while Australia's S&P/ASX 200 slipped 0.1 percent to 4,579.20.

Stocks markets in Hong Kong and China were closed for public holidays. Mainland Chinese markets will reopen on Oct. 8.

Elsewhere, markets in Taiwan, India, Malaysia, Singapore and Indonesia all advanced.

Capital inflows into Asian stock markets jumped last month as investors sought to take advantage of the region's high economic growth rate.

Asian central banks will likely intervene in coming weeks to slow the rate of currency appreciation but a big push to weaken currencies outright is unlikely, Capital Economics said in a report. "We continue to expect that regional currencies and emerging Asia equity markets will eventually climb further."

In New York on Thursday, the Dow Jones industrial average fell 47.23 points, or 0.4 percent, to 10,788.05 as investors locked in profits.

In currencies, the dollar fell to 83.27 yen from 83.51 yen late Thursday in New York. The euro rose to \$1.3715 from \$1.3623.

Benchmark oil for November delivery rose 63 cents to \$80.60 a barrel in electronic trading on the New York Mercantile Exchange. The contract rose \$2.11 to settle at \$79.97 a barrel on Thursday.

<http://www.google.com/hostednews/ap/article/ALeqM5h3kgMAkbLwyfxBdjzw8Pc4KZ7DhQD9IIPRR00?docId=D9IIPRR00>

- China's PMI of manufacturing sector jumps to 53.8% in September (1st October)

(Xinhua) -- The Purchasing Managers Index (PMI) of China's manufacturing sector rose to 53.8 percent in September, up 2.1 percentage points from August, the China Federation of Logistics and Purchasing (CFLP) said Friday.

The reading of the September index was the highest since May and marked the 19th consecutive month that the index was above the boom-bust line of 50 percent.

The PMI includes a package of indices to measure performance of the country's manufacturing sector. A reading above 50 percent indicates economic expansion, and below 50 percent indicates contraction.

According to the CFLP, nine of the 11 sub-indices, including production and new orders increased in September compared with August.

"The September index indicates the slowdown in China's economic growth has stabilized," said Zhang Liqun, a researcher with the State Council's Development Research Center.

China's gross domestic product grew 10.3 percent year on year in the second quarter, slowing from 11.9 percent in the first quarter.

The development of the PMI index and strong expansion of consumption, fixed assets investment and exports, three engines fueling the national economic growth, all proved that relatively fast economic growth momentum had been established, Zhang said.

"Economic growth is not expected to slow sharply in the future."

- IMF says China policy to help yuan revalue (2nd October)

(Reuters) - Policy moves by the Chinese government to free the yuan from a dollar peg will help the Chinese currency rise, Dominique Strauss-Kahn, the head of the International Monetary Fund, said on Saturday.

"I am confident that the new policy of the Chinese authorities will lead to the revaluation of the yuan," Strauss-Kahn said during a conference in the Black Sea resort town.

Finance Ministers from the Group of Seven major industrialized nations will meet informally on the sidelines of an IMF meeting in Washington on October 8, which will focus on potential currency depreciations by some countries who may seek to increase exports.

China's policy of keeping the yuan artificially weak has drawn criticism that Beijing is maintaining an artificial advantage in international trade at cost of jobs in consumer countries.

Strauss Kahn warned against efforts by other countries to hide their own economic problems behind China's currency policy.

"This kind of policy is in their own interests. The revaluation of the renminbi should not be used (by other governments) as a curtain to hide problems in their own country. It is always easy to have scapegoats"

<http://www.reuters.com/article/idUSTRE6910KV20101002>

Social front

- Sports Corruption in China (STRATFOR)

Investigations into corruption within the Chinese Football Association (CFA) have gathered steam and drawn serious public attention since November 2009, when the Liaoning Public Security Bureau (PSB) began taking in coaches, players and officials for questioning, some of whom have had their cases turned over to the courts. A serving association vice president, Nan Yong, was detained in January, and the probe appears to have intensified in the last month, with former CFA President Xie Yalong detained Sept. 3 and, in an unprecedented development, Nike China marketing director Li Tong reportedly speaking to investigators in recent weeks.

