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Fareeha Sarwar

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National report

Political front

- Chinese mainland negotiators arrive in Taichung for new talks (21st December)

A Chinese mainland delegation arrived in Taiwan Monday for a fresh round of talks, at which the two sides are expected to discuss future negotiations on a cross-Strait trade agreement.

"After previous meetings in Beijing, Taipei and Nanjing, the cross-Strait systematic talks have been on the track," said Chen Yunlin, president of the mainland's Association for Relations Across the Taiwan Straits (ARATS), who led the delegation.

"Once we stick to it, the path heading to peaceful development of relations across the Taiwan Strait will be wider."

The agreements reached at previous meetings had positive economic and social effects for both sides, he said at a welcoming ceremony in Taichung.

The meeting between the ARATS and Taiwan's Straits Exchange Foundation (SEF) is scheduled for Tuesday in the central Taiwan city of Taichung.

This will be the fourth round since the ARATS and the SEF resumed negotiations in June last year after a 10-year suspension, with labor cooperation in the fishing industry, cooperation in inspection and quarantine of agricultural products, and taxation cooperation high on agenda.

"If the two sides can reach agreements at this meeting, it will benefit Taiwan's fishing industry and export of farm produce to the mainland, contribute to the interests of thousands of farmers and businessmen as well as create a favorable taxation environment for mutual investment," Chen said.

Wang Yi, director of the Taiwan Work Office of the Communist Party of China (CPC) Central Committee, said in Beijing Monday when seeing the delegation off, that the two sides would also exchange opinions on future negotiations on the Economic Cooperation Framework Agreement (ECFA), although the talks on the agreement were not on the agenda of this meeting.

Chiang Pin-kun, SEF Chairman, said at the ceremony that the two organizations will cope with the difficulties and face the upcoming challenges together through diligent work and close interactions in a bid to realize peace across the Taiwan Strait and mutual economic benefits.

The two sides aim to facilitate trade and investment through the discussion of four agreements at this meeting, Chiang said.

He also called on business people from both sides to discuss cooperation in fields such as computer hardware and software, photoelectric industry, textile, car making, logistics and business service to promote the mainland investment in Taiwan.

Taiwan economic authorities announced Friday that the island had approved 15 investment projects from the mainland, involving 5.82 million U.S. dollars, by November since it lifted the ban on the mainland investment in June.

It is generally believed that too many restrictions and lack of knowledge of local market led to slow increase of mainland investment.

Lin Tien-yi, a local community chief, told Xinhua that he believed the talks would bring about stronger cross-Strait ties of economy and trade.

"It will help boost Taiwan's depressed economy. This is where our welfare lies," said Lin, whose community is near the hotel the mainland delegation is staying. The community hangs out a banner to welcome the meeting.

"On the way from the airport, I saw many locals who did not want me to come but also many who welcomed me," Chen said. "We respect people's right to express their opinions and are grateful for those supporting us."

Chen also expressed concerns about people of Hualien, an eastern Taiwan county which was rocked by a 6.7-magnitude earthquake off its coast Saturday.

No casualties have been reported in the quake.

- SEF chief says "no delay" in advancing cross-Strait co-op (22nd December)

The mainland and Taiwan have no time to delay in deepening and strengthening economic and trade cooperation, Taiwan's Straits Exchange Foundation (SEF) chairman Chiang Pin-kung said here Monday.

"In the global financial crisis, cooperation is to bring benefits while rivalry is to cause losses for both. The sustainable development of both sides should be based on working together and complementing each other's advantages," Chiang said at a welcome banquet on Monday for a mainland delegation.

The delegation, led by Chen Yunlin, president of the Association for Relations Across the Taiwan Straits (ARATS), arrived in Taiwan on Monday for a fresh round of cross-Strait talks to be kicked off on Tuesday.

The talks would be the fourth round since the ARATS and the SEF resumed negotiations in June last year after a 10-year suspension, with labor cooperation in the fishing industry, cooperation in inspection and quarantine of agricultural products, and taxation cooperation high on agenda.

"With joint efforts of both sides, the previous three rounds of talks have begun to show win-win results of mutual benefits," Chen said.

- Lawmakers begin finalizing Tort Law to protect civil rights (22nd December)

China's top legislature began deliberating final revisions of the draft Tort Law Tuesday, including civil liabilities of construction firms in buildings safety.

The draft law, which was designed to provide compensation for those whose rights are violated, was tabled at the bi-monthly session of the Standing Committee of the 11th National People's Congress (NPC), which opened Tuesday, for the fourth reading.

The 92-provision draft covers liabilities for a range of circumstances, including traffic accidents, medical accidents, work-related injuries, pollution, harm caused by other people's pets and mental distress.

"It is one of the key laws within China's legal framework of civil rights protection, reflecting a people-oriented society," said legislator Hu Zhengpeng at the previous session.

"China has more than 40 laws involving tort liabilities, making it difficult to work out a tort law to coordinate all provisions," said lawmaker Ren Maodong.

The NPC Standing Committee sought public opinions on the law through its website from Nov. 5 to Dec. 5, and received 3,468 submissions. Most were positive and urged an early introduction.

However, the draft has been revised following a string of controversial personal rights infringement cases.

On June 27, a 13-floor building collapsed at the Lotus Riverside residential complex in Shanghai, killing a worker. An investigation later blamed the developer, construction company, supervisors and safety inspectors for the accident.

The amendment was then revised for the fourth time for deliberation on whether developers and construction companies should take joint liability for the safety of their buildings.

Last year, Sanlu Group, the dairy company based in Hebei's provincial capital Shijiazhuang, was found to have adulterated its infant formula milk powder with melamine, an industrial chemical, leaving at least six infants dead and about 300,000 others suffering kidney and other problems.

The draft then covered compensation for harm from defective products. It stipulated that victims, especially those who died or whose health was seriously damaged, could seek "punitive compensation" higher than their actual losses, if companies knowingly produced or sold defective products.

Companies that failed to warn customers, recall defective products or take other effective measures to remedy damage, could face civil actions.

In response to medical disputes, the fourth draft version reiterated medical staff should not conduct "unnecessary tests" on patients against clinical criteria despite recommendations to delete this provision because it was too hard to define "unnecessary".

Compensation for mental distress has also been covered, but only those whose life or health were seriously damaged would be entitled to compensation. These include cases in which victims eventually die, are crippled or experience serious psychological damage.

Given the complexity of mental distress cases, the draft stipulates no uniform compensation standard. Amounts would be left to the discretion of judges based on legal precedents.

The Tort Law was reviewed by the Ninth NPC Standing Committee in 2002 as a part of the Civil Code draft. The NPC Standing Committee then decided to debate the nine law drafts that constitute the Civil Code, one by one. The draft, if passed, would enjoy equal importance with another civil rights law, the Property Law.

- Chinese mainland official meets delegation from Taiwan (22nd December)

A Chinese mainland official Tuesday called on people across the Taiwan Strait to offer mutual assistance so as to promote common development and prosperity.

Wang Yi, director of the Taiwan Work Office of the Communist Party of China (CPC) Central Committee, made the remarks when meeting with a delegation of ethnic minorities from Taiwan.

People from mainland and Taiwan are of the same origin and related by blood, he said, noting ethnic minorities in Taiwan are also important members of the Chinese nation.

In the process of advancing cross-Strait relations, the mainland would continue to do more practical things to contribute to the well-being of ethnic minorities in Taiwan, he said.

The delegation was invited by the All-China Federation of Taiwan Compatriots to attend Monday's opening ceremony of the exhibition of Taiwan ethnic minorities' history and culture.

- China's anti-graft chief urges to clean up construction sector (22nd December)

China's anti-graft chief He Guoqiang on Tuesday called on authorities to further clean up corruption in the construction sector to protect people's interests and contribute to steady and relatively fast economic development.

The country's discipline inspection authorities had investigated 3,517 graft cases linked to the construction sector since July, and had punished 1,521 people involved, He, head of the Communist Party of China (CPC) Central Commission for Discipline Inspection, said in a meeting in Beijing.

Close to 800 civil servants had been formally prosecuted, said He, member of the Standing Committee of the CPC Central Committee Political Bureau.

Noting that China's crackdown on construction-related corruption had seen initial success, He admitted that the sector still had "a few noticeable problems" which had upset the market economy order, impaired the interests of the people, and led to corruption problems.

According to He, China had launched a two-year campaign to fight corruption and misconduct in the construction sector, and year 2010 was crucial to this campaign.

Authorities should strengthen supervision over government-invested construction projects and those using state construction funds, he said.

He also urged to step up effectiveness of the supervision and investigation. Government and party department should coordinate with each other in order to ensure the success of the campaign, he said.

- Senior Chinese political advisor meets Italian guests (22nd December)

Senior Chinese political advisor Wang Gang met on Tuesday with a delegation from the Communist Refoundation Party (CRP) of Italy led by party secretary Paolo Ferrero.

Wang, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, said the two countries have witnessed stable growth of cooperation over the years, especially since the establishment of China-Italy comprehensive strategic partnership in 2004.

The two countries have consolidated political and social foundations, and carried out fruitful cooperation in various areas, he added.

"The all-round growth of bilateral ties has revealed harmonious co-existence and win-win cooperation between countries with different social systems and development levels," said Wang, a member of the Political Bureau of the Central Committee of the Communist Party of China (CPC).

He said the CPC is ready to enhance dialogues, exchanges and cooperation with the CRP, so as to push forward greater progress of bilateral comprehensive strategic partnership.

- Chinese vice president meets Cambodian parliament leaders, stresses parliamentary cooperation (22nd December)

Visiting Chinese Vice President Xi Jinping met Cambodian parliament leaders Chea Sim and Heng Samrin here on Tuesday, with both sides looking to further cement parliamentary cooperation in the future.

Xi said China highly valued Sino-Cambodia relations, and was willing to push mutually beneficial cooperation to bear more fruit.

Xi said the Cambodian National Assembly and the Senate had been paying great attention to bilateral relations and had been in close contact and cooperation with the Chinese National People's Congress.

The Assembly and the Senate had always supported China's stand on key issues relating to China's sovereignty and core interests, such as the issues of Taiwan and Tibet, which China highly appreciated, said the Chinese vice president.

He hoped the two parliaments could further promote cooperation and exchange views and experiences on state administration and legislative supervision, to contribute to the development and prosperity of the two nations.

Senate President Chea Sim said Cambodia and China had been increasing cooperation in areas such as trade, culture and tourism since the establishment of diplomatic relations more than 50 years ago. Cambodia was thankful to China's long-term support and assistance in the process of Cambodia's national reconciliation and economic and social development.

The Cambodian Senate was willing to strengthen cooperation with the Chinese National People's Congress and to push forward bilateral relations, Chea Sim said.

National Assembly President Heng Samrin said, since the establishment of bilateral ties, Cambodia had always stuck to a policy of friendship with China and was satisfied with the current development of bilateral relations.

The Cambodian National Assembly had kept close contact with the Chinese National People's Congress and was willing to work with the Chinese side to contribute to the unity, friendship, and peaceful development of the two nations, Heng Samrin said.

Both Chea Sim and Heng Samrin said Cambodia would always firmly support the one-China policy no matter what happened.

Cambodia is the last leg of Xi's four-nation tour, which has also taken him to Japan, South Korea, and Myanmar.

- Top Chinese political advisor urges united front to contribute to national development (23rd December)

China's top political advisor Jia Qinglin on Tuesday called on members of the united front to make more contributions to promoting the country's development and social harmony.

Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), made the remarks when he attended a meeting on the united front work.

Jia said the united front should give full play to its advantages in human resources and provide valuable suggestions to help the country advance its economic construction.

He urged active engagement in regional development projects such as the country's "Go west" strategy and make contributions to improving people's livelihood.

- Amended electoral law to ensure grassroots representation (23rd December)

A draft law amendment that says the number of grassroots deputies of farmers, workers and "intellectuals" should be guaranteed, is being discussed at the ongoing session of China's top legislature.

Currently, a large number of legislators in China are government officials and entrepreneurs, leaving less seats for farmers and workers.

The draft amendment under review requires "both rural and urban areas adopt the same ratio of deputies to the represented population in elections of people's congress deputies."

Currently, every 960,000 rural residents and every 240,000 urbanites are represented by one National People's Congress (NPC) deputy respectively, according to the law.

Critics say this could be interpreted as "farmers only enjoying a quarter of the suffrage of their urban counterparts."

Xu Xianming, a member of the NPC Standing Committee and president of Shandong University, said giving rural and urban people equal representation in the legislatures was a "significant improvement" to China's people's congress system and "an expansion of democracy."

It ensures equal representation among people, regions and ethnic groups, Xu said.

Cai Fang, director of the Institute of Population and Labor Economics under the Chinese Academy of Social Sciences (CASS), said with rapid urbanization and rural economic development, the time was right for equal representation of rural and urban people.

- China considers ratifying UN protocol to combat human trafficking (23rd December)

China's top legislature has begun reviewing a United Nations protocol to combat human trafficking.

The State Council submitted the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the UN Convention against Transnational Organized Crime to the ongoing session of the Standing Committee of the National People's Congress (NPC) for ratification.

The protocol was adopted by the United Nations in 2000, and had been acceded to or ratified by 132 countries and the European Community by October this year.

According to the bill submitted to the NPC Standing Committee, ratification of the protocol would improve cooperation between China and other countries and international organizations in combating human trafficking.

China unveiled its first five-year (2008-2012) action plan for curbing human trafficking, particularly women and children in 2007. The Ministry of Public Security has set up an anti-trafficking office.

- Law changes to give Chinese villagers greater say in removing officials (23rd December)

Chinese legislators are considering giving rural people greater powers to remove village committee members and to convene their own meetings to decide village affairs.

The draft amendments to the Organic Law of Villagers' Committees, which affects 900 million rural people, is undergoing its first review at the National People's Congress (NPC) Standing Committee, the top legislature.

Minister of Civil Affairs Li Xueju told lawmakers that with rural development, especially the deepening reform of rural and urban household and taxation system, new problems had emerged in village governance.

Li said it was imperative to amend the law that had been in effect since 1998.

The amendments focus on election and recall procedures of village committee members and democratic rules of procedure.

Lawmakers agreed the law had played an important role in promoting rural democratic elections, decision-making, management and supervision.

China has more than 2 million villages and 604,000 village committees.

More than 95 percent of village committees held direct elections, and most had conducted more than seven elections since 1988 when the draft of the law was tested in some villages.

A Ministry of Civil Affairs report submitted to the top legislature said the competition in some village elections had become ever more fierce, and participants often made "enthusiastic campaign speeches."

But asking villagers to vote was difficult as many farmers left to work away from home and were reluctant to come back every three years for an election.

Even when some returned, the number of voters failed to meet the minimum legitimate turnout.

The draft amendments allow for villager representative meetings to be convened to decide village affairs in villages with big and scattered populations.

Rules for such meetings were also specified.

The draft amendments would also lower the threshold for removing village committee members.

The new draft law would require at least a fifth of the village electorate or at least a third of village representatives to sign a petition to remove committee members.

The draft said the removal process should be chaired by the village electoral committee. The current law allows the village committee itself to preside over recall procedures, which is not independent.

The draft amendments said candidates using violence, menaces, cheating or offering bribes, or fabricating ballots, would face administrative or legal punishment.

The draft also proposed supervisory agencies to make village financial accounts and other affairs more transparent.

The draft amendments would extend the original 30 articles of the law to six chapters and 39 articles, clarifying village democratic management.

- China "more open" with refined media approach (23rd December)

A top government spokesman said an increasingly confident China is poised to become more open to the world and take concrete steps next year to build a "mass media system".

Wang Chen, director of the State Council Information Office, said the nation has also handled several crises over the past two years with more poise.

Addressing a New Year reception of more than 300 representative from major world news agencies and overseas diplomats stationed in Beijing as well as spokesmen from more than 40 central agencies, Wang said China is committed to provide a service for all journalists to ensure "comprehensive, in-time and accurate" understanding of China during the coming year.

In 2009, China has experienced several major events, Wang said, such as the global economic crisis, the 60th anniversary of the People's Republic of China, and the July 5 riot in the regional capital of the Xinjiang Uygur autonomous region, which resulted in the deaths of at least 197 people.