Soccer is the most popular spectator sport in China, and the importance of cleaning up the CFA has been recognized publicly at high levels, including by President Hu Jintao and Foreign Minister Xi Jinping (though [match-fixing](#) has occurred in other Chinese sports as well). To deal with the matter, 12 organizations under the State Council, China's top decision-making body, set up a committee in March 2009 to investigate corruption allegations in the leagues administered by the CFA. The State General Administration of Sport and the Ministry of Public Security through the Liaoning PSB are the main drivers of the investigation, which is being run out of the provincial capital, Shenyang.

The questioning of Li, the Nike China marketing director, marks the first time that foreign corporations have been connected with alleged CFA corruption. In 2009, a corporate sponsorship contract was signed between Nike China and the CFA worth \$200 million over 10 years, about a quarter of the previous contract between the CFA and Adidas, leading to speculation that CFA officials may have been bribed to accept a lower bid. Though no direct allegations have been made against Li, he was involved in the negotiations for the contract. A Nike China spokesman confirmed that Li has not been at work since Sept. 8 but said he had no knowledge of the investigation and said the company believed Li was with his family. Multiple Chinese media sources reported he was in Shenyang, voluntarily cooperating with the investigation. At the time of the deal, Nan Yong was head of the CFA and reportedly had a "cozy relationship" with Li, according to Chinese media, which could be why investigators had wanted to speak with him. It is also possible that Nan brought Li up during his own questioning, and Li wanted to clear his name after being contacted by authorities.

However, it must be stressed that at the moment, there is no concrete evidence to suggest that Li or Nike China played a part in bribing CFA officials, and there are more conventional reasons for why the new corporate sponsorship was worth so much less than the prior deal with Adidas. Even though soccer is still the most popular sport in China, the CFA bribery and match-fixing allegations have understandably eroded the game's reputation in the country. Along with the Chinese national team's poor performance in recent years, this has led to a decline in followership by all accounts. Nike China may have simply found bargain on the deal.

Even if this is the case, however, the questioning of Nike China's marketing director will only bring more concern for potential foreign sponsors, at least until the match-fixing investigation is concluded. Foreign companies fear they will become an outlet for blame, even though most of the investigations have centered on Chinese players, team managers, referees and officials.

- China releases white paper on human rights, highlighting Internet freedom (26th September)

(Xinhua) -- The Chinese government Sunday released a white paper on human rights in China in 2009, highlighting the role of Internet freedom and the country's efforts in safeguarding citizens' legitimate civil and political rights.

"The overall cause of human rights has been promoted in an all-round way," says the white paper, published by the State Council Information Office under the title "Progress in China's Human Rights in 2009".

Chinese netizens' right to freedom of speech on the Internet was protected and the Internet has become a new channel for the Chinese government to gauge public opinion, and consequently improve its governance, the report reads.

It has become "common practice" for governments at all levels to consult the public via the Internet before formulating some policies, it says.

It adds government agencies have set up special websites to facilitate the public's reporting of corruption and dereliction of duty among officials.

Chang Jian, vice director of human rights research center of Tianjin-based Nankai University, said the government agencies have made marked progress in promoting transparency in public administration.

"Previously few government agencies were aware of the necessity to release public information, prompting the public to sue relevant government agencies, while today it has become a common practice of many government bodies to publicize information," said Chang.

In 2009, the Chinese government promulgated and implemented its first national action plan with human rights as the theme.

The National Human Rights Action Plan of China (2009-2010), which applies the Constitutional principle of respecting and protecting human rights to the various fields of politics, economy, culture, social construction, among others, has been "effectively implemented", according to the white paper.

Chang Jian said, the action plan, compiled by people from the government, academia and non-government organizations, will be a road map in implementing the constitutional principle of respecting and protecting human rights.

- Facts and figures about China's progress in human rights (26th September)

(Xinhua) -- China's State Council Information Office on Sunday issued a white paper titled Progress in China's Human Rights in 2009.

The following are some figures and facts:

-- In 2009 the Chinese government promulgated and implemented the National Human Rights Action Plan of China (2009-2010). This was the first national action plan in China with human rights as the theme.

-- In 2009 the per capita net income of rural residents was 5,153 yuan (769.1 U.S. dollars), and the per capita disposable income of urban residents was 17,175 yuan, an increase of 8.5 percent and 9.8 percent respectively over the previous year.

-- In 2009 the China's input of money for poverty reduction programs in rural areas increased by 3 billion yuan over the previous year to 19.73 billion yuan.

-- In 2009 the total health care expenditure in China reached 1.72 trillion yuan, making up 4.96 percent of China's GDP, and the per capita health care expenditure was 1,192 yuan.

-- From January 2009 to March 2010 the National People's Congress (NPC) and its Standing Committee examined 25 laws and draft decisions concerning laws, and adopted 18 of them. They amended eight laws, including the Electoral Law and the Postal Law, and further guaranteed human rights through legislation.

-- In China there are over a million bulletin board services (BBS) and some 220 million bloggers. According to a sample survey, each day people post over three million messages via BBS, news commentary sites, blogs, etc., and over 66 percent of Chinese netizens frequently place postings to discuss various topics, and to fully express their opinions and represent their interests.

-- In 2009 the number of letters from and visits of the people for petition dropped by 2.7 percent over the previous year, a decrease for the fifth consecutive year.

-- By the end of 2009 some 3,274 legal aid organizations and 58,031 legal aid service centers had been set up at the provincial, city and county levels nationwide, providing convenient access to legal aid services.

-- In 2009 China appropriated 42 billion yuan for the increase of job opportunities, a rise of 66.7 percent over the previous year.

-- In 2009 the number of people participating in basic medical insurance topped 1.2 billion, a national coverage rate of over 90 percent.

-- By the end of 2009 some 99.7 percent of the school-age population had access to nine-year compulsory education, and 99.5 percent of counties in China had provided nine-year compulsory education.

-- In 2009 China invested 1.24 billion yuan for the socioeconomic development of the areas inhabited by ethnic-minority people.

-- By 2009 there were 3,474 homes for people with disabilities in China, where 110,000 disabled people were taken care of.

- China to encourage private investment in health care sector (26th September) (Xinhua) -- China's top economic planning agency Sunday said it had mapped out measures to encourage private investment in the health care sector and may publicize them in October.

The measures have been submitted to the State Council, China's cabinet, said the National Development and Reform Commission (NDRC) in a statement on its website. Measures to encourage private investment in the railway sector are being mapped out, it added.

These moves are part of a series of measures being worked on to help fulfill the State Council's guideline to encourage private investment.

The guideline, issued on May 13, aims to encourage private investment in industries such as infrastructure, basic industries like transportation, urban public service industries, financial services and other sectors open to private investment.

The guideline and following-up measures are expected to help build a fair market of equal admittance, provide jobs and promote domestic consumption, said an official who declined to be named with the NDRC.

- China not to drop death penalty for corruption crimes: legislator (29th September)

(Xinhua) -- China's top legislature has never considered scrapping the death penalty for those convicted of corruption in the draft amendment to the Criminal Law, said a legislator.

Chen Sixi, member of the National People's Congress (NPC) Standing Committee and vice-chairman of the NPC's Committee for Internal and Judicial Affairs, made the remarks on Tuesday during an on-line interview with netizens.

Corruption-related crimes have seriously impaired the interests of the country and the people and China is always paying special attention to the prevention and punishment to such crimes, Chen said.

Criminals convicted of corruption should be subject to harsh penalties and the draft amendment to the Criminal Law was not intended to eliminate capital punishment for such crimes, Chen said.

The eighth amendment to the Criminal Law, which proposed reducing the number of crimes punishable by the death penalty in a move to reduce death penalty executions and promote human rights, was submitted to the NPC Standing Committee for its first reading at its bimonthly meeting which began on Aug. 23.