Wang said China has been delivering on the open and timely release of information, giving as an example that China took the initiative to organize the foreign media to the riot-affected areas in Xinjiang to ensure open access.

After handling some public crises, "China has become more open and confident, and has made progress in media service," Wang told China Daily.

Wang said a major step will be undertaken next year to build up its modernized mass media system, which was already set in motion by the central government this year.

The soft power of an open and democratic China should match its developing economy, and that demands constant progress, said Wang.

The State Council Information Office will continue to enhance communication with the rest of the world of a civilized, open, democratic China, said Wang.

To build a "modern mass media system", major news agencies in the country will set up new branches, including two foreign language TV channels by China Central Television next year, according to Wang.

Jaime FlorCruz, chief reporter with the Beijing bureau of CNN, said the constant efforts made by the Chinese government to improve its media management have yielded progress during the recent years.

The office will also strive to enhance mutual understanding and trust with the media and governments by carrying out diversified forms of cooperation, including sending media delegation and holding bilateral forums, said Wang.

In one recent instance toward that direction, China will send a media delegation to India, its giant neighbor which has more often than not been labeled as major competitor of China despite the fact that they have collaborated closely on many occasions.

"The two countries are both emerging powers and have their own advantages. If we can work together, it will be conducive to world peace and bliss," said Wang.

Dr S. Jaishankar, Indian ambassador to China, said since good relations between the two countries have been badly projected by the media, he welcomes strengthened communication between the two.

For David Wivell, senior producer of TV news from Associated Press's Beijing bureau, he doesn't need to guess what the Chinese government is doing anymore.

"It used to be that China is doing something and the rest of the world has to guess what China is up to, but now the world could know exactly what China is doing due to its more and more transparent reporting environment," Wivell told China Daily at the reception.

"The Chinese government has definitely been more open with foreign media this year, it has learnt to be proactive when dealing with crisis and incidents," he added.

He also said the foreign press can now get valuable and creditable information by interviewing government officials and people on the street.

Wivell is not the only foreign reporter feeling the changes.

Sumihiro Yamazaki, chief of the Beijing bureau of Japan's Fuji Television, said he saw improvement in China's attitude towards reporters when one of his colleagues was invited by authorities to visit the Xinjiang in July to cover the deadly riot.

Some 150 reporters from more than 80 media organizations had arrived in Urumqi two days after the riot to cover the event.

More than 700 foreign reporters are currently working in China.

"We understand that openness stems from confidence, rumors are stopped by truth, by the rapid and wide dissemination of truth," Wang said earlier.

However, some foreign reporters still demand for a more open and transparent environment for foreign media.

Fuji Television's Yamazaki said there is still potential for China's local governments to be more open with foreign media.

"The Foreign Ministry can understand our requests, but the problem lies with the local governments. Their departments for foreign affairs think differently."

"Sooner or later, foreign reporters will hold interest in every tiny corner of China."

- Chinese vice president stresses party building in universities (24th December)

Chinese Vice President Xi Jinping on Thursday urged authorities to strengthen party building in the country's colleges and universities in order to train reliable successors to the socialist cause.

Xi, member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, made the remarks when attending an annual meeting in Beijing on party building in colleges and universities.

Colleges and universities are "high grounds where talents gather together," Xi said.

He urged for stepped-up efforts to improve management of colleges and universities, and to admit more outstanding intellectuals and students to the CPC.

- Chinese officials probed for misspending public stimulus cash (24th December)
China's most senior official investigators Thursday revealed they had dealt with 88 cases of misspending of the government's 4-trillion stimulus package money a year after its introduction.

The cases involved 198 Party officials, said Wang Wei, Vice Minister of Supervision and a member of the Standing Committee of the Communist Party of China (CPC) Central Commission for Discipline Inspection (CCDI), at a press conference held at the State Council Information Office.

He cited four examples of how government money was misspent:

-- Leaders of Gaoping District, of Nanchong City, Sichuan Province, were given warnings or fired for awarding a 2-million-yuan hospital demolition project to a company in violation of tendering and bidding laws.

-- Officials of Datong City, Shanxi Province, were given warnings for using 760,000 yuan (111,270 U.S. dollars) intended for an airport expansion to buy a sports-utility vehicle. Major officials in charge of the airport got a demerit in their official records and the SUV was auctioned.

-- Leaders of the water resources bureau of Changjiang Li Nationality Autonomous County, Hainan Province, were given warnings or fired for helping project contractors to get a 190,000-yuan payment by making a false report about the finished portion of a water and land conservation project.

-- Officials of Jili District, of Luoyang City, Henan Province, were given warnings for approving a substandard sewage treatment plant project.

Wang said investigations had held 39 officials accountable, of whom 26 were dismissed, six were suspended from their posts, one resigned, and six made public apologies.

Disciplinary authorities had penalized 141 officials and referred 12 officials for prosecution for violating rules in implementing the stimulus package, said Wang.

The cases stemmed from special inspections by the Ministry of Supervision, the National Development and Reform Commission, the Ministry of Finance, and the National Audit Office (NAO).

In November 2008, the four ministries formed a leading group to supervise and inspect government acts in implementing the stimulus package.

Meanwhile, the NAO, after an investigation in September and October, announced it had found no cases stimulus cash going to high-polluting and high-energy-consuming sectors, or sectors with overcapacity.

Auditors found no major waste or loss of stimulus money and the implementation of the package was generally good, said Dong Dasheng, vice chief auditor of the NAO.

However, some problems were detected, he said.

The package stipulated that 1.18 trillion yuan, or 29 percent of the total, would be from the central government, and the remainder from local governments and the private sector.

Up to 40 percent of local funds in some regions were yet to be allocated due to financial difficulties of local governments, or allocation into profit-making projects instead of the planned projects, said Dong.

However, sometimes the funds were just not required, said Dong.

Substandard construction and diversions of stimulus money for other purposes were among other main problems, said Dong.

The government launched the 4-trillion stimulus package in November last year to expand domestic demand and promote economic growth amid the financial crisis

- China's top legislature deliberates report on rural social security (24th December)

A report on the building of rural social security system was submitted Thursday to the ongoing session of the National People's Congress (NPC), China's top legislature, for deliberation.

Sun Wensheng, vice chairman of the NPC Agriculture and Rural Affairs Committee, said steady progress had been made in the development of rural social security system when delivering the report at the session of the NPC Standing Committee.

A total of 833 million rural residents, or 94 percent of the rural population, have joined the rural cooperative medical care system, up 2.5 percentage points from the beginning of this year, according to the report.

The rural cooperative medical care system, a government initiative implemented in 2005 that intended to make health services more affordable for the rural poor, had alleviated illness-caused poverty among farmers, it said.

The report said 320 counties, or 11.6 percent of the country's total, had been or would be approved to try a new rural social pension insurance system, which would benefit more than 15 million rural residents.

Under the pension system, senior rural residents will receive a monthly old-age pension of varying amounts, which will be set by government according to the local income standards.

However, some local governments were financially challenged to implement the rural social security programs and only a relatively small percentage of migrant farmer workers were covered, Sun said.

The report was the result of a nearly four-month investigation conducted by the NPC Agriculture and Rural Affairs Committee.

Initiated in September, the investigation covered 17 provinces, municipalities and autonomous regions.

- New highlights in China's democratic politics 2009 (24th December)

Following are new highlights in China's democratic politics in 2009.

Gauging public opinion on the Internet becomes a fashion

At the end of November 2009, the number of Chinese netizens hit 360 million, up 20.8 percent compared to last year. The scale of China's Internet ranked No. 1 in the world. Not long before, www.people.com.cn jointly conducted an online survey with National School of Administration and Renmin University of China. The survey showed 69 percent of Chinese netizens think gauging public opinion on the Internet is an effective means, and they hold great expectations on promoting China's democracy through it.

These figures show it has become an important feature of and a new approach to China's democratic politics in 2009.

More officials become "netizens"

More ministries and local governments have set up message boards, blogs and emails on the Internet to answer netizens' questions.

June 20 last year, President Hu Jintao communicated with netizens online through www.people.com.cn. He pointed out the internet is an important channel for getting things done, making decisions, gauging public opinion and gathering wisdom. Following him, Premier Wen Jiabao had dialogues with netizens on www.gov.cn February 28 this year. This has further promoted the fashion of gauging public opinion online among government officials.

Over the past year, people have been delighted to see more central and local government officials attach importance to online opinion. The Internet is actually becoming a green path for them to get the public opinion. And gauging public opinion online has become a fashion.

14 ministries including the Ministry of Agriculture, Ministry of Environmental Protection, Ministry of Public Security, Ministry of Land and Resources and Ministry of Education have set up message boards, emails and blogs on the Internet to gather public opinion. They have also replied to netizens' online messages and appointed a network spokesman.

December 16, 2009, Governor of Jiangxi province Wu Xinxiong said in a letter to netizens on www.people.com.cn, Jiangxi's development is inseparable from the concern and support of the netizens. He will improve the working mechanism of dealing with netizens' messages.

Shi Zongyuan, Party Committee Secretary of Guizhou province, reads through the netizens' messages every day. He has already made this a habit.

Wang Yang, Party Committee Secretary of Guangdong province left a message online – I sincerely welcome you to contribute your opinions and suggestions on the development of Guangdong and timely voice the demands of people from all walks.

According to www.people.com.cn, till the middle of December, its message board for local leaders had altogether 420,000 messages by netizens. 38 Provincial Party Committee Secretaries and Governors, more than 90 city-level officials have publicly replied to the messages and more than 7,000 problems raised by netizens have been solved.

New form of public participation in politics and a platform for scientific policy-making

Expressing appeals through the Internet is becoming a new form of public participation in politics. People are using the Internet - an interoperable platform where they can express themselves freely and talk equally - to voice appeals and suggestions. The public opinion can be delivered directly through it to officials of all levels. This greatly stimulates public enthusiasm.

A netizen of www.people.com.cn said as long as the content abides with the law, every ordinary netizen has the right to express their will freely and make comments and suggestions to the Party and the government by leaving messages and writing blogs. A netizen of www.xinhuanet.com said in a message that the immediacy, interactivity and timeliness of the Internet enable public opinion to be expressed more conveniently and quickly.

In a survey by www.people.com.cn, the questions covered all aspects of life. A netizen said he hoped officials can really get close to ordinary people through the Internet and make replying to netizens' messages online a convention. He also wished officials can treat netizens' suggestions seriously instead of regarding the Internet as a platform for self-promotion.

Zhang Chunxian, Party Committee Secretary of Hunan province, said attaching importance to public opinion online can not be lip service, but should be presented by solving practical problems brought by netizens.

July 16, a netizen said he hoped Zhang could listen to what the front-line teachers said on the appointment of heads of provincial colleges and universities in Hunan province. Then in no more than 20 hours, Zhang sent for relevant officials, requesting them to listen to suggestions from all aspects especially the public opinion online. He requested them to assess and select officials according to the will of the people. Currently, Hunan Provincial Party Committee Organization Department has made listening to feedback from front-line teachers as an absolute requirement for assessing the heads of colleges and universities and has implemented this in practical work.

Foreign relations

- Russia supports China-Central Asia pipeline project (20th December)

Russia supports the China-Central Asia natural gas pipeline project, Russian First Deputy Prime Minister Igor Shuvalov said here Saturday.

Shuvalov, who was accompanying President Dmitry Medvedev for an informal meeting of Commonwealth of Independent States (CIS) leaders, said that Russia is working with some partners to expand the energy delivery system itself. With the energy infrastructure in this region more diversified and improved, he said, CIS countries will make greater contribution to global energy security.

The China-Central Asia natural gas pipeline stretches 1,833 km from the Turkmen-Uzbek border to China's northwest region of Xinjiang, crossing central Uzbekistan and southern Kazakhstan. The pipeline was put into operation last week after two years of construction.

- French PM arrives in Beijing to bolster co-op with China (20th December)

French Prime Minister Francois Fillon arrived in Beijing Sunday afternoon to start his first official visit to China since he took office.

Chinese President Hu Jintao, top legislator Wu Bangguo, Premier Wen Jiabao and Vice Premier Li Keqiang are expected to meet or hold talks with Fillon during his three-day stay in Beijing.

More than 40 French cultural figures, legislators and entrepreneurs will also accompany Fillon's visit.

Observers believe Fillon's China trip will further improve bilateral ties that were frozen in 2008 due to frictions over issues relating to Tibet and other affairs concerning China's core interest.

Bilateral relationship returned to normal track after the meetings between President Hu and his French counterpart Nicolas Sarkozy in April and September.

During this trip, China and France are expected to ink a series of agreements in a bid to boost trade ties.

Fillon said in a written interview with Xinhua that the France hoped to work with China to strengthen cooperation in the fields of nuclear power, aviation, environmental protection, medical service, telecommunications, finance and retail sales, among others.

- Chinese VP meets leaders of Myanmar's State Peace, Development Council (20th December)

Visiting Chinese Vice President Xi Jinping (L) meets with Than Shwe, chairman of Myanmar's State Peace and Development Council, in Nay Pyi Taw, Myanmar, Dec. 20, 2009.

- China on world stage in year 2009 (20th December)

In efforts to counter the unprecedented global economic downturn in decades and increasing challenges of climate change, China mapped out in 2009 a series of active measures to shoulder responsibility in accordance with its capability, drawing widespread attention from the international community. Its centuries-old culture also won increasing world recognition.

CONSTRUCTIVE ROLE IN GLOBAL ECONOMIC DOWNTURN

The year 2009 has been an extraordinarily busy year for Chinese diplomacy, UN Under-Secretary-General for Economic and Social Affairs Sha Zukang said in a recent interview with Xinhua.

Largely due to the international economic and financial crisis, the policies and measures taken by China have particularly caught the world's attention, said Sha.

The spread of China's influence is not only a great trend, but an undisputable fact, said Sha, adding the financial crisis is in fact an opportunity for China to participate in the international decision-making process, to elevate its status and broaden its influence.

The world welcomes the presence of Chinese leaders at important international gatherings and highly values China's standpoints. The emergence of China as a responsible and constructive player that seeks peaceful development is appreciated by more and more countries.

With a package of policies and measures aimed at addressing the impact of the international financial crisis, China's economic growth has gradually accelerated since the first quarter of 2009.

According to estimates by the UN Department of Economic and Social Affairs, China's gross domestic product (GDP) could grow approximately 8.5 percent in 2009, while global economic output is expected to drop 2 percent from 2008.

With its economy taking the lead in stalling the downturn, China is contributing to a full recovery of the world economy as the recovery in China has directly boosted global demand.

The world benefits from a prosperous China, concluded Sha.

In a recent interview with Xinhua, World Bank President Robert Zoellick also said China has played a very constructive role in battling the global economic downturn by taking both fiscal and monetary steps to revitalize its economy.

Zoellick believes that China, as an emerging economic force, can be a responsible stakeholder in the international economic system through its own policies.

Meanwhile, China has also strived to oppose trade protectionism in a bid to promote world trade in a more friendly way.

WTO spokesman Keith Rockwell, commenting on China's role in reforming the multilateral trade system, spoke highly of China's participation in the Doha Round of trade negotiations.

"China has been absolutely central to the negotiations," said Rockwell, adding China has constructive ideas and proposals to make the Round go forward.

John Hawksworth, chief economist of Price Waterhouse Coopers (PWC), one of the world's four largest accounting firms, predicted that China's economic growth would be around 8 percent this year and is expected to rise to around 9-10 percent in 2010.

It is widely believed that the world's economic power is shifting from the West to the East as emerging economies such as China and India are developing with a rapid and sustainable growth.

He said that the shift is inevitable because the productivity gap between China and the United States, for example, which used to be very large, has been reduced considerably.

"You can't really manage the world economy without involving countries like China and India and Brazil and so on because they have got an increasingly important role to play," said the economist.

- Chinese vice president arrives in Siem Reap for official visit to Cambodia (20th December)

Chinese Vice President Xi Jinping arrived here on Sunday on an official visit to Cambodia, the last leg of his four-Asian nation tour.

In a written statement, Xi said China and Cambodia have enjoyed long-term friendship that further expanded since the two countries forged diplomatic ties over half a century ago.