The draft amendment eliminated capital punishment for 13 economic-related and non-violent offences such as, among others, smuggling cultural relics, falsely issuing exclusive value-added tax invoices to defraud export tax refunds or offset taxes, and teaching methods for committing crimes, which constituted almost 20 percent of the current 68 crimes punishable by the death penalty.

However, the draft amendment also sparked criticisms that abolishing the death penalty for economic-related and non-violent offences would be taken as a tool to help privileged officials involved in corruption crimes escape capital punishment.

- President Hu calls for proactive approach to social conflicts (29th September)

(Xinhua) -- Chinese President Hu Jintao Wednesday urged the Communist Party of China (CPC) and the Chinese government to take more proactive measures to properly address social conflicts to promote scientific development and social harmony.

Hu, also General Secretary of the CPC Central Committee, made the remarks during a group study of the Political Bureau members of the CPC Central Committee.

Hu said a large number of conflicts and contradictions will inevitably emerge in a society at the primary stages of socialism, due to the transformation of the economic system and the social structure, the realignment of interest distribution pattern and the profound change of people's ideas and concepts.

He called for the Party and the government to speed up social construction centered on improving people's lives while safeguarding people's interests and rights in accordance with law.

Hu also urged the government to improve social administration and public service and promote scientific and democratic decision-making so as to make sure that policies are made in accordance with reality and people's fundamental interests.

The Party and the government should give consideration to the interests of all groups of people while ensuring social justice, Hu said.

The president also asked for more efforts to improve the country's petition work and demanded Party and government officials to listen more to the voice and complaints of the public.

- Chinese gov't gears up for cooling housing market (30th September)

(Xinhua) -- Experts said Thursday that the latest measures taken by the Chinese government to cool the property market would produce tangible results, and stricter policies were expected.

"The new policies represent the government's tougher stance in curbing excessive housing price rises," said Wang Jun, a researcher with the China Center for International Economic Exchanges (CCIEE), a government think tank set up under the National Development and Reform Commission (NDRC).

These new measures are part of a concerted campaign involving eight ministries and include providing more support for builders and owners of low-income housing while holding provincial governments accountable for failing to contain home price inflation and providing affordable housing to the poor.

Wang said the timing of announcing these measures was an indication that the central government had decided to redouble its efforts in response to the signs of a rebounding housing market, as seen in recent weeks.

Earlier this month, official statistics showed that property prices in China's 70 major cities rose 9.3 percent in August, year-on-year, but were unchanged from those of July, which also did not decline from June.

As housing prices in major cities were soaring beyond the reach of ordinary earners, the government in April introduced an array of policies, including higher down payments and an end to mortgage discounts, to dampen speculative demand, and issued orders urging local governments to build more affordable housing in a bid to increase the supply for low-income people.

"To some extent, these policies have helped in boosting the supply of affordable homes and curbing the speculative demand, but the effects have been limited due to weak enforcement by many local governments," said Wang.

Wang pointed to a policy statement jointly issued by the Ministry of Housing and Urban-Rural Development, Ministry of Land and Resources and Ministry of Supervision on Wednesday as an effective measure by the central government to force local governments to enforce the policies.

"Provincial governments would have to take responsibility if they fail to curb home price rises and provide more affordable housing," the statement said.

Providing more affordable homes was a key move in cooling down the property market as they sought to reduce the prices of commercial housing and meet the demand of low-income people, said Wang.

"The central government had set a quantitative goal for each provincial government to build affordable houses, but a majority of provinces fell far short of reaching these goals because they would rather sell the land to commercial developers for handsome profits," he said.

Yi Xianrong, a researcher with the Institute of Finance and banking of the Chinese Academy of Social Sciences, also expects this measure to exert effects. "The accountability system would serve as an alarm bell for local governments who have been lukewarm towards building low-income homes," he said.

The accountability system came one day after the government adopted a preferential policy for low-income home builders and buyers.

On Tuesday, China's state tax office and finance ministry said they would exempt a segment of the low-income housing sector from taxes in a drive to boost the supply of affordable housing.