The two countries have maintained fruitful cooperation in the fields of politics, economy, trade, culture and people-to-people exchanges, and close coordination on international and regional affairs, he said.

"The good-neighborly relations between China and Cambodia are in the interests of the two peoples and benefit the peace, stability and prosperity in the region," he said.

During his stay in Cambodia, Xi is expected to meet with King Norodom Sihamoni, and hold talks with Prime Minister Hun Sen.

"The purpose of my visit is to cement the traditional friendship, deepen the mutually-beneficial cooperation, and promote common development," Xi said.

He voiced the belief that the visit would contribute to the Sino-Cambodian comprehensive and cooperative partnership.

The Chinese vice president arrived in Cambodia after his visits to Japan, South Korea and Myanmar.

- China vows continuous international cooperation to tackle global challenges (21st December)

Foreign Minister Yang Jiechi pledged Sunday China will continue to cooperate with other countries to address global challenges in the coming new year.

"China will continue to work with the rest of the international community to tackle various global challenges with full confidence and jointly advance world peace and development," said Yang at a new year reception held by the Foreign Ministry for foreign diplomats and officials of international organizations.

He said the year 2010 will be crucial for the recovery of the global economy, the reform of the international system and China's efforts to ensure stability and promote development.

"We will work to maintain steady and relatively fast economic growth, and at the same time speed up the transformation of the economic development pattern so that our effort on these two fronts will reinforce each other," Yang said.

He said China will remain committed to the path of peaceful development and the win-win strategy of opening-up, and pursue development that is peaceful, open and cooperative.

Yang told reporters at the reception the Shanghai World Expo is one of the major tasks of China's diplomatic work in 2010.

He said he would like to take the reception as an opportunity to promote the expo to the international community and invite overseas people to visit China during the event next year.

In his speech, Nolana Ta Ama, dean of the Diplomatic Corps and Togo's ambassador to China, said as China plays an increasingly important role on the international stage, it will continue to devote itself to the world affairs in 2010.

Over 400 people, including China's State Councilor Dai Bingguo, attended the reception.

- China-France deals start to gel (21st December)

Beijing and Paris are expected to sign a 1.5-billion-euro deal on nuclear energy today, among several other big ones, as French Prime Minister Francois Fillon meets Chinese leaders here.

French media said Fillon is also trying to further warm relations with Beijing and prepare for a possible visit by French President Nicolas Sarkozy to China around the opening ceremony of the Shanghai World Expo in May 2010.

The French power company Electricite De France, with French nuclear group Areva, are to sign the nuclear deal with Guangdong Nuclear Power Holdings Co, one of the country's two nuclear-energy firms, to build two nuclear power plants in Taishan, Guangdong province, AFP reported.

According to French media, Fillon is also promoting two other related projects here, a nuclear-waste disposal plant and a Sino-French nuclear institute in Guangdong.

The two nations are also likely to sign an agreement to let enginemaker CFM International, a joint venture between General Electric and France's Safran, provide its LEAP-X turbofan engines for the C919, China's first proprietary jumbo jet that is

expected to rival the Airbus A320 and Boeing 737, French daily Les Echos said. Deliveries of the C919 are expected to start in 2016.

The new EC175-Z15 helicopter, jointly developed and manufactured by the two sides, has just successfully performed its official maiden flight on Thursday in Marseilles, Southeast France.

The agreements, if finally reached, are likely to be signed after Fillon meets Premier Wen Jiabao during the three-day visit which started yesterday. He is also to meet President Hu Jintao and top legislator Wu Bangguo.

The visit comes as ties between Beijing and Paris gradually lose the shadow cast by Sarkozy's public embracing of the Dalai Lama in December 2008. The move irritated Beijing and delayed a summit between Chinese with EU leaders.

French media said now Paris is eager to revamp its relations with Beijing due to economic concerns.

A recent survey showed only one third of French people believe their country will escape the financial crisis in 2010.

The jobless population in France reached 2.63 million by the end of October, an increase of 650,000 compared with the first quarter in 2008.

On the other side, trade between China and France hit a record high \$38.94 billion last year, an increase of 15.7 percent year on year, according to Chinese authorities.

"We need China while seeking solutions to global issues. China is playing a crucial role on the world economic stage," Fillon told Xinhua in a written interview before heading for Beijing.

"Given the lingering financial crisis and weak European and US markets, the slowly recovering French economy is in urgent need of cooperation with emerging markets such as China," said Wang Zhaohui, a researcher on European studies with China Institute of Contemporary International Affairs.

- Chinese, African jurists discuss cooperation in first FOCAC legal forum (21st December)

Chinese and African jurists and lawyers gathered in a forum here Sunday to exchange views on legal affairs and explore approaches to enhance legal cooperation with the expectation to make it a long-acting platform serving the development of China-Africa relations.

Nearly 100 jurists and lawyers from China and more than 20 African countries participated in the first Forum on China-Africa Cooperation -- Legal Forum, which is a sub-forum of the Forum on China-Africa Cooperation (FOCAC) and was initiated by the China Law Society.

Given the theme of the forum "Strengthening China-Africa Legal Exchange and Promoting All-round Development of China-Africa Relationship", participants in the two-day forum held discussions with various topics including the important role of law in China-Africa Cooperation, the impact of legal systems on China-Africa trade and investment relations, and the dispute resolution mechanisms between China and African countries.

A Chinese delegation led by Liu Yang, executive vice-president of China Law Society, attended the forum. "Today we witnessed the birth of this forum. The cooperation in the field of legal affairs is indispensable for the overall development of China-Africa

relations. And our purpose for creating this forum is to set up a long-acting platform for the Chinese and African legal circles to enhance cooperation on the basis of better understanding so as to provide more support for economic and trade development between China and Africa," Liu told Xinhua.

Director of Cairo Regional Center for International Commercial Arbitration Nabil Elaraby, as the chief organizer of the legal forum, told Xinhua, "I think the forum is important. It just started, and everyone hope it will continue on the exchange of views on legal matters. People who are attending it get better understandings of certain matters from legal point of view of the other side and this will have very positive effect on their thinking about the future relations."

"Various forms of economic relations between African countries and China have been improving and gaining momentum during the past years. As a result of this, when you have two countries involved in trade, investment or any kind of economic cooperation, you need a solid and credible legal framework to ensure there is no dispute, and each side is entitled to know if they disagree a point, how it is to be solved. This is our purpose," Elaraby added.

Liu made three proposals in her opening speech, including building the legal forum into a long-acting platform, implementing the training projects for African young legal talents, seeking cooperation with other international legal organizations to expand the forum's influence.

The fourth ministerial conference of the FOCAC was held last month in Egypt's Red Sea resort Sharm el-Sheikh, and an action plan was adopted during the conference defining the further cooperation between China and Africa in every field in the coming three years. The legal forum is the first sub-forum that has been held according to the action plan.

"We have participants from more than 20 African countries here, which means our proposal was echoed actively by these countries and they have shown deep interests. This is a fairly good start," Liu said.

- China, France unveil biggest new energy joint venture to add momentum to ties (21st December)

China and France unveiled a nuclear energy company Monday, marking the establishment of the biggest Sino-French new energy joint venture.

Chinese Vice Premier Li Keqiang and visiting French Prime Minister Francois Fillon attended the ceremony in Beijing, which also marked the official start of construction of the Taishan nuclear power station in south China's Guangdong Province.

The joint venture, Guangdong Taishan Nuclear Power Joint Venture Company Ltd., is to take charge of constructing and operating the first-phase project of the power station.

According to China Guangdong Nuclear Power Holding Co. Ltd. (CGNPC), the joint venture has a registered capital of about 16.7 billion yuan (2.5 billion U.S. dollars).

Electricite de France holds a 30-percent stake and CGNPC 70 percent.

ENERGY COOPERATION

A significant project in Sino-French cooperation on new energy, the nuclear power station would play an active and important role in promoting the two nations' utilization of advanced nuclear technology and their bilateral relations, Li said at the ceremony.

According to CGNPC, the first-phase project of the nuclear power station got a total investment of 50.2 billion yuan (7.35 billion U.S. dollars), and would include the construction of two units using the Electron Paramagnetic Resonance (EPR) technology, with each unit capacity up to 1.75 million kilowatts.

According to sources, the two units of the first-phase project are to be respectively put into commercial operation in 2013 and 2014, and will annually generate 26 billion kilowatt-hours on-grid energy when completed. Compared with coal-fired power plant, the project can reduce greenhouse gas emissions by around 22.7 million tons each year.

The construction of the first-phase project is expected to last 52 months.

Fillon said France hoped to advance cooperation with China on nuclear fuel reprocessing, personnel training and research on the fourth generation nuclear reactor.

The France-China cooperation on new energy would further demonstrate the two countries' responsible attitude towards environmental protection and tackling climate change, said Fillon, noting the two sides would promote bilateral cooperation in the spirit of mutual trust.

France enjoyed cutting-edge technology and management experience, while China had great market potential in nuclear energy. The two countries had had successful nuclear energy cooperation over the past years, said Zhou Dadi, former director of the National Development and Reform Commission's Energy Research Institute.

He added that using international advanced technology would help beef up China's development in nuclear energy, energy saving and emission reduction.

The attendance of the two leaders at the ceremony reflected the importance the two countries attached to enhancing nuclear energy cooperation, CGNPC chairman Qian Zhimin said at the ceremony.

Both France and China paid great attention to technology innovation and energy independence, said Fillon.

As a major energy-producer and consumer in the world, China has been making continuous efforts to improve its energy structure.

When attending the UN Climate Change Summit, President Hu Jintao said China would endeavor to increase the share of non-fossil fuels in primary energy consumption to around 15 percent by 2020.

According to the country's long and mid-term development plan of nuclear power plants, nuclear power installed capacity will reach 40 million kilowatts by 2020 and will generate 260 billion to 280 billion kilowatt hours of electricity each year, accounting for 4 percent to 6 percent of the country's total.

Actively developing nuclear energy was an important step taken by China to adjust energy structure, said Li Keqiang earlier Monday when meeting with Fillon.

China plans to launch construction of four other nuclear power plants in 2009, which are located in Zhejiang, Shandong and Hainan provinces. Construction of three of these plants has already been underway.

MOMENTUM OF TIES

Fillon is on his first official visit to China since taking office.

During his meeting with Vice Premier Li, they also exchanged views on the state-to-state relations.

China and France recently saw sound momentum of accelerating development of the bilateral relationship, Li said.

He said China was ready to work with France to stick to the correct direction of the development bilateral ties, properly handle sensitive problems, respect each other's core interests and major concerns, consolidate political mutual trust, and jointly tackle global challenges such as energy, resources safety and climate change.

They agreed the two countries had comprehensive common interests and broad prospects for cooperation, whereas the world continued to undergo complicated and profound changes.

Fillon said France was glad about the progress made in the bilateral nuclear energy cooperation.

France was willing to work with China for the stable and harmonious development of bilateral relationship.

Premier Wen Jiabao also met with Fillon on Monday. President Hu Jintao and top legislator Wu Bangguo are expected to meet with him Tuesday.

- Vietnam expects to increase theoretic exchange, co-op with China (21st December)
To Huy Rua, a senior official of the Communist Party of Vietnam (CPV) said here on Monday that Vietnam expects to increase theoretical exchange and cooperation in party building with China.

Rua, head of the Publicity and Education Department of the CPV Central Committee made the remarks when receiving a Chinese delegation headed by Zhang Xiaolin, editor-in-chief of the Qiushi (Seeking Truth) journal, a publication run by the Communist Party of China Central Committee.

Rua said the theoretical exchanges and cooperation could lay a solid foundation for the continuous development of the two countries' innovation and open-up causes.

Rua expected the publications of the two communist parties could enhance cooperation to provide strong support for building socialism in the two countries.

Zhang said China and Vietnam shoulder similar tasks and face similar problems in the construction of the socialist causes. The two sides should intensify cooperation in the research into party building theories.

Zhang said his delegation has learned experiences during the visit from Vietnamese side in party building, anti-corruption and theory exploration. Zhang said the publications of the two parties should continue cooperation as the two countries deepen reform and open-up causes.

Zhang's delegation is in Vietnam at the invitation of Vietnamese journal Communism run by CPV.

- Chinese premier proposes to advance economic, trade links with France (21st December)

China proposed on Monday to advance its economic and trade relations with France to a new level by taking the opportunities that may emerge when tackling global challenges including the financial crisis and climate change.

Premier Wen Jiabao made the remarks when meeting with visiting French Prime Minister Francois Fillon, who witnessed an unveiling ceremony of the biggest new energy joint venture between the two countries Monday morning.

"We should take the opportunities of tackling the international financial crisis, climate change, energy security and other global challenges, and change our ways of thinking and deepen cooperation to advance bilateral economic and trade relations to a new level," Wen told Fillon

"We should follow the opening and win-win principles, oppose trade protectionism, and take effective measures to help bilateral trade resume growth at an early date," Wen proposed.

Statistics showed that the China-France trade volume has been falling since the third quarter of 2008, with China's exports to France declining significantly.

According to China's customs data for the first three quarters of this year, the two countries' trade volume was about 24.6 billion U.S. dollars, down 15.6 percent from the same period last year. It was the first year-on-year decline since 1996.

Wen proposed the two nations increase cooperation in major projects concerning such sectors as nuclear energy, aviation and transport, while environmental protection, new energy and green economy be fostered into new growth momentum in bilateral cooperation.

He also urged expansion of mutual investment and support to exchanges and cooperation between small and medium sized enterprises.

"China is also ready to strengthen cultural and people-to-people exchanges with France to expand the foundation of public support for bilateral friendship," Wen said.

Hailing the relations between China and France, both as influential nations, Wen said it had exerted important influence on international political situation and brought great benefits for the two nations and the two peoples.

As currently the world situation was witnessing great development, profound changes and broad adjustment, China-France ties should cement its stability, maintain its comprehensiveness and strengthen its strategic nature, Wen noted.

He said the two sides should take care of each other's core interests and major concerns in an earnest manner, increase mutual political trust, and push forward the bilateral ties to move in the right direction for healthy and stable development.

"We will expand exchanges with France in various levels and increase strategic dialogue and coordination to make unswerving efforts to build a just and reasonable international political and economic order," Wen said.

Fillon said he agreed with Wen's proposals on the development of bilateral ties, which was a unique strategic partnership.

He said the France-China ties had achieved remarkable growth since the two countries forged diplomatic relations in 1964, with increasing all-dimensional cooperation and growing friendship between the two peoples.

Fillon hoped the two nations should continue their efforts, based on mutual respect and equality, to promote cooperation in nuclear energy, aviation, transport and culture.

France and China should work together to promote dialogue between countries which were different in culture and system, in a bid to achieve a multi-polar world, Fillon said.

Wen and Fillon also exchanged views on China-EU relations.

Wen said China attached great importance to the European Union and always regarded China-EU ties as one of its most important foreign relations.

Wen hoped France would continue playing a positive role in persuading all EU member states into agreements on lifting arms embargo against China and recognizing China's status of full market economy.

"This is conducive to China-France and China-EU ties," Wen noted.

Fillon spoke highly of the successful 12th China-European Union summit, which took place in Nanjing, capital of east China's Jiangsu Province, at the end of last month.

With the establishment of new EU institutions, the EU-China relations would achieve more stable growth, Fillon said.

Fillon also briefed Wen on his views on the two week-long Copenhagen conference, which concluded Saturday in the Danish capital after producing a non-legally binding document on climate change.

All parties should be forward-looking and respect and fulfill the Copenhagen Accord to jointly cope with climate change, and also promote economic growth and human progress, he noted.

Fillon was on his first official visit to China since taking office.

- China, Kazakhstan agree to bolster military cooperation (22nd December)
China and Kazakhstan have agreed to advance the friendly and cooperative relations between the two armed forces, senior military officials from the two countries said Tuesday.

Guo Boxiong, vice chairman of China's Central Military Commission met with visiting Kazak Defense Minister Adilbek Dzhaksybekov Tuesday morning.