Specifically, builders and owners of "public rent homes" would be exempt from the land use tax, stamp tax, deed tax and value-added tax for the next three years.

On the demand side, the central bank and the banking regulator announced, in a statement on Wednesday, that they had taken further steps to cool the speculative demands, ordering banks not to provide loans for third home purchases and above.

The statement also said that down payments on all home purchases would now have to be at least 30 percent.

"There are a lot of people in the market who believe that home prices would never fall, and even if that happens, the government would come to rescue. These new measures showed this expectation to be wrong," Yi said.

Both Yi and Wang expected more and stricter policies would be employed by the central government to cool down the property market, including the long-awaited expansion of the property tax from some cities to the whole of China.

- China to keep housing price at reasonable, stable level: Premier Wen (1st October) (Xinhua) -- Chinese Premier Wen Jiabao said Thursday that the government will keep housing price at a reasonable and stable level.

Addressing a grand reception marking the 61th anniversary of the founding of the People's Republic of China, Wen said the nation will improve support for the elderly, medical care and other social security schemes, to allow all the citizens to benefit from China's economic growth.

Present at the reception were Chinese President Hu Jintao and other senior Chinese leaders Wu Bangguo, Jia Qinglin, Li Changchun, Xi Jinping, Li Keqiang, He Guoqiang, Zhou Yongkang and more than 1,000 Chinese and foreign personages.

Premier Wen reiterated the country's adherence to the paths of scientific development, reform and opening-up, and peaceful development.

"China's development will neither harm anyone nor pose a threat to anyone," he said, adding that the argument that a strong country is bound to seek hegemony does not apply to China.

Wen said this year is the last year for implementing China's 11th five-year plan of economic and social development.

He reviewed the country's "new historic changes" over the last five years, citing enhanced productivity and national strength, improvements in people's lives, and the country's increased international standing and influence.

"In the last two years in particular, we adopted timely and forceful measures to counter the severe impact of the global financial crisis," said the premier.

"We have prevailed over numerous difficulties and become one of the first countries to achieve an economic rebound," he added.

Saying the country is at a "new historical starting point," Wen said the coming five years will be crucial to China's effort to build a moderately prosperous society.

He called for joint efforts with compatriots in Hong Kong and Macao to promote long-term prosperity and stability in the two regions.

The premier also vowed to join hands with compatriots in Taiwan to promote peaceful development across the Taiwan Strait and fulfill the peaceful reunification cause.

Ethnic issues

Environmental front

- Analysis: Soaring Chinese economy at odds with climate goals (1st October)
REUTERS

(Reuters) - Just last year experts at the International Energy Agency proposed a target for China's carbon emissions to peak in 2020 before declining if the world were to be saved from devastating climate change. Too late now.

Figures from energy firm BP showed earlier this year that Chinese emissions will steamroll through the Paris-based IEA's 2020 peak target next year, nearly a decade early, with no sign of slowing down.

China, which hosts U.N. climate talks next week for the first time, is promoting what it calls ambitious plans to boost energy efficiency and curb emissions. But its supercharged growth means even with rapid efficiency gains it cancels out other global efforts to combat climate change.

China already emits a quarter of the world's CO₂, the main gas contributing to global warming, making it the world's top emitter ahead of the United States. Its emissions have more than doubled since 2000.

Higher emissions from China and other big emerging economies, plus the failure of rich countries to slash emissions, could pump greenhouse gases to levels which scientists say augur a dangerous rise in average global temperatures by more than 2 degrees Celsius (3.6 F).

The IEA's suggested target for China of 8.4 billion tonnes of CO₂ per year by 2020, which would then fall, is in line with most other research for a safe peak, said Michel den Elzen at the Netherlands Environmental Assessment Agency.

But the latest figures released by BP and den Elzen's agency in June show China will hit that figure in a matter of months, rather than over the next decade.

"They are hitting that level earlier than expected because of their rapid growth the last decade," den Elzen said. "For meeting a 2-degrees target (of increasing global temperatures) such a high emissions rate is definitely bad news."

TORPEDO

China's rapid economic growth is helping underpin a fragile global recovery, but it is also increasingly at odds with safe levels of greenhouse gases.