With the complex and volatile state of world affairs, it was in the fundamental interests of China and Kazakhstan and their peoples, and conducive to regional and world peace and stability to develop China-Kazakhstan military ties, Guo said.

China-Kazakhstan relations had developed smoothly since they forged diplomatic ties in 1992, Guo said, highlighting increasingly deep political mutual trust, continuously enhanced strategic coordination and mutual support in issues concerning each other's core interests.

Guo said China highly appreciated Kazakhstan's firm support in issues concerning Taiwan and Tibet.

Chinese Defense Minister Liang Guanglie held talks with Dzhaksybekov before the meeting.

Liang said the Chinese armed forces attached importance to developing friendly relations with Kazak armed forces and were willing to further expand and boost exchanges and cooperation.

Dzhaksybekov said Kazakhstan placed a very high value on bilateral cooperation with China as well as their joint work in the United Nations, the Shanghai Cooperation Organization (SCO) and Conference on Interaction and Confidence-building Measures in Asia (CICA).

He said Kazakhstan would like to work with China to implement the consensus reached by the leaders of the two countries and advance their military cooperation.

- S Korea to expand economic cooperation with China (22nd December)

South Korea's incoming ambassador to China said on Tuesday Seoul will continue to expand economic cooperation with China.

"The importance of close cooperation with China cannot be overemphasized," Ryu Woo-ik, who is officially taking office next Monday, said at a meeting organized by the Korea Chamber of Commerce & Industry, according to local media.

"Business groups have mainly led the improvement in relations between the two countries so far. Now the government needs to play a role for improving our ties," Ryu was quoted as saying by Yonhap News Agency.

The meeting was also attended by major South Korean companies, including Doosan Corporation and STX Offshore & Shipbuilding Co., Ltd.

- China puts forward four-point proposal to further ties with Myanmar (22nd December)

Chinese Vice President Xi Jinping put forward a four-point proposal to upgrade relations with Myanmar during talks with Vice-Chairman of the State Peace and Development Council of Myanmar Maung Aye on Sunday.

The proposal includes maintaining high-level contact, deepening reciprocal cooperation, safeguarding peace and prosperity of the border area, and strengthening coordination on international and regional affairs.

As good neighbors, China and Myanmar have advocated the five principles of peaceful co-existence, Xi said.

The recent years have witnessed closer exchanges and cooperation between the two countries in various fields, which has brought tangible benefits to their peoples, he said.

Xi expressed appreciation for Myanmar's support on issues concerning China's core interests such as Taiwan and Tibet.

Stressing that China has always valued relations with Myanmar, Xi said China would like to work with Myanmar to expand their ties as the year 2010 marks the 60th

anniversary of Sino-Myanmar ties. He said China would continue to provide aids to Myanmar.

Xi said China is happy to see Myanmar moving towards democracy and national reconciliation, and is confident that the Myanmar government would realize its political targets and achieve national stability and growth.

Maung Aye said Myanmar was among the first countries to have recognized the People's Republic of China when it was founded in 1949, and the two sides have always supported and respected each other. He expressed gratitude for China's long-term assistance and aid to Myanmar.

He said Myanmar hopes to take the chance of the 60th anniversary of the China-Myanmar ties to push forward their high-level exchanges and substantial cooperation.

After the talks, the two leaders attended a signing ceremony for cooperative deals covering trade, finance and electricity.

- China, Cambodia agree to deepen cooperation (22nd December)

China will make joint efforts with Cambodia to achieve a win-win cooperation, Chinese Vice President Xi Jinping said Monday.

"Furthering relations with Cambodia has long been China's consistent policy," Xi told Cambodian Prime Minister Hun Sen during talks.

Hailing the traditional friendship fostered by the leaders of the old generation of the two countries, Xi said China and Cambodia have maintained political trust and fruitful cooperation and support each other in international and regional affairs.

He called China-Cambodia relations "a good example of sincere cooperation between countries with different social systems."

Xi put forward a four-point proposal to cement relations with Cambodia, including keeping high-level contacts, strengthening exchanges on country governance, deepening economic and trade cooperation and promoting coordination in international and regional affairs.

Xi said the free trade zone between China and the Association of Southeast Asian Nations (ASEAN) would be completed in 2010, and China and Cambodia should take the chance to push for stable and balanced growth in their bilateral trade.

Hun Sen said he was happy to meet with Chinese leaders for the first time in the new government building, which was constructed with China's assistance and has served as an embodiment of the friendliness between the two countries.

He spoke highly of China's development and its contribution to neighboring countries' progress and expressed gratitude for China's long-term support for Cambodia's development.

Hun Sen said Cambodia would strengthen cooperation with China in the political, trade, cultural, tourism and security fields and pledged the country's adherence to the one-China policy.

After their talks, the two leaders attended a signing ceremony for a deal on China's preferential loan to Cambodia.

Xi also presented a wreath to the independence monument in Phnom Penh on Monday.

- Sino-French ties gain momentum with energy, aviation cooperation deals (22nd December)

Premier Wen Jiabao proposed on Monday to advance China's economic and trade relations with France to a new level as the two countries unveiled a nuclear energy joint venture and inked two deals on aviation cooperation.

"We should take the opportunities of tackling the international financial crisis, climate change, energy security and other global challenges, and change our ways of thinking and deepen cooperation to advance bilateral economic and trade relations to a new level," Wen told visiting French Prime Minister Francois Fillon.

"We should follow the opening and win-win principles, oppose trade protectionism, and take effective measures to help bilateral trade resume growth at an early date," Wen proposed.

Statistics showed that the China-France trade volume has been falling since the third quarter of 2008, with China's exports to France declining significantly.

According to China's customs data for the first three quarters of this year, the two countries' trade volume was about 24.6 billion U.S. dollars, down 15.6 percent from the same period last year. It was the first year-on-year decline since 1996.

ENERGY COOPERATION

Chinese Vice Premier Li Keqiang and Fillon attended the unveiling ceremony in Beijing for the Guangdong Taishan Nuclear Power Joint Venture Company Ltd., which also marked the official start of construction of the Taishan nuclear power station in south China's Guangdong Province.

The joint venture, the largest new energy cooperation project between China and France, is to take charge of constructing and operating the first-phase project of the power station.

According to China Guangdong Nuclear Power Holding Co. Ltd. (CGNPC), the joint venture has a registered capital of about 16.7 billion yuan (2.5 billion U.S. dollars).

Electricite de France holds a 30-percent stake and CGNPC 70 percent.

A significant project in Sino-French cooperation on new energy, the nuclear power station would play an active and important role in promoting the two nations' utilization of advanced nuclear technology and their bilateral relations, Vice Premier Li said at the ceremony.

According to CGNPC, the first-phase project of the nuclear power station got a total investment of 50.2 billion yuan (7.35 billion U.S. dollars), and would include the construction of two units using the Electron Paramagnetic Resonance (EPR) technology, with each unit capacity up to 1.75 million kilowatts.

According to sources, the two units of the first-phase project are to be respectively put into commercial operation in 2013 and 2014, and will annually generate 26 billion kilowatt-hours on-grid energy when completed. Compared with coal-fired power plant, the project can reduce greenhouse gas emissions by around 22.7 million tons each year.

The construction of the first-phase project is expected to last 52 months.

Fillon said France hoped to advance cooperation with China on nuclear fuel reprocessing, personnel training and research on the fourth generation nuclear reactor.

The France-China cooperation on new energy would further demonstrate the two countries' responsible attitude towards environmental protection and tackling climate change, said Fillon, noting the two sides would promote bilateral cooperation in the spirit of mutual trust.

Both France and China paid great attention to technology innovation and energy independence, said Fillon.

As a major energy-producer and consumer in the world, China has been making continuous efforts to improve its energy structure.

When attending the UN Climate Change Summit, President Hu Jintao said China would endeavor to increase the share of non-fossil fuels in primary energy consumption to around 15 percent by 2020.

According to the country's long and mid-term development plan of nuclear power plants, nuclear power installed capacity will reach 40 million kilowatts by 2020 and will generate 260 billion to 280 billion kilowatt hours of electricity each year, accounting for 4 percent to 6 percent of the country's total.

Actively developing nuclear energy was an important step taken by China to adjust energy structure, said Li Keqiang earlier Monday when meeting with Fillon.

- Senior DPRK official says relations with China to develop further next year (22nd December)

The ties between the Democratic People's Republic of Korea (DPRK) and China will further move forward next year, a senior DPRK official said at a reception held at the Chinese embassy.

It was the consistent stand of the Workers' Party of Korea (WPK) to cherish and develop DPRK-China relations, Choe Thae Bok, secretary of the WPK's Central Committee, said Monday.

He extended thanks to China for its support for the DPRK's socialist construction and its reunification cause.

Liu Xiaoming, Chinese ambassador to the DPRK, recalled the events the two sides held in 2009 with an eye to boosting bilateral relations, saying those activities helped deepen the traditional DPRK-China friendship and push their ties to a new high.

- Chinese Vice President meets Cambodian King on relations (22nd December)

Chinese Vice President Xi Jinping met Cambodian King Norodom Sihamoni here on Tuesday to discuss bilateral relations.

Xi said China attached great importance to bilateral relations with Cambodia and was willing to enhance cooperation with the country, in a bid to push the Sino-Cambodia comprehensive cooperative partnership forward.

Cambodia had always firmly supported China on issues relating to its core and major interests, and was a good neighbor, friend and partner to China, Xi said.

It was the Chinese and Cambodian peoples' wish to further cement and develop the friendly cooperative relations, which served the fundamental interests of both countries, and was conducive to regional peace, stability and prosperity, Xi noted.

Sihamoni said China and Cambodia currently enjoyed a good relationship and had close cooperation in many fields. He believed Xi's visit would further promote friendship and cooperation between the two nations.

The Cambodian king thanked China for its long-term help to his country, and spoke highly of China's achievements on both domestic and international issues.

Cambodia was willing to further develop the unity and friendship with China, and to see friendship growing between the two peoples.

Xi also attended the opening ceremony of the Confucius Institute in Phnom Penh on Tuesday.

Cambodia is the last leg of Xi's four-nation tour, which has also taken him to Japan, South Korea and Myanmar.

- Nepali Prime Minister to visit China (22nd December)

Nepali Prime Minister Madhav Kumar Nepal will pay an official visit to China from Dec. 26 to 31 at the invitation of Chinese Premier Wen Jiabao.

Chinese Foreign Ministry spokesperson Jiang Yu said at a regular press briefing Tuesday that it would be Nepal's first official visit to China since he was elected prime minister in May.

Wen and other Chinese leaders would hold talks with Nepal, Jiang said, adding the detailed schedule was still under discussion.

In response to a question on whether Nepal would discuss his country's domestic situation with Chinese leaders during his visit, Jiang said the Nepali domestic situation was the internal affair of the country.

"As a friendly neighbor, China sincerely expects to see the realization of political stability and economic growth of Nepal at an early date," said Jiang.

China-Nepal relations had developed with sustained, stable and sound momentum, said Jiang, citing frequent exchanges and increased mutually beneficial cooperation.

Jiang said China's established policy was to consolidate and develop good-neighborly, friendly and cooperative relations with Nepal on the basis of the five principles of peaceful coexistence.

Nepal's visit would hopefully consolidate China-Nepal friendship, promote bilateral friendly exchanges and reciprocal cooperation, Jiang said.

- Xi's Asian tour enhances good-neighborliness, mutual trust: vice FM (23rd December)

Chinese Vice President Xi Jinping's visits to Japan, South Korea, Myanmar and Cambodia consolidated friendly relations, enhanced mutual trust and promoted practical cooperation with the countries, the vice foreign minister said Tuesday.

Xi was the first Chinese state leader to visit Japan since the new Japanese government led by Prime Minister Yukio Hatoyama took office in September, said Wu Dawei.

Xi highlighted the great importance the Chinese government has attached to its ties with Japan, saying both sides should continue efforts to enhance the friendly links between the two countries.

Xi called on both sides to work together to further the China-Japan strategic and mutually beneficial relationship in a bid to realize their peaceful co-existence and long-term friendliness.

During the visit to Seoul, Xi said China and South Korea should strive to deepen their strategic and cooperative partnership under the new situation.

When meeting with leaders of Myanmar and Cambodia, Xi stressed that it has been a fixed policy of the Chinese government to develop relations with the two countries no matter how the world situation might change.

Xi has focused his visits on efforts to push for a practical cooperation with the four Asian nations, as well as on more exchanges on low-carbon and high technology and circular economy.

The vice president called for more cooperation between China and Japan in confronting the international financial crisis. Efforts also should be made to deepen their cooperation in new energy, new material and information technologies in bids to enhance the level of the China-Japan trade links, he said.

Noting Japan's advancement in environmental protection and technology, Xi said there exists a huge potential for the two countries to expand their cooperation in such areas.

Japanese businessmen and officials hoped China's good economic momentum could last as the country is turning from a "world manufacturer" to "world market." China's development would bear on the Japanese economic recovery.

Emphasizing the mutually beneficial relations between China and South Korea, South Korean businessmen expressed a readiness to deepen cooperation with China as it provides a huge market for South Korea's development.

In meeting with the foreign leaders, the vice president elaborated on China's accomplishments over the past sixty years since the birth of the People's Republic of China. He also spoke of the difficulties facing China's economic and social development.

Xi said China would follow the path of sustainable development under the guidance of the scientific outlook on development.

Speaking of China's measures against the global financial crisis and its effects, Xi said China is willing to work with the international community to deal with the adverse impact of the crisis.

The vice president said China will adhere to the policy of building friendship and partnerships with neighboring countries and continue its path of peaceful development.

China's development serves as an opportunity instead of a threat, Xi said.

China would keep on building a harmonious society domestically while committing to constructing a harmonious Asia and world.

Promoting exchanges among various cultures is one of the most notable features of the vice president's visits.

In Tokyo, he attended the opening ceremony of the China Culture Center. In addition, before the end of the visit, he inaugurated the first Confucius Institute in Cambodia.

Tightly scheduled, Xi's four-nation tour was fruitful and influential, Wu concluded.

- Distinguished Russians receive awards for enhancing China-Russia ties (23rd December)

Twenty-five Russians from all walks of life were honored Tuesday with the "Outstanding Contribution Award for the 60th Anniversary of China-Russia Relations."

Chinese Ambassador to Russia Li Hui, on behalf of Chinese President Hu Jintao who granted the award, presented medals and credentials to the awardees along with hearty congratulations.

As a mark of distinction for their industrious work, selfless dedication and historical achievements, President Hu awarded a total of 60 Russian friends with the contribution prize, said Li.

Speaking highly of the awardees as fostering China-Russia friendship for generations, promoting bilateral pragmatic cooperation, and engaging in cultural exchanges, Li said the names of the awardees would always be remembered.

The China-Russia strategic partnership of cooperation has been developing in a rapid, sound and steady way, the ambassador remarked. He added that the partnership has become increasingly comprehensive and the bilateral ties have become more mature.

The national theme years and language theme years observed by both countries would bring the ties to an unprecedented high level, he added.

Li believed all the Russian recipients would continue to support and advance the China-Russia friendship, making unremitting efforts to enhance mutual understanding and friendship between the two peoples, deepen bilateral pragmatic cooperation and intensify mutual strategic coordination.

Vladimir Gusev, first deputy chairman of the Committee for Economic Policy, Enterprise and Property of the Federation Council, as well as chairman of the Russia-China Friendship Parliamentary Group, spoke for all the awardees at the ceremony.

Gusev first expressed great gratitude for the tremendous honor bestowed upon him and his country fellows by President Hu and the Chinese government.

He said the Russia-China strategic partnership of cooperation has reached its historically best level in recent years, with frequent high-level exchanges, strengthened political trust, fruitful accomplishments in all fields of cooperation, and continuously deepened mutual understanding and friendship.

The development of Russia-China relations shows great promise, said Gusev. He, along with other awardees, was willing to continue making contributions and greater efforts to promote the friendship between Russia and China from generation to generation.

All 25 recipients, including Gusev, Leonid Drachevsky, Russian chairman of the China-Russia Friendship Committee for Peace and Development, Yuri Osipov, president of the Russian Academy of Sciences, and Sergei Tikhvinsky, honorary chairman of the Russia-China Friendship Association, were invited to a dinner hosted by Ambassador Li after the awards ceremony.

- Potential for Canada-China trade "almost unlimited:" Canadian Minister (23rd December)

Opportunities for Canada-China trade relations are "almost unlimited," Canadian Minister of International Trade Stockwell Day said Tuesday.

"The opportunities are almost unlimited. In fact, even the sky is not the limit because what we can trade back and forth in the aero and space industries. There's huge potential

there," Day, who also holds the portfolio of minister for Asia-Pacific Gateway, told a Canada-China business forum.

With China's significant growth in recent years and the path the country has embarked on, there were great opportunities for both sides, Day told Xinhua in an exclusive interview prior to his speech.

"There are great opportunities for Canada. Not just on the commodities side, but in terms of technology, in terms of assisting with that growth," he said.

"Just the automobile market alone (with) something around one percent of people living in China have automobiles, there is a huge market there for environmentally-sensitive, highly-efficient automobile products," he said. "Canada has a great history there, (with) lots to share on the engineering and technology side."

Day, who made his second trip to China earlier this month when he accompanied Prime Minister Stephen Harper on his inaugural visit to the country, called China's recent granting of Approved Destination Status to Canada "very helpful" and something it had been seeking since the 1990s. Canada was the last major Western country to receive the status.

The minister estimated that travel by Chinese to Canada would increase by up to 50 percent over the next five years and each 50,000 visitors would be worth about 100 million Canadian dollars (96.4 million U.S. dollars) to the economy. Last year, nearly 160,000 Chinese visited Canada.

"We know that through the last few years we have already seen an increase in travel and trade, and having this status will move it forward in a very significant way," Day told Xinhua.

"I think we'll see this increase greatly, especially with the (Winter) Olympics coming (to Vancouver in February). The timing of this is very good," he added.

The minister said people living in China want to see and know more about Canada, while Canadians are very impressed with what is going on with China.

"This type of exchange is going to be positive, not just on the cultural side and the building of important personal relationships, but the business, economic and academic relationships that will develop are very exciting," he said.

Despite its proximity across the Pacific and having diplomatic relations for nearly 40 years, Canada's trade with China still lags behind other Western countries.

According to Statistics Canada, China was Canada's fourth biggest export market in 2008.

The Fraser Institute, the Canada-based think tank, said in a report released earlier this year that Malaysia and Australia, both with smaller populations than Canada, did more business with China.

With the success of Harper's visit earlier this month, Day said he expected the trade with China to grow with greater investment between the two countries.

He said the target areas included agriculture and its related technologies, gas, oil and nuclear technology, as well as energy-efficient and environmental technologies. Resources, particularly minerals, is a main focus area.

"There's a lot of resource exchange going on," Day said, "The growth that is going on in China is phenomenal... We have not only the raw commodities but we have the value-added capabilities."

"On the environmental side, which China is very much concerned about these days, we have the alternative technologies and ways to develop not just efficient fuels, but efficient construction methods," Day said.

"All of those types of things fit very well into what China has in mind for its own future," he told Xinhua.

- Djibouti foreign minister to visit China (24th December)

Djibouti Minister of Foreign Affairs and International Cooperation Mahamoud Ali Youssouf will pay an official visit to China from Dec. 28 to 30, at the invitation of Chinese Foreign Minister Yang Jiechi.

Chinese Foreign Ministry Spokesperson Jiang Yu made the announcement at a regular press briefing here Thursday.

- China, Japan conclude first phase of joint historical research (24th December)
Chinese and Japanese historians have concluded the first phase of their joint historical research and are expected to publish their papers soon.

Chinese chief commissioner Bu Ping and his Japanese counterpart, Shinichi Kitaoka, made the announcement at the last meeting of the first phase in Tokyo on Thursday.

The China-Japan joint historical research, formally launched in December 2006, is being carried out by the Institute of Modern History of the Chinese Academy of Social Sciences and the Japan Institute of International Affairs.

In the past three years, the two sides had in-depth studies of the history of China-Japan relations and held discussions. The historians reached consensus on certain issues while differences remain.

The research papers to be published were written by commissioners on both sides respectively and reflect the perceptions of individual authors.

- Nepali PM visits Lhasa, kicking off China tour (26th December)
Nepali Prime Minister Madhav Kumar Nepal arrived here Saturday afternoon, kicking off a six-day visit to China at the invitation of Chinese Premier Wen Jiabao.

This was his first official visit to China since he became prime minister of the Himalayan nation in May this year.

Besides Lhasa, capital of southwest China's Tibet Autonomous Region, Nepal will tour other cities of Xi'an, Beijing and Shanghai.

In the capital city of Beijing, Chinese President Hu Jintao and top legislator Wu Bangguo will meet with Nepal respectively, and Premier Wen will hold talks with him.

Nepal expressed his belief on Thursday in his country that this China tour would help cement and push forward bilateral traditional friendship.

He reiterated that Nepal would adhere to the one-China policy, and would not allow any force to use Nepal's territory to take anti-China act.

China's Tibet shares a 1,400-km-long borderline with Nepal. Experts predicted that Chinese and Nepali leaders would exchange views on Tibet issue.

The adherence to the one-China policy was an essential point of Nepal's foreign policy, said Ma Jiali, a Chinese expert on South Asia issues.

Ma, a researcher with China Institute of Contemporary International Relations, said in an interview with Xinhua that Nepal's visit to Tibet was intended to promote stability in the border area and enhance economic and trade links between his country and Tibet.

Statistics showed that the China-Nepal trade volume reached 304 million U.S. dollars in the first ten months this year, with border trade accounting for more than 70 percent.

Tibet and Nepal had also made fruitful cooperation in tourism and flight course.

The Prime Minister may also seek Chinese support in infrastructure building and hydroelectric power development during this China visit, Ma said.

According to Chinese Foreign Ministry spokeswoman Jiang Yu, China's established policy was to consolidate and develop good-neighborly, friendly and cooperative relations with Nepal on the basis of the five principles of peaceful coexistence.

Nepal's visit would hopefully consolidate China-Nepal friendship, promote bilateral friendly exchanges and reciprocal cooperation, Jiang said.

Economic front

- China wins applause as economic recovery accelerates (20th December)

China's economic data for November, with some key indicators beating market expectations, have sent clear signals that China's economic recovery is accelerating and broadening.

As a "rainbow" of the recovery emerges at the end of 2009, China has been won applause at home and abroad.

HARD HIT

At Yuhang, an export-oriented district in eastern Zhejiang Province, one of China's export hubs, Party chief Zhu Jinkun was smiling and composed.

But at the beginning of this year, things were quite different.

"I was very frightened at that time. I feared of factory closure or production suspension, which meant workers would lose their jobs. It could cause social instability," he recalled.

Yuhang is home to nearly 9,000 enterprises which hire more than 800,000 workers. As one of most economically-developed and export-oriented counties in Zhejiang and China at large, it was also one of the hardest hit county-level economies amid the financial crisis.

When overseas demand slumped in the first quarter, 908 out of Yuhang's 2,077 large industrial enterprises (those with annual revenue of more than 5 million yuan, or 732,000 U.S. dollars) suffered loss, according to Zhu.

"Yuhang's GDP edged up only 1 percent in the first quarter. We had not seen this for decades," said the 53-year-old official.

Yuhang was then part of a gloomy national economy as slump overseas demand crippled China's essential export and related manufacturing activities.

Nationwide, tens of thousands of companies closed down, forcing millions of migrant workers out of job. Consumers' and investors' confidence dived to record low in more than 10 years.

That was why quite a few people remained suspicious when Premier Wen Jiabao said in March that China aimed to achieve about 8-percent GDP growth in 2009, which the government has long believed is essential to generate enough.

In the first quarter, China's GDP rose 6.1 percent year on year, the lowest since the introduction of quarterly GDP figures in the fourth quarter of 1999.

But also in the first quarter, China began implementing its massive economic stimulus package, featuring a two-year investment plan worth 4 trillion yuan (585.6 billion U.S. dollars), which was adopted in November last year, right after the outbreak of the financial crisis. It also adopted more pro-growth economic policies such as expanding the "home appliances to the countryside" program.

Also in the first quarter, China pumped 4.58 trillion yuan new loans to stimulate the economy, about 90 percent of the annual target of 5 trillion yuan.

Jia Kang, president of the Institute of Fiscal Science of the Ministry of Finance, said as the financial crisis battered the export, China moved to boost investment in infrastructure such as high-speed railways and domestic consumption like car sales, so as to drive economic growth.

"RAINBOW" OF RECOVERY

Jia said a quick implementation of the stimulus package had successfully reversed the downward trend of the economy and quarterly GDP growth had picked up notably in the first three quarters.

"When the 8.9 percent GDP growth for the third quarter was released, it cleared away panic in the market," he said.

Official figures showed China's GDP grew 8.9 percent year on year in the third quarter, accelerating from 7.9 percent in the second quarter and 6.1 percent in the first. For the first three quarters, the annualized GDP growth reached 7.7 percent.

"There is no doubt that China can achieve the 8-percent growth target. Most economic figures look very good," said Jia.

According to the National Bureau of Statistics, China's industrial output in November, which measures the activities of nearly 430,000 large industrial enterprises nationwide, jumped better-than-expected 19.2 percent year on year. In the first 11 months, the growth rate was 10.3 percent.

The industrial production is key to China's manufacturing-based economy. In 2008, it accounted for 43 percent of China's total GDP of 30.1 trillion yuan and contributed 42.8 percent to China's GDP growth.

Also in November, China's imports rose 26.7 percent from a year earlier, beating market expectations and reflecting increasing domestic demand.

Last month, China's power consumption soared 27.63 percent year on year, up for the sixth consecutive month since June.

Even in hardest-hit Yuhang, recent economic data were inspiring.

"Most economic figures are quite good, with some even better than our expectations. (Yuhang's) fiscal revenue this year is expected to jump by 20 percent year on year to 10 billion yuan," said Zhu Jinkun.

He maintained that the Chinese economy was seeing a rainbow of recovery after the financial storm.

Jia Kang agreed. "We can see the rainbow, but it is not a splendid one. With more hard working, the rainbow will make us more exciting," he said.

Robert Lawrence Kuhn, an international investment banker and senior adviser at Citigroup, also agreed, but cautiously.

"We are indeed seeing a 'rainbow' of renewed economic growth after the 'wind and rain' of the global financial crisis and worldwide recession -- but we quietly hope that the 'rainbow' is not an mirage," he told Xinhua via email.

APPLAUDING

Jia Kang said China was the first among the world's major economies to achieve recovery and Chinese response to the financial crisis had won applause.

Kuhn, also a long-time China observer, described China's response as rapid, risky but successful. He is the author of *The Man Who Changed China: The Life and Legacy of Jiang Zemin* -- China's best-selling book in 2005.

"China's rapid response to the financial crisis ... has proven to be extremely successful," he said.

In one sense, Kuhn said, "China took higher risks, since error would have had greater impact as well."

But China had little choice since China was more dependent on economic growth than almost any other country because unemployment could lead to social stress and potential instability, he said.

"China's rapid recovery and remarkable growth has gone a long way to re-instill confidence in worldwide markets," said Kuhn.

Kevin Harris, chief economist of the U.S.-based Informa Global Markets, praised China for its role in both the 1997 Asian financial crisis and the global financial crisis this time.

"In both periods, having a large economy stand as an exception to economic decline elsewhere has probably been a bigger help that is generally recognized," Harris told Xinhua.

"In each case, China's decisions have been a benefit to economies other than China's," he added.

Kuhn also sang highly of China's leadership in pursuing economic development over the last 10 years.

Kuhn said the Chinese economy could have suffered disastrous consequences in the financial crisis "if China's leaders had listened to the prescriptions of Western economists over the past decade, who insisted that China entirely open its financial markets and allow its currency to be wholly convertible."

In addition, Kuhn also valued China's efforts to help small and medium-sized companies, the vast majority of which are privately owned, to tide over the financial crisis.

- China's third largest oilfield expects 24% growth in output this year (20th December)

China's third largest oilfield, Changqing, is expected to post an annual growth of 24 percent in oil and gas output this year, the company said Sunday.

By Dec. 19, the oil and gas equivalent production at Changqing had exceeded 30 million tonnes, and the figure would reach 31 million by the end of this year, or 6 million more than last year, said Peng Xufeng, a company spokesman.

Changqing, a subsidiary of PetroChina, is the country's third largest oilfield, after Daqing and Shengli.

But Peng said he believes Changqing has overtaken Shengli as the second largest oilfield in China, as the annual oil and gas equivalent production at Shengli is less than 30 million tonnes over recent years.

"We are targeting 50 million tonnes by 2015, thus becoming another 'Daqing'," he said.

Daqing is also a subsidiary of PetroChina, and Shengli is owned by its rival Sinopec.

Changqing is located in north China's Ordos Basin, and the company is headquartered in Xi'an, capital of northwestern Shaanxi Province.

It has a total area of 370,000 square km for exploration, and reports 8.5 billion tonnes of oil resources and 10.7 trillion cubic meters of natural gas.

So far, it has proven more than 2 billion tonnes of oil reserves and 2.7 trillion cubic meters of gas reserves.

- Chinese shares open slightly lower on Monday (21st December)

Chinese shares opened slightly lower on Monday with the benchmark Shanghai Composite Index down 0.19 percent to open at 3,108.07 points.

The Shenzhen Component Index slightly dropped 0.02 percent to 12,911.80 points at the opening.

- China's 2010 trade outlook shadowed by rising protectionism: ministry (21st December)

China's foreign trade would expect a more complicated and grave outlook in 2010 with increasing global competition and protectionism, Zhou Xiaoyan, a Ministry of Commerce (MOC) official said Monday.

There were increasing uncertainties in international trade with governments around the world striving to protect domestic industries and compete for global markets as the world economic recovery would be a slow and devious process, Zhou, director of the fair trade bureau under the MOC, said during an online interview.

According to Zhou, as of the end of November, 19 countries and regions have launched 103 trade remedy investigations against Chinese products. Both the number of the cases and the money involved hit record high, she said.

The trade frictions not only made the situation more difficult for China's export companies and imposed pressure on employment growth, but also brought adverse impacts to the country's macro-regulation and economic development, she said.

From January to November, China's imports and exports totaled 1.96 trillion U.S. dollars, down 17.5 percent compared with the corresponding period last year, according to the General Administration of Customs.

- Internal market contributes a lot to China's growth: Argentine expert (21st December)

China's growth is mainly due to its internal market rather than to exterior commerce, Jorge Castro, an Argentine expert on strategic planning and international policy, was quoted as saying Sunday by the local daily "Clarín."

"The domestic demand contributed 12 percentage points to the increase of the gross domestic product (GDP), while the net exports reduced four points," said Castro, who is also president of the Institute for Strategic Planning.

According to him, China's demand for automobiles and appliances like air conditioners, washers and microwaves was greater than that of the United States, as its economy has been growing fast.

Castro also said that compared with the United States, more automobiles and domestic appliances were sold in China.

Automobile sales in China increased 42 percent in the first 11 months of 2009 and by 96 percent in November compared with the same period last year, he said.

As a consumer society, China's growth was led not by exports, but by its budding internal market, Castro said. "It is a world event, which modifies the global conditions of the accumulation process and sets a tendency for the coming 20 or 30 years."

He added that the importance of China's internal market entails that "the exporting countries, together with China, are the great winners of the world crisis."

- Chinese shares up 0.29%, led by retailers, brokers (21st December)

Chinese equities rose slightly on Monday as looming new year shopping spree shored up retailer's confidence.

The benchmark Shanghai Composite Index up 0.29 percent, or 9.09 points, to close at 3,122.97 points.

The Shenzhen Component Index gained 0.74 percent, or 96.18 points, to close at 13,011.15 points.

Combined turnover shrank to 143.01 billion yuan (21.09 billion U.S. dollars), from 196.97 billion yuan on the previous trading day.

China's industrial output is expected to post an annual 11-percent rise this year, buoyed by the government's stimulus packages, Minister of Industry and Information Technology Li Yizhong said Monday.

"The recovery base has been gradually consolidated and the macro economic policies will still be in place to boost the economy next year," Li said.