Policy makers recognize it is difficult to say what is a "fair" emissions target for China, which is rapidly pulling its huge population out of poverty.

"It's difficult to say that there's a benchmark for China which they should not exceed, because there are all kinds of issues, equity principles, on what you allocate for China," den Elzen said.

China does not control the agenda of next week's U.N. climate meeting in the northern port city of Tianjin, which runs from October 4-9. Beijing is not expected to announce any new carbon-cutting measures in the talks.

Still, the government could still use the conference to promote its own emissions curbing goals, to be incorporated into a five-year economic plan that starts from 2011.

China has resisted an absolute cap on its greenhouse gas emissions, like those developed countries are expected to implement. It says a cap would be unfair because it contributed less to the problem historically, its emissions per capita are still relatively low and it needs leeway to grow its economy.

Instead, its focus is on reducing "carbon intensity" -- the amount of the main greenhouse gas, carbon dioxide (CO₂), emitted for each dollar of economic activity. It plans to reduce this by 40-45 percent by 2020 compared to 2005.

But even with such big efficiency gains, China's expected rapid economic growth will push its absolute volume of emissions to between 9.6 and 10.1 billion tonnes of CO₂ per year by 2020, compared with 5.2 billion tonnes in 2005, according to a study from the Chinese Academy of Sciences.

Its emissions rose about 9 percent last year, faster than any other major economy. If sustained that rate "would torpedo efforts for the global 2 degrees target," said Malte Meinshausen, from the Potsdam Institute for Climate Impact Research (PIK).

FIVE-YEAR PLAN

The emissions projections underscore the wrenching economic shifts that China would have to achieve in order to help contain global CO₂ levels at a point less likely to trigger worsening droughts, floods and extreme weather.

Even without an absolute cap, China's carbon intensity target will be tough, government officials and advisers say.

"Without a fundamental transformation of the development model and substantial adjustment of the industrial structure, China will find it impossible to achieve the 2020 emissions reduction goal," said the Chinese Academy of Sciences study.

China's new five-year plan and a follow-up one for 2016-2020 will detail how to reach the intensity goal and shift to low-carbon growth. But it is struggling to meet an existing target to cut energy intensity by 20 percent from 2005-10.

The most energy wasteful plants have mostly already been shut under that plan, and achieving further improvements will require more refitting of factories and plants and other more expensive measures, said Deborah Seligsohn, a Beijing-based climate policy expert working for the World Resources Institute.

China has won plaudits for investing in clean energy, making it the world's biggest wind power market last year, but a big majority of its energy will continue to come from high-carbon coal, at 69 percent and 64 percent in 2009 and 2015 respectively, according to national forecasts.

China could opt for a more stringent greenhouse gas goal from 2016 if it found the costs of carbon cutting and energy saving fall and other big emitters also took steeper cuts, said Barbara Finamore, Director of the China Program at the Natural Resources Defense Council, a U.S. environmental group.

The country will face mounting international pressure.

"They've just announced an increase in carbon emissions which is the same scale as the entire carbon emissions of the United Kingdom," said British energy and climate change secretary Chris Huhne last week.

"All the carbon emissions reductions throughout the world are effectively canceled out by China's increase."

Cyber/Technology Front

- China says citizens' freedom of speech on Internet protected by law (26th September)

(Xinhua) -- China says on Sunday its citizens' right to freedom of speech on the Internet is protected by law and netizens can voice their opinions "in a wide variety of ways on the Internet."

"The Internet has become a new channel for the Chinese government to get to know the public opinion and amass the people's wisdom, and consequently exercise governance for the people and improve its work in this respect," according to a white paper released by the Information Office of the State Council, or China's Cabinet.

"It has become a common practice for governments at all levels to consult the public via the Internet before formulating policies of particular importance," says the white paper, titled "Progress in China's Human Rights in 2009."

Chinese government makes it convenient for the people to petition, report problems and offer suggestions through channels including special telephone lines and online agencies, it adds.

Meanwhile, the Chinese government attaches great importance to the Internet's role in supervision.

Governments at all levels are required to investigate and resolve in a timely manner all problems reported to the government by the public via the Internet, and to inform the public of the actions they have taken and the results of their actions, it notes.

- Examination confirms rocket ready to launch China's 2nd lunar probe Chang'e II (1st October)

(Xinhua) -- A comprehensive examination has shown the Long March 3C rocket is in normal and sound condition for carrying the satellite Chang'e II, China's second lunar probe, to its planned orbit in three hours, the launch headquarters said.

The launch is scheduled for 6:59:57 p.m. Friday at the Xichang Satellite Launch Center in southwest China's Sichuan Province.

- Moon-Bound Spacecraft Launched from China (2nd October)

The spacecraft took off on October 1, at 1059 GMT (6:59 EDT), from the Xichang Space Center, in the Sichuan province of southwestern China. The probe is called Chang'e 2, and is the precursor of the first Chang'e mission.

With the new launch, China marks a new stage in its space exploration plans, which are more ambitious than any country's today. They include putting men on the Moon, and building a space station.

The idea about building a new orbital facility came after the first successful spacewalks and manned launches. Officials with CNSA believe that a space station is possible if a demonstration flight later this year is successful.

But those plans are still a few years away. Right now, the Chang'e 2 mission is the most important that the Chinese are conducting. It was prompted by the success of the first flight.

Over the past decade or so, the Asian nation has begun taking a very active interest in low-Earth orbit and the Moon, and has announced plans to build its own space station and lunar exploration robots.

Chang'e 2 represents the second of the Chinese lunar exploration program. Current plans call for Chang'e-3 to land on the Moon by no later than 2013, [Space](#) reports.

Chinese officials are convinced that the plan is entirely feasible. "It is estimated Chang'e-2 can reach lunar orbit within five days, compared to 13 days, 14 hours and 19 minutes for Chang'e-1," told Xinhua expert Ouyang Ziyuan.

He is the chief scientist of the China Lunar Exploration Project, which runs Chang'e. The expert reminds that the first lunar orbiter conducted a successful 16-month flight above the Moon, from October 2007 to March 2009.

Xinhua reports that the newly-launched spacecraft will at the end of its mission descend to lower altitudes above the Moon, of just 9 miles or 15 kilometers.

From this vantage point, high-resolution cameras on the probe will collect detailed images of prospective landing site for the Chang'e 3 spacecraft.

This approach is similar to the one NASA uses. The Lunar Reconnaissance Orbiter (LRO) has been sent around the Moon last year to map the natural satellite, in search for landing spots suited for future exploration missions.
<http://news.softpedia.com/news/Moon-Bound-Spacecraft-Launched-from-China-159097.shtml>

Regional report

North

Politics

Social front

Economic front

Northwest

Politics

Social front

- China's Xinjiang offers free HIV/AIDS tests, treatment (1st October)

(Xinhua) -- People in northwest China's Xinjiang Uygur Autonomous Region are being offered free HIV/AIDS tests and counseling from Friday, the regional government has announced.

The authorities in Xinjiang, which has the fastest spread of the disease in China, are particularly encouraging intravenous drug users, sex workers and those who have suffered other sexually transmitted infections to seek testing and counselling.

"The HIV/AIDS voluntary counseling and testing program has been developed over a number of years, and now it is time to put it into practice," said chairman of Xinjiang's People's Congress Standing Committee Arkin Imirbaki.

Xinjiang's AIDS Prevention Ordinance requires that free medicine be provided to low-income families affected by HIV/AIDS and pregnant HIV/AIDS carriers.

Wang Lei, a legal expert at Xinjiang Academy of Social Sciences, said that through legislation, the government would play a more important part in AIDS prevention and control.

"It also strengthens the responsibility of medical institutions and hospitals to carry out the ordinance and the awareness of residents of their legal rights," he said

With more than 60,000 HIV/AIDS sufferers, Xinjiang ranks fourth of all Chinese regions in number of sufferers.