Beijing Hualian Hypermarket Co. Ltd, a large supermarket chain, gained 2.60 percent to 9.48 yuan. Shanghai New World gained 5 percent to 14.08 yuan.

Kweichow Moutai Co., China's leading liquor maker, added 1.52 percent to 167.77 yuan. Wuliangye Yibin Co., increased 5.44 percent to 29.25 yuan.

Securities brokers rallied despite new share sales were expected to drain money funds from market. Citic Securities, the nation's largest broker, gained 2.28 percent to 29.18 yuan. Haitong Securities was up 3.41 percent to 17.88 yuan.

- China's industrial output to grow 11% this year: minister (21st December)

China's industrial output is expected to post an annual 11-percent rise this year, buoyed by the government's stimulus packages, Minister of Industry and Information Technology (MIIT) Li Yizhong said Monday.

Li said at a two-day conference starting Monday in Beijing that industrial output development would ensure the 8-percent growth of the country's GDP the government had projected for this year.

The industrial output moved into double-digit growth in June, up from the 3.8 percent in the first two months of the year. The first 11 months saw the rise at 10.3 percent from a year ago, he said.

The stimulus packages the government adopted to combat the global financial crisis had eased production difficulties for enterprises and reversed the decline of industrial growth, he said.

"The recovery base has been gradually consolidated and the macro economic policies will still be in place to boost the economy next year," Li said.

He forecast an 11-percent growth for industrial output in 2010.

"The growth pace is necessary, achievable and appropriate. We will not set the target too high", he added.

However, he warned against "blind optimism" as the industrial recovery was mainly supported by government investment and bank loans rather than private investment, which posed challenges, he said.

Also at the meeting, Vice Premier Zhang Dejiang noted industrial rebalance would top next year's work, and a stable and relatively fast industrial development must be maintained.

Both Zhang and Li said excess industrial capacity was still a problem for the country's economy especially when global demand was yet to recover from the financial crisis, he said.

The authority should resolutely curb excessive capacity in some sectors and redundant construction. Obsolete capacity should be phased out, said Zhang.

Li Yizhong said the government would push forward mergers and acquisitions in the industrial sectors to increase industrial concentration, he said, adding the government would roll out guidance plan over merger and acquisitions for steel, non-ferrous metal, construction material, auto and shipbuilding industries.

The government will lift the threshold of market entry for some sectors including steel, cement, flat glasses and coal chemical industries to improve energy consumption efficiency and environmental protection.

The MIIT will work with other relevant authorities to intensify management over projects approval and reject expansion projects of docks, slipways from existing shipbuilding enterprises, and new capacity building and expansion projects in aluminum electrolysis and steel sectors in three years.

Zhang Dejiang also said more efforts should be made to enhance innovation capabilities and improve the added value and core competitiveness of the products.

- China makes great contribution to gradual recovery of world economy (22nd December)

"The outgoing 2009 will surely go into the history of world economy as a very extraordinary year, and China's performance in this year will be an outstanding chapter," a UN economic experts said here Monday in an exclusive interview with Xinhua.

Hong Pingfan, chief for global economic monitoring of the UN Department of Economic and Social Affairs (DESA), told Xinhua that China makes a great contribution to the world economic recovery by adopting effective policies.

The global financial crisis, which originated from the U.S. sub-prime mortgage crisis, dealt a blow to the real economy in the world in 2009, he said.

Despite the fact that the world economic situation has been on the mend since the second quarter of this year, the world gross product (WGP) is estimated to fall by 2.2 percent for 2009, the first time for the world to see the drop in WGP since the end of the Second World War, he said, citing the first chapter of "the World Economic Situation and Prospects 2010 (WESP)," which was launched early this month.

"At the same time, 2009 marks a turning point that the international community registered an initial victory in responding to the global financial crisis, thus avoiding the recurrence of the Great Depression, thanks to the global efforts," Hong said, adding that since the second half of the passing year, the world is out of the financial crisis step by step, despite of many difficulties and challenges on the way forward.

"In this special year, China has made a great contribution to the world economy in the global fight against the financial crisis," he said. China recorded a growth rate of more than eight percent in 2009, thus helping the Asian country out of the list of more than recession-stricken countries in the developing world, which saw their Gross Domestic Product (GDP) in downturn in two consecutive seasons.

"There is no recession recorded in the Chinese economy," he said.

The financial crisis brought about declining exports and shrinking demands, thus posing a grave challenge for the development of the Chinese economy, he said.

Thanks to the resolute and prompt stimulus policies adopted by the Chinese government, China shored up more domestic demands to offset part of the negative impact on exports, and struggled its way up from the bottom since the first quarter of 2009, he said.

"It is of a great significance for China to take the lead in its efforts to get out of the economic lowliness," he said. "China's economic recovery not only increases the overall global demands, but also strengthens the global confidence in dealing with the financial crisis."

At first, the United States and some European countries have underestimated the impact of the financial crisis, and their responding measures were not very effective, he said.

In fact, China actively calls upon countries to adopt effective macro-economic policy, safeguard the fair, free and open system of global trade and investment in a bid to ensure the free flow of commodities, investment and service in the world, he said.

Meanwhile, China plays an active role in promoting the reform of the international monetary system, initiating such a reform in a fair, just, tolerant and orderly manner and increasing the representativeness and voices of developing countries in the world financial institutes, such as the World Bank and the International Monetary Fund, he said.

Thanks to great efforts by China and some other developing countries, the Group of 20, which includes both developed and developing nations, replaces the Group of seven industrialized countries, a body exclusively for advanced nations, as the major international platform for coordinating world economic and financial policies, he said.

China will surely play greater contribution to the world economy in the coming 2010, apart from difficulties and challenges the country faces in the process of its economic development, Hong added.

- China says "disappointed" at latest WTO move on raw material export dispute (22nd December)

China said it was disappointed at the decision of the World Trade Organization (WTO) Monday to establish an expert panel to investigate alleged Chinese restrictions on raw materials exportation, saying that such an action was "not conducive" to the solution of the dispute.

"We understand that the panel will be established today and look forward to defending our rights and interests before the panel," the Chinese delegation said at a meeting of the WTO's Dispute Settlement Body.

The panel decision was made following a joint request made by the United States, the European Union and Mexico.

The U.S. and the EU first brought the case to the WTO in June, and they were later joined by Mexico. The three parties accused China of violating WTO rules by restricting the exports of raw materials, such as coke, bauxite, fluorspar, magnesium, silicon metal, zinc, etc.

China has said that its relevant export regulations are to "conserve the environment and exhaustible natural resources", stressing the country has "consistently respects and abides by the WTO rules and its own commitments."

Following failed consultations to find a solution to the dispute, the three parties first made a panel request on Nov. 19, but it was rejected by China in accordance with relevant procedures.

At Monday's meeting, the Chinese delegation also expressed concerns about the way in which the three complainants had framed their panel requests.

It pointed out that the three complainants had failed to observe the requirements on panel requests imposed by a relevant article of the WTO's Dispute Settlement Understanding (DSU), thus prejudicing China's ability to prepare its defense in the case.

"Since the complainants wish to proceed with panel establishment today, China will seek a preliminary ruling on the consistency of the requests with Article 6.2 of the DSU," the Chinese delegation said in a statement.

It usually takes 45 days for panelists to be appointed. And the panel will need at least half a year to finish its investigations and issue the final report.

- China shares fall on policy uncertainty (22nd December)

Chinese shares fell Tuesday to a seven-week low, led by real estate stocks amid fears the government will take steps to slow other sectors of the economy after vowing to control rising property prices.

The benchmark Shanghai Composite Index dropped by 72.45 points, or 2.3 percent, to close at 3,050.52, the lowest since Oct 30. The Shenzhen Composite Index for China's smaller second exchange fell 2.7 percent to 1,109.37.

A short-lived rally Monday fizzled amid concern about the direction of economic policy sparked by the government's announcement that it would take steps to slow a rise in housing prices, analysts said.

"They are worried that the government will also take such quick and drastic policies in other industries," said Cao Xuefeng, an analyst for Huaxi Securities in the western city of Chengdu.

Investors took profits on real estate shares. China Vanke Ltd., the country's biggest developer, off 3.9 percent to 10.3 yuan, and rival Poly Real Estate Group down 2.8 percent to 21.52 yuan.

Nonferrous shares fell on sliding commodity prices. [Aluminum Corp. of China](#) sank 4.5 percent to 13.47 yuan. Jiangxi Copper Ltd., the country's biggest metal producers, lost 4 percent to 35.88 yuan.

Industrial & [Commercial Bank of China Ltd.](#), China's biggest commercial lender, declined by 1.4 percent to 5.07 yuan. China Construction Bank Ltd. fell 1.7 percent to 5.74 yuan, while [Bank of China Ltd.](#) dropped by 0.7 percent to 4.1 yuan.

In currency markets, the yuan weakened to 6.8287 to the U.S. dollar, down from Monday's close of 6.8276.

- China asks WTO panel to investigate U.S. tariffs on tires (22nd December)

China on Monday requested that the World Trade Organization establish an expert panel to decide the legitimacy of punitive U.S. tariffs imposed on Chinese-made auto tires.

The request was made at a meeting of the WTO's Dispute Settlement Body, which is open to the organization's 153 members. It followed failed consultations between the two countries to find a mutually satisfactory resolution to the dispute.

In a so-called attempt to "remedy the clear disruption to the U.S. tire industry," U.S. President Barack Obama in September approved punitive tariffs of up to 35 percent on all car and light truck tires from China.

China quickly denounced the so-called U.S. special safeguard measure as "a wrong practice abusing trade remedies, which runs counter to relevant WTO rules." It filed a complaint with the WTO on Sept. 14.

At Monday's meeting, the Chinese delegation reiterated that the U.S. restriction on tires from China "is a compromise to the pressure of domestic protectionism interests."

The restriction was a departure from the international consensus on opposing trade protectionism, and it impaired both countries' interests, the Chinese delegation said in a statement.

It added that the U.S. decision to impose the tariffs "runs short of factual bases and breaches the country's obligations under the WTO."

Despite the Chinese delegation's efforts, the WTO was not able to establish a panel on the dispute on Monday because of an objection from the United States. According to related procedures, China has to make a second request at the next DSB meeting, which is scheduled for January.

Once established, the panel will need at least half a year to issue its final ruling.

- WTO upholds panel ruling on Chinese publications imports (22nd December)
The World Trade Organization (WTO)'s top arbitration body on Monday upheld a previous panel ruling against Chinese regulations on the imports and distribution of books and audio-visual products.

The Appellate Body said in a report that the Chinese regulations are not in compliance with world trade rules.

The Chinese Commerce Ministry had expressed regret over the previous panel ruling issued on Aug. 12 on the U.S.-China dispute, in which the United States accuses China of not providing enough access for imports of publications and audio-visual products.

The case involves publications such as books and newspapers, audio and video products including CDs, DVDs and games, and music downloading services.

"China has always fulfilled its obligations on market access for publications and the channels for foreign publications, films and audio-visual products entering Chinese market are extremely open," the ministry said in August.

China lodged an appeal over the panel ruling on Sept. 22.

The seven-member Appellate Body issued its report after three months of examination of the U.S.-China dispute.

Like the WTO expert panel report issued in August, the Appellate Body report largely supports the U.S. allegations. It called on China to revise its import regulations so as to bring them in line with WTO rules.

China has imported approximately 500,000 titles of publications of all kinds every year since joining the WTO in 2001, as promised in its entry agreement, the Chinese Commerce Ministry had said.

- China shares rebound after hitting a 7-week low (23rd December)
Chinese shares rebounded Wednesday, led by real estate, as investors were drawn by cheaper valuations after the market fell to a seven-week low this week.

The benchmark Shanghai Composite Index rose 23.26 points, or 0.8 percent, to close at 3,073.78. The Shenzhen Composite Index for China's smaller second exchange added 1.7 percent to 1,127.95.

The buying came after prices dropped on fears the government might cool parts of the rapidly recovering economy.

"Investors found the prices attractive enough to buy after the market slid for such a long streak," said Zheng Gang, an analyst for Yingda Securities in the southern business hub of Shenzhen.

But Zheng said concerns about policy still prevailed after the government said last week it would take steps to curb a rise in housing prices.

Real estate shares edged up after a land sale Tuesday in the southern city of Guangzhou set a price record for this year.

Poly Real Estate Group, China's second-biggest developer, added 0.6 percent to 21.64 yuan, and larger rival China Vanke Ltd. gained 0.3 percent to 10.33 yuan.

Insurance companies jumped after China Pacific Insurance Group, the country's third-largest insurer, debuted on the Hong Kong stock exchange Wednesday. China Pacific's mainland-traded shares gained 0.3 percent to 23.32 yuan. The country's biggest insurer, China Life Insurance Co., climbed 1.2 percent to 29.46 yuan.

Nonferrous metals gained after reports the government is considering creating a rare earths reserve, which might lead to official purchases. Inner Mongolia Baotou Steel Rare Earth Co. surged 6.4 percent to 26.85 yuan, and Jiangxi Copper Ltd., the country's biggest metal producers, rose 1.3 percent to 36.36 yuan.

In currency markets, the yuan weakened to 6.8292 to the U.S. dollar, down from Tuesday's close of 6.8287.

- Petro giants of Brazil, China sign MoU on feasibility of ethanol projects (24th December)

Brazil's state-owned oil and gas conglomerate Petrobras on Wednesday signed a Memorandum of Understanding (MoU) with the Chinese oil giant PetroChina to assess the technical and economic feasibility of launching ethanol production projects in Brazil.

According to the document, projects of ethanol production in Brazil would be developed in partnership between PetroChina and Petrobras' subsidiary, Petrobras Biofuels (PBio).

Meanwhile, other projects aimed at exporting Brazilian ethanol to China could be carried out through cooperation between PetroChina and Petrobras.

Petrobras said PetroChina deems the Brazilian company a natural partner for such ventures, thanks to their "excellent" trade relationship and because of anticipated synergies between the two companies.

- Chinese vice Premier calls for efficient supervision on SOEs (24th December)

Chinese vice Premier Zhang Dejiang Thursday urged state assets supervision authorities to devote more efforts to guiding deepening reforms and tightening supervision over the country's state-owned enterprises (SOEs).

Speaking at a conference on the supervision and administration of state-owned assets, Zhang asked relevant departments to further help the SOEs upgrade and optimize

industrial structures and improve technological innovations, in a bid to sharpen their competitiveness.

He also required these departments to strengthen their efforts to establish a comprehensive supervision and management mechanism, including accountability systems on major property losses and decision-making misplay, efficient fiscal and auditing systems, in a move to assure and increase the value of state assets.

- Interview: China-ASEAN FTA to make regional trade leap (24th December)

The establishment of China-ASEAN Free Trade Area (FTA) is expected to help the bilateral trade between the two sides grow by leaps and bounds, a leading Malaysian businessman said here recently.

The FTA will also promote the economic integration in the region to go forward rapidly, said Yong Ah Pwi, President of Malaysia-China Chamber of Commerce, in an interview with Xinhua.

Yong said the full formation of the FTA is crucial to China and the ASEAN (Association of the Southeast Asian Nations) member countries as it will promote the movement of goods and services, and increase bilateral trade significantly thanks to the simplified import and export procedures.

China is a large market, the ASEAN countries can export both products and raw materials to the market, Yong said.

He highlighted the duty-free policies which are stipulated in the China-ASEAN FTA. He said the policies will allow China to purchase goods conveniently and economically from the ASEAN countries.

This will in turn boost production in the region, strengthen the viability of the ASEAN economic development and benefit the residents of the ASEAN countries, Yong added.

As to the investment environment in China, Yong said optimistically that the world has focused on the Chinese market as it is not only large, but also has ample supply of trained human resources.

Yong also pointed out that the advancement in technologies has helped Chinese manufacturers realize larger output.

He said China and ASEAN are complementing each other in trade, which results in speedy growth in bilateral trade between China and the ASEAN countries, especially Malaysia, Indonesia and Thailand.

The complete establishment of the China-ASEAN FTA on Jan. 1 next year will bring the ties between China and the ASEAN closer and create more business opportunities in Malaysia.