Economic front

Northeast

Politics

Social front

Economic front

Southwest

Politics

- China releases compilation of white papers on Tibet (28th September)
(Xinhua) -- China's State Council, the Cabinet, Tuesday issued a compilation of white papers on Tibet.

Edited by the Information Office of the State Council and published by the People's Publishing House, the compilation includes eight papers on Tibet and three regarding ethnic groups and religion published since 1992.

The white papers outline Tibet's history since 1959, and achievements of the Tibet Autonomous Region in economic growth, protection of cultural heritage, eco-protection and other areas.

Social front

Economic front

South central

Politics

Social front

Economic front

- Foxconn hikes salaries again in south China factory after suicides (1st October)
(Xinhua) -- Foxconn, the world's largest electronics contractor, which has been plagued by a string of worker suicides, has again raised monthly salaries for employees in a south China factory.

The rise, which will start from October, is the second this year for Foxconn workers at its production base in Shenzhen.

Assembly workers would get a pay rise of about 66 percent to bring salaries to 2,000 yuan (298.5 U.S. dollars) per month, said company spokesman Liu Kun.

The hike would benefit about 85 percent of workers at the Shenzhen factory, which employed more than 400,000 people, said Liu.

In June, Foxconn increased salaries by 30 percent, from 900 yuan to 1,200 yuan, for its Shenzhen employees.

"I cannot believe the company will raise salaries for a second time within a year. It means my monthly salary will double," said Wang Xuchu, a Foxconn worker from the central Henan Province, Friday.

The legal minimum wage in Shenzhen is 1,100 yuan per month.

Foxconn, whose parent company is the Taiwan-based Hon Hai Group, makes computers, game consoles and mobile phones for companies, including Apple, Hewlett-Packard, Sony and Nokia.

A series of suicides at the company's Shenzhen factory earlier this year prompted executives to improve conditions for workers, including hiking salaries and organizing activities to boost morale and cherish life.

East

Politics

Social front

Economic front

- Shanghai Expo to be "successful, splendid and unforgettable," says China's top legislator (1st October)

(Xinhua) -- The Shanghai World Expo, which has received nearly 60 million visitors over the past five months, will surely be successful, said China's top legislator Wu Bangguo on Friday.

"We have every reason to believe that, with concerted efforts of all sides, Expo 2010 Shanghai will surely be a successful, splendid and unforgettable event," Wu, chairman of the National People's Congress Standing Committee, said at the ceremony for the China National Pavilion Day on Friday, also the 61st anniversary of the founding of the People's Republic of China.

As the first such global event hosted by a developing country in the history of the World Expo, Shanghai Expo has seen participants from 246 countries and international organizations in the past five months. It has also hosted more than 100 foreign leaders and nearly 60 million Chinese and foreign visitors.

Pavilions of diverse styles bearing distinct features of different countries stand alongside each other in the Expo Park, hosting creative exhibitions and various cultural performances.

"They form a vivid picture of the diverse world and the harmonious co-existence of different cultures and civilizations," Wu said.

Wu also paid gratitude to the governments and peoples of other countries, the International Exhibitions Bureau and relevant international organizations and all participants, for their great support.

HONGKONG AND MACAU

Politics

Social front

- Macao to initiate tourism notification system with 2 mainland provinces (30th September)

(Xinhua) -- The Macao Government Tourist Office (MGTO) Thursday said that Macao and China's Guangdong and Fujian provinces will launch a tourism notification system during the National Day holiday.

The system has been on trial run since Sept. 26, and will be officially initiated between Oct. 1 and 8, under which the MGTO will provide information, such as visitor arrivals, average hotel room price and occupancy rate, etc, to its counterparts in the two mainland provinces, according to the MGTO.

The National Day holiday will last from Oct. 1 to 7.

Meanwhile, the MGTO will also dispatch staffers to overlook the situation in major local tourist attractions and immigration checkpoints while opening a 24-hour hotline for the tourists.

Last year's National Day holiday, Macao logged 503,800 visitor arrivals, of which 66 percent came from the Chinese mainland.

Economic front