Yong stressed that China and ASEAN member countries can fully utilize their advantages to complement each other by investing in each country and strengthening their cooperation.

For example, Yong said China has mastered good technologies and possessed a large amount of capital, professionals as well as research and development capabilities, while Malaysia is rich in natural resources and raw materials.

In that case, China can set up plants in Malaysia, make use of the resources here and market their products abroad from Malaysia, Yong said.

While the investors from China can save logistics cost of raw materials and resources, Malaysia is successful in attracting foreign investment and generating a win-win situation, explained Yong.

Yong said the integrated development of regional economy is as important while the world economy is being further globalized.

As a result, various FTAs have been established around the world, including the North America FTA and the European Union, which helps promote economic integration, said Yong.

Yong added that he is confident with the development of the China-ASEAN FTA. He said the FTA's fast growing momentum will drive it towards a major economic bloc in the world.

Established in 1990, the Malaysia-China Chamber of Commerce is a non-government and non-profit business organization.

It is aimed at promoting bilateral economy, trade, investment, and business communication and development between Malaysia and China.

Currently, it has over 1,000 member companies from the sectors of trade, manufacturing, finance, agriculture and others.

- Petro giants of Brazil, China sign MoU on feasibility of ethanol projects (24th December)

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Petrobras said PetroChina deems the Brazilian company a natural partner for such ventures, thanks to their "excellent" trade relationship and because of anticipated synergies between the two companies.

- China's efforts to stabilize employment pay off: report (24th December)

China's employment policies in the wake of the global financial crisis have so far generated positive results, Yin Weimin, minister of human resources and social security, said Thursday when delivering a report to the country's top legislature.

The country has created more than 10 million new jobs in urban areas in the first 11 months this year, well above the target of 9 million by the end of 2009 set in March, Yin said in the report submitted to the Standing Committee of the National People's Congress (NPC).

The urban unemployment rate stood at 4.3 percent by the end of September, remaining unchanged from the first two quarters.

In 2008, China's urban unemployment rate was 4.2 percent.

In order to reduce impact of the global financial crisis upon China's employment, the country has taken a series of measures to help people find jobs, Yin said.

The country has supported the development of labor-intensive industries, and issued a number of favorable policies, including tax reduction and social security subsidies, to encourage enterprises to recruit more employees and refrain from laying off their workers.

It has also encouraged people to start their own businesses, and provided vocational training for migrant and laid-off workers, and other people in need, Yin said.

The country has put jobless college graduates on top of its agenda when addressing employment issues, and has taken active measures to help migrant and laid-off workers and those with difficulties to find jobs, he said.

By the end of October, of all the 1.8 million college graduates who had been registered as unemployed across the country, 9.3 million have already found jobs, Yin said.

He pledged to continue to expand and stabilize employment despite the financial crisis.

The NPC Standing Committee, led by its chairman Wu Bangguo, heard Yin's report at its bi-monthly session, which began Tuesday morning to discuss draft amendments to laws on renewable energy, national defense mobilization and elections.

It also heard for the first time a draft revision of the Organic Law of Villagers' Committees for the expansion of rural democracy, and began reviewing draft laws on tort liability, island protection and social insurance.

- China's foreign trade to fall 16% in 2009: minister (24th December)

China's foreign trade is expected to decline 16 percent in 2009 from a year ago, to about 2.2 trillion U.S. dollars, the Minister of Commerce said on Thursday.

The annual retail sales is likely to rise more than 15 percent to 12.5 trillion yuan (1.84 trillion U.S. dollars), minister Chen Deming told a national meeting on commerce.

- Chinese motorcycle company operating in Vietnam eyes opportunities in China-ASEAN FTA (25th December)

In a motorcycle shop on the Tay Son Street in Vietnamese capital city of Hanoi, two young attendants were busy introducing motorcycles with the logo of Chinese brand Lifan to customers.

The motorcycles sold in this shop were all produced in an industrial zone in Hung Yen province thirty kilometers away from Hanoi. Eyeing the market opportunities in Vietnam, Chinese motorcycle company Lifan established a production base in Hung Yen seven years ago. It has now grown into an industrial zone comprising of 11 factories making motorcycle parts and assembling motorcycles.

"As Vietnam and China embrace the upcoming China-ASEAN (Association of Southeast Asian Nations) Free Trade Area (FTA) in the beginning of next year, the competitiveness of Lifan products will be further enhanced in Vietnamese market," Chen Jianyu, general manager of Lifan Vietnam told Xinhua in a recent interview.

"The FTA will facilitate the two-way trade and investment, and thus lower the operation cost of the company," said Chen.

Scheduled to take effect as of Jan. 1, 2010, the China-ASEAN FTA include China and ten Southeast Asian countries namely Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

The FTA is expected to become world third largest free trade area with a combined population of 1.9 billion and a combined gross domestic product (GDP) close to six trillion U.S. dollars.

Vietnam is a country known for living on motorcycle wheels. The country, with the population of 86 million, has 20 million motorcycles running on the streets. About 2.5 million to 2.6 million motorcycles are sold on average each year.

Chen said Vietnamese motorcycle market is dominated by Japanese brand like Honda and Yamaha. After seven years of development, Lifan has finally managed to set a foothold in the market. It produced 100,000 motorcycles and 300,000 motor engines for Vietnamese market last year.

"Lifan has its ups and downs in Vietnamese market," said Chen. "In the recent couple years, Lifan has been recognized by more and more Vietnamese customers as product quality improves. The products are now sold in over 400 shops all over Vietnam."

Tran Thi Hue is a young shop assistant working in the Lifan shop in Tay Son Street. "I could sell between six to seven motorbikes one day," said Hue. "Lifan motorcycle is fashionable and its quality is good. Some customers take family members or friends back to the shop."

Chen said the upcoming FTA could create good opportunity to introduce more kinds of products to Vietnamese market. According to Chen, Lifan has more than 100 kinds of motorcycles in China but only 19 kinds have been brought into Vietnam so far due to limited production capacity here. "At that time, Vietnamese people will enjoy more choices," said Chen.

Chen said in the coming weeks Vietnamese government is expected to issue some decisions on tariff and in other related areas to fulfill the China-ASEAN FTA commitment. He is paying a lot of attention on that.

- China's Ministry of Commerce looks to lift domestic consumption (25th December)

China's Ministry of Commerce will make efforts to increase domestic consumption, and open new markets for foreign trade in 2010, said Chen Deming, the country's commerce minister.

Chen made the remarks at a national commerce meeting held in Beijing Thursday, saying the government would continue to stimulate domestic demand, especially consumption, amid the slow and tough world economic recovery and weak overseas demand.

In 2010, the government would increase the number of products in the "home appliances to the countryside" program, increase subsidies for automobile "old-for-new" services, and establish an electronic payment network in the countryside, to stimulate consumption.

The government would support banks, and guarantee agencies to give more financial aid to commercial enterprises, especially small and medium-sized ones, said Chen.

Online consumption would be encouraged in 2010. According to Chen, the government would encourage companies to develop e-business ventures.

Chen expected China's retail sales of consumer goods in 2009 to increase more than 15 percent from last year, to 12.5 trillion yuan (1.83 trillion U.S. dollars).

Nationwide retail sales grew 15.3 percent year on year in the January-October period to 10.14 trillion yuan.

Meanwhile, the government would try to stimulate foreign trade next year, by maintaining the export tax rebates policy, and widening the export credit insurance coverage.

Relevant government departments should be mindful of exporters with regards to customs clearance, quality inspection, and foreign exchange management.

Efforts would also go to developing foreign trade through improving marketing and further tapping potential in emerging overseas markets.

"China's foreign trade volume is expected to drop 16 percent year on year to about 2.2 trillion U.S. dollars in 2009," said Chen.

The government also aims to "better use" foreign investment next year, with measuring including encouraging foreign companies to establish medical care and professional education training institutions.

Policy and financial support will be allocated to guide foreign companies to engage in the high-tech and new energy industries, and encourage them to set up headquarters, research and development centers, and purchase centers in China.

"China is expected to receive foreign investment of about 85 billion U.S. dollars in 2009, a decrease of 8 percent from the previous year," said Chen.

- China allocates \$104.8 bln for rural development (25th December)

China has earmarked 716.1 billion yuan (104.8 billion U.S. dollars) from the central budget this year for agriculture, rural areas and farmers, the Ministry of Finance said Friday in a statement.

That was 120.59 billion yuan more than that in 2008, which has helped to further stabilize the development of the agriculture and increase farmers' income, according to the statement on the ministry's website.

Farming-related subsidies including subsidies for food, agricultural material, seeds, and agricultural machinery and tools in 2009 stood at 123.08 billion yuan, up 19.4 percent year on year, the statement said.

A total of 264.22 billion yuan were allocated to improve agricultural infrastructure construction, including reinforcing the dilapidated small-sized reservoirs and purifying small-sized contaminated watersheds.

The central government also arranged 269.32 billion yuan to enhance public services in rural areas, according to the statement.

The central government vowed in this year's Central Economic Work Conference, which wrapped up on Dec. 10, to devote more efforts in 2010 to promote agriculture development, strengthen produce supply to the market, and expand rural demand.

- China to have world's second biggest power capacity (25th December)

China's electricity generation capacity will increase to 860 million kilowatts at the end of this year, the second largest after the United States, energy official said on Friday.

The nation's power grids coverage has become the world's largest with fast expansion of ultra-high voltage network. New energy such as nuclear and wind power played an increasingly important role, said Zhang Guobao, head of the National Administration of Energy.

At the end of July, China overtook the United States to have the world's largest network with a total length of 375,000 kilometers.

The nation also had 11 nuclear reactors, and approved for the construction of another 14. Some 24 are under construction, Zhang said at a national meeting held by the China Electricity Council.

The annual wind power generation has doubled for three years to 20 million kilowatts by the end of this year after eight million was added in 2009, he said.

Also at the meeting, delegates of power producers and regulators called for efforts to speed up clean energy development to promote energy saving and emission cut.

Currently, more than 70 percent of the nation's electricity is coal-fired. The government has pledged to increase the capacity of new energy to 15 percent of the total by 2020.

- Chinese equities fall (25th December)

Chinese equities declined 0.38 percent on Friday, led by losses from market heavy weights and resource-related shares, after a 2.6 percent surge on Thursday,

The benchmark Shanghai Composite Index lost 12.06 points, to close at 3,141.35 points.

The Shenzhen Component Index slid 0.12 percent, or 15.37 points, to close at 13,289.94 points.

Combined turnover dropped to 175.63 billion yuan (25.71 billion U.S. dollars), from 202.26 billion yuan the previous trading day.

"Friday's mild decline is a normal correction after yesterday's advance, but the shrink of the total turnover could be regarded as a potential risk for the last four trading days next week," said Xue Bin, an analyst from the Beijing-based Essence Securities.

Although winners outnumbered losers by 467 to 362 in Shanghai, the key index was dragged down by weak performance of the heavy weights.

China Merchants Bank, the nation's sixth largest lender, shed 1.74 percent to 16.4 yuan. China Shenhua Energy Co., the country's largest coal producer, lost 1.29 percent to 32.79 yuan. Bank of Communications, China's fifth biggest lender, fell 1.07 percent to end at 8.32 yuan.

Resource-related companies including coal, nonferrous metal, and the gold producers led the losses. Guizhou Panjiang Refined Coal Co., dropped 2.02 percent to 28.63 yuan. Guangdong Jingyi Metal Co., slumped 3.77 percent to end at 24.5 yuan.

Computer producers and telecom operators continued to gain, after the government said earlier this week that it would continue to fuel the information and telecom industry by boosting the build-out of the 3G network and the development of TD technology research over the next year.

Fujian Newland Computer Co., and the Shenzhen-based Han's Laser Technology Co., rose by the daily limit to end at 14.85 yuan and 10.03 yuan, respectively.

- China's private enterprises increase over 80% in 2004-2008 period (25th December)

China has seen an 81.4 percent rise in the number of private enterprises from 2004 to 2008, the National Bureau of Statistics (NBS) said today.

By the end of 2008, China had 3.596 million privately-owned enterprises, 1.614 million more than four years ago, NBS director Ma Jiantang told a press conference. China has just completed its second national economic census.

China had over 4.959 million business entities in 2008, 1.709 million or 52.6 percent larger than in 2004 when the first economic census was conducted, according to the census result.

The number of state-owned enterprises dropped 36,000, or 20 percent to 143,000 from 2004, said Ma.

A total of 355.07 million people were employed in the country's industrial and service sectors at the end of 2008, up 31.9 percent from 2004, the census showed.

The second national economic census started in October last year to gather basic information of all industrial and service-sector entities active in 2008.

The census is conducted every five years and the latest one aimed to help form the basis of the social and economic development blueprint for the 12th Five-Year Plan (2011-2015).

- China's 2008 GDP growth revised to 9.6% (25th December)

China has revised its gross domestic product (GDP) growth rate for 2008 to 9.6 percent from 9 percent, the National Bureau of Statistics (NBS) said Friday.

That raised GDP for 2008 to 31.4045 trillion yuan from the previous figure of 30.067 trillion yuan, NBS director Ma Jiantang told a press conference.

The National Bureau of Statistics of China revises the 2008 GDP data

According to the accounting system of China and the results from the Second National Economic Census, the National Bureau of Statistics of China has revised the preliminary estimates of 2008 GDP.

The total 2008 GDP **314045** billion yuan



Xinhua/Lu Zhe

Graphics shows revised GDP data of China in 2008, according to figures released on Dec. 25, 2009 by the country's National Bureau of Statistics.

The new figure amounted to about 4.59 trillion U.S. dollars, at the exchange rate on Dec. 31 of 2008.

The revised volume for the agriculture sector was 3.3702 trillion yuan, accounting for 10.7 percent of GDP, down from 3.4 trillion yuan.

The figure for the industrial sector was put at 14.9003 trillion yuan, accounting for 47.5 percent of GDP, larger than the earlier figure of 14.6183 trillion yuan.

The service sector figure was 13.1340 trillion yuan, accounting for 41.8 percent of GDP. It was up from 12.0487 trillion yuan.

The GDP growth for 2009 would be calculated based on the revised GDP volume but would have little impact on the GDP expansion estimates, Peng Zhilong, head of department of national accounts of the NBS, said.

The revision came at a time when China's economy is on the track to hit 8 percent growth in 2009, fueled by the government's 4-trillion-yuan stimulus package unveiled November 2008 to help the economy weather the affects of the global economic downturn.

China recalculated its GDP growth for 2007 earlier this year to 13 percent from the previous 11.9 percent, thus overtaking Germany to become the world's third largest economy.

The latest revision was released after China finished its second national economic census, which started in October last year to gather basic information of all industrial and service-sector entities operating in 2008.

The census is conducted every five years and the latest one aimed at helping form the basis of the social and economic development blueprint for the 12th Five-Year Plan (2011-2015).

- Chinese think tank predicts global economy will grow by 2%-3% next year (25th December)

The global economy is expected to grow by 2 to 3 percent next year, according to the Yellow Book of Global Economy for 2010 released Thursday by the Chinese Academy of Social Sciences (CASS), China's top think tank.

2009 will be the first year for the global economy to experience negative growth since the World War II, the Yellow Book said.

The global financial crisis, in the main, has been contained so far, and most economies affected by the crisis have shown signs of recovery, but it is still too early to draw the conclusion that the world has got rid of economic downturn, it said.

The global financial market is still sensitive and unstable, while the U.S. currency is expected to continually depreciate for a long time, it said.

Multinational corporations are upbeat about the environment of foreign direct investments in 2010, the Yellow Book said, adding that China and other rising economies in Asia will be most attractive for international capital flows.

- Chinese people cool-headed as China poised to be the world's 2nd largest economy (26th December)

China revised its 2008 gross domestic product (GDP) to 4.52 trillion U.S. dollars at the average exchange rate of 2008, narrowing the gap with Japan, the world's second largest economy with a GDP of 4.9 trillion U.S. dollars for the same year.

The revision resulted from China's second economic census which raised the country's 2008 economic growth rate to 9.6 percent from 9 percent.

Given an estimate of more than 8 percent growth rate for China in 2009, accompanied by Japan's shrinking economy amid the global economic downturn, the country, currently the world's third largest economy, was poised to overtake Japan as the second largest.

"It is only a matter of time before China's total economic volume surpass that of Japan given China's robust growth," said Xu Lianzhong, a researcher with the National Development and Reform Commission.

However, Xu said the new figures coupled with the prospect of catching up with Japan in terms of total economic volume next year should serve as no cause for self-complacency.

"It is not so important to compare the total GDP with that of the Japan or other developed nations," said Zuo Xiaolei, chief economist with the Galaxy Securities.

"What matters more is the per capita figure, and in the case of China, the total figure has to be divided by 1.3 billion," said Xu.

In 2008, China's per capita GDP was 3,200 U.S. dollars, less than a third of the world's average or a tenth of Japan's 38,000 U.S. dollars, according to the World Bank's estimates.

Eclipsing Japan in total economic volume wouldn't change the fact of China being a developing country, not least because China lagged far behind the developed nations in many areas, said Zuo

"There are still wide gaps between China and the developed countries in per capita GDP, the quality of economic development, and science and technological levels," said Xu.

Zuo said China should place more emphasis on lifting the quality of economic development and solving structural problems in the economy.

These cool-headed interpretations were echoed by ordinary people in Beijing.

Zhang Ning, a civil servant at the Beijing Municipal Government, said, "the total amount may be pleasing to the ear, and I feel proud of China becoming more economically advanced, but you had to divide that by a huge denominator."

"We should not be misled by the absolute figures and the ranking. China still has a lot of work to do in improving the people's living standards and building a better social security system," said Gao Shan, a college student in China's Foreign Affairs University in Beijing.

China currently has 150 million people living in poverty and is faced with daunting challenges in poverty alleviation, according to the National Development and Reform Commission.

A report released by the Chinese Academy of Social Sciences Thursday ranked China the 7th in the world in overall strength. The relatively low ranking came as no surprise to most Chinese people.

"China has a long way to go before its education, science and technology could match with developed countries," said a netizen by the name Guxin at the online forum of www.sina.com.cn, a leading Chinese portal website.

China was also burdened with the daunting task of cutting greenhouse gas emissions per unit of GDP by 40 to 45 percent by 2020 from the 2005 level, and the marginal cost was set to rise in the future, said Zou Ji, a professor with Renmin University of China.

- Private sector plays greater role in China's economy (26th December)

The weight of private enterprises in the overall economy is on the rise and that of State-owned enterprises (SOEs) on the decline, Ma Jiantang, minister of the National Bureau of Statistics, said on Friday.

The number of private firms rose by 81.4 percent from 2004 to 2008 to reach 3.6 million and SOEs dropped by 20 percent to 143,000, Ma said at a press conference where China's second economic census results were released.

China has made great efforts over the past 30 years to restructure its economy. It has gradually raised the proportion of private enterprises after the market-oriented reform began in the early 1980s. As a result, the private sector has contributed an ever-growing value to the country's GDP and provided most of the jobs.

But in recent years, some major acquisitions have seen SOEs buying into private companies, sparking concern that the State may be strengthening its control over the private sector.

Ma said the census figures do not suggest SOEs are buying into private enterprises.

In terms of asset value, SOEs saw their proportion in the nation's total drop by 8.1 percentage points from 2004 to 2008 to 23 percent. In contrast, private enterprises' assets rose by 3.3 percentage points to 12.3 percent.

- Wuhan Iron and Steel to expand output by 24% next year (26th December)

Wuhan Iron and Steel Group (Wugang), China's third-largest steel maker, plans to increase production by 24 percent next year as demand recovers amid the reviving economy, China Daily reported Saturday citing the company's statement.

Wugang expected to produce 37.9 million tonnes of crude steel next year, up from a forecasted 30.5 million tonnes this year, and it raised revenue expectation by 11 percent to 150 billion yuan (22 billion U.S. dollars) in 2010, according to the statement.

China's 4-trillion yuan stimulus package has helped domestic steel makers return to profit in May after seven straight months of losses because of the global economic crisis.

Steel consumption might rise by 10 percent next year due to a stronger demand boosted by a 28-percent-increase in assets investment in 2010, Yu Liangui, a senior analyst from Mysteel, was quoted as saying.

"The government's plan to restrict entry for small steel makers gives ample room for large steel mills to expand production," according to Yu.

The Ministry of Industry and Information Technology earlier this month said it would be mandatory for steel mills to have at least 1 million tonnes of capacity, a move that could squeeze small steel mills out of the market and speed up the pace of industry consolidation.

Social front

- China allocates 2 bln yuan for education for migrant farmer (21st December)
China's Ministry of Finance announced Monday that it has allocated 2 billion yuan (293 million U.S. dollars) for urban schools that admit children of migrant farmer workers.

The move aimed for better education for these children, the ministry said.

The ministry urged local authorities to focus on urban schools that admit more such children and with inadequate facilities when arranging funds.

It also ordered tight supervision over the use of the money.

As a large number of rural migrants flocked to cities, China had about 20 million children of migrant workers living in cities, according to the Children's Foundation of China.

However, these children often face problems to get education after they move to cities with their parents.

The central government revised in 2006 the Compulsory Education Law and reiterated the obligation of city governments to provide education to migrant children.

- Conferences call for online copyright protection (21st December)
China is calling for a joint effort by the government, copyright industry and private enterprises to fight media piracy.

Government officials, NGO representatives, Internet operators and experts from both China and the U.S. attended a forum on Sino-U.S. Internet copyright protection Friday in Beijing, raising possible measures regarding the healthy development of the Internet.

Last month, Chinese authors took search engine Google to court after their works were scanned into its digital library without permission.

Maureen B. Collins, an assistant professor at the John Marshall Law School, said the biggest problem with Google and its efforts to digitalize books was that it ignored copyright laws and regulations.

Both China and the U.S. held an attitude of cooperation and signed a memorandum of understanding on copyright last year, said Ke Heng, a senior consultant from the Jones Day Beijing Representative Office.

Kou Xiaowei, deputy director of the science and digital publishing division at the State Copyright Administration, suggested enacting a regulation on the legal use of digital copyright, aside from the current Copyright Law and Regulations for the Protection of the Right of Communication through Information Network.

Zhang Hongbo, deputy director-general of China Written Works Copyright Society, said, "The current regulations can't meet the development of modern information technology and the copyright industry."

A new platform for online copyright trading was urged.

It is necessary to establish a digital copyright trading platform to contain information about copyright owners, authentication and trade negotiations, Kou said.

"We used to set up copyright agents, but it turned out not as good as we thought," Kou said. "I think we can mobilize social forces to develop a suitable business model."

Friday's forum was one of an increasing number of conferences and forums about on-line copyright held in China.

Wang Yefei, deputy director-general of the National Copyright Administration, said earlier that the government is keen on holding conferences on copyrights, not because the situation in China is more serious, but because solving the problem has hit many roadblocks.

More than 300 illegal websites have been shut down since August, said Wang Ziqiang, an official with the National Copyright Administration.

- China to raise pension from 2010 (23rd December)

China's State Council, or cabinet, announced Tuesday to raise pension for enterprise retirees nationwide from 2010, and allow employees to transfer their pension accounts when they move across provinces.

The State Council decided, at an executive meeting presided over by Premier Wen Jiabao, to raise the pension by about 10 percent from the 2009 level, or 120 yuan (17.57 U.S. dollars) a month per person, starting January 1, 2010.

It is the fifth consecutive year that China has raised the basic pension payments for enterprises retirees since 2005.

The state Council also said that migrant workers and urban workers would be able to transfer their pension accounts when they find new jobs in other provinces.

The new rule for transferring pension accounts across provinces will take effect as of January 1, 2010.

- China considers establishing state social security fund (23rd December)

China will establish a state social security fund as a "strategic reserve," according to the country's first-ever draft law on social insurance submitted to the ongoing session of China's top legislature for its third reading.

The state security fund will be financed by the central government budget and other funds granted by the State Council, or China's cabinet, and should be used as a supplement for social security expenditure, the draft law said.

The fund should make public its income and expenses, management processes and investment, it said.

The draft law, revised after its second reading last December to take into account public submissions, specified a common right for all citizens to pay premiums and enjoy old-age pensions and insurance for medical care, work injuries, unemployment and childbirth.

More than 70,000 submissions have been received since the draft law was open to public comment a year ago, according to the National People's Congress (NPC) Standing Committee.

The revised draft law also highlighted individuals and employment units that pay social insurance fees according to the law should have the right to inquire about their payment records.

China has established several policies concerning social welfare since 1984. As of 2008, about 219 million people have pensions and about 317 million have basic medical insurance. An additional 124 million have unemployment insurance, 138 million have work injury insurance and 91 million have childbirth insurance.

- China's five sites listed UNESCO World Heritage (23rd December)

The World Heritage certificates conferring ceremony is held in Beijing, capital of China, on Dec. 23, 2009. Representatives of the five sites in China that have been inscribed on the UNESCO World Heritage List, which is Mount Wutai, the unique residential architecture of Fujian Province calling Tulou, Sanqing Mountain, the Diaolou (watchtower house) of Kaiping and South China Karst, are conferred with certificates by UNESCO's World Heritage Committee here on Wednesday.

- Chinese state councilor pledges int'l exchanges in heritage protection (24th December)

Chinese State Councilor Liu Yandong Wednesday said China will broaden international exchanges and learn from other countries in heritage protection.

"China will strengthen cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and other international organizations," Liu said at a ceremony held here Wednesday marking the 30th founding anniversary of China's National Commission for UNESCO.

"The Chinese government will keep carrying out international conventions and actively explore scientific laws and effective methods in heritage protection," Liu said.

China will stick to the principle of "preservation first" and avoid over-exploitation and destructive construction, Liu said.

China is a country with rich cultural and natural heritage. So far, a total of 38 heritage sites in the country have been included in the World Heritage List, and 29 kinds of non-material cultural heritage have been included in the Masterpieces of the Oral and Intangible Heritage of Humanity.

- Chinese courts pledge public, media access to trials, law enforcement (24th December)

China's Supreme People's Court (SPC) on Wednesday published two regulations, pledging to improve media supervision and public access to the courts' case filing, trial, hearing and law enforcement process, as well as to the verdict documents and court affairs.

The two regulations were aimed to improve judicial democracy, ensure judicial justice, and protect the legitimate rights of the litigants and defendants involved, said Sun Jungong, spokesman of the SPC, during a press conference.

According to the regulations, people involved in lawsuits would have access to all relevant information when filing a lawsuit, and would be kept informed of important information during the law enforcement process.

In open-trial cases, the public and journalists could attend the trials after safety checks.

The courts' verdict documents would be published online if they did not include state secrets, teenage criminal records, personal privacy or other contents inappropriate for publication, while the courts' affairs would also be made public.

Meanwhile, the regulations said journalists might face criminal charges if they disclose state or business secrets, impair national and social interests, distort facts when covering on-going trials, violate the reputation rights of judges or people involved in lawsuits, or conduct any other activities that may harm judicial justice.

- Computers monitored in Chinese Internet cafes for crackdown on illegal online games (25th December)

China has put more than 4.65 million computers in over 81,000 Internet cafes across the country under watch to crack down on illegal online games, according to Minister of Culture Cai Wu.

In an interview with Xinhua, Cai said the ministry has closed 219 illegal Internet games with lewd, pornographic and violent contents, and has blocked the access to illegal games and relevant websites for more than 87 million times since the beginning of this year.

China launched a series of nationwide campaigns to crack down on the spread of lewd and pornographic contents through the Internet and mobile phones in 2009.

In the latest development, the Ministry of Public Security said on Thursday that the ministry has closed down more than 2,300 WAP websites accessible by mobile phones, and arrested 34 people for running those websites.

Cai said the culture ministry would set up laws and regulations on Internet games in order to strengthen administration in the sector, and would improve censorship of the games in the future.

- China cracks down on more than 3,000 pyramid sales gangs (25th December)

China's Ministry of Public Security announced Friday it has cracked down on more than 3,000 gangs involved in pyramid sales schemes in a one hundred day campaign ending Oct. 20.

The ministry cracked more than 2,200 pyramid sales cases, which involved a total amount of 7.1 billion yuan (1.04 billion U.S. dollars), it said in a statement.

The ministry froze or retrieved more than 1.3 billion yuan and destroyed more than 20,000 pyramid sales dens. More than 2,000 key members involved in the pyramid sales schemes were handed over to prosecutors.

More than 1,700 cases, or more than 70 percent of the total, were cracked in the Guangxi Zhuang Autonomous Region and provinces of Hebei, Henan, Shandong, Jiangsu, Jiangxi, Hubei, Hunan and Guangdong, according to the ministry.

- World's fastest rail journey starts operation (26th December)

The Wuhan-Guangzhou high-speed railway with the world's fastest train journey at a 350-km-per-hour designed speed, started operation Saturday.

Two passenger trains rolled out the Wuhan Railway Station and Guangzhou North Railway Station at about 9 a.m. and reached the terminals within three hours, compared with the previous 10 and a half hours.

The service between Wuhan, a metropolis in central China, and Guangzhou City, a business hub in the southern Guangdong Province, was put into trial operation on Dec. 9, reaching a maximum speed of 394.2 km per hour.

A 600-member delegation from Xianning City boarded the train at 10 a.m. at Xianning North Station to promote tourism and attract investment in Guangzhou. Nearly two hours later, they had to take off winter coats on arrival of Guangzhou where the temperature was about 20 degrees Celsius at noon.

"We have long been waiting for the service to start," said Zheng Zengjin, manager of Yaochi Hotel of Xianning and a delegation member. "Previously, we had to suffer the tired and crowded journey as the train ride took more than 10 hours."

"It is really good news for us to have so comfortable and fast ride," he said. "As the travel becomes more frequent, we expect closer cooperation between the Pearl River delta and less developed regions such as Xianning."

In 2004, China hailed the completion of the rail line from Guangzhou to Shenzhen, both in Guangdong Province, with a speed of 160 km per hour. Now the speed more than doubled within five years, said Xu Fangliang, general engineer in charge of designing the Wuhan-Guangzhou high-speed line.

The average speed of the high-speed railways is 243 km per hour in Japan, 232 km per hour in Germany and 277 km per hour in France, he said.

Ethnic issues

- Chinese vice premier stresses ethnic unity (21st December)

Chinese Vice Premier Hui Liangyu on Monday stressed that ethnic work was key to China's stability and the happiness of people of all ethnic groups, and urged authorities to further strengthen ethnic unity and harmony in the country.

Hui made the remarks during a meeting of the State Ethnic Affairs Commission.

The Vice Premier noted that China was currently witnessing harmonious ethnic relations and huge progress in its ethnic unity undertaking, and had achieved obvious development in its ethnic regions.

The facts had proven China's ethnic policies were right and successful, and that they should be further adhered to in the future, Hui said.

Development was at the core of China's ethnic work, he said, adding that authorities should focus on improving local infrastructure and people's livelihoods in ethnic regions, and should encourage the regions to explore their own ways toward development.

He also urged authorities to carry out education campaigns on ethnic unity.

Environmental front

- Chinese premier's attendance at Copenhagen summit sends hope, confidence to world (20th December)

Chinese Premier Wen Jiabao brought hope and confidence to the world in its fight against climate change by attending the summit of the UN Climate Change Conference in Copenhagen, Foreign Minister Yang Jiechi said Saturday. Yang, who had accompanied Wen during his visit on Thursday and Friday, said climate change profoundly affected mankind's existence and development, imposed a critical challenge to the world, and should be tackled by all countries jointly.

The Copenhagen conference was an important opportunity to boost international cooperation in combating climate change, Yang said.

Under the joint efforts of all parties, the conference yielded significant and positive fruits in three aspects, he said.

First, it firmly upheld the principle of "common but differentiated responsibilities" set by the UN Framework Convention on Climate Change and the Kyoto Protocol.

Second, it made a solid step forward in promoting developed countries' binding emissions cuts and developing countries' voluntary mitigation actions.

Third, it produced important consensus on the key issues of long-term global emissions cut targets, funding and technology support to developing countries, and transparency.

Yang said Premier Wen's attendance at the summit showed the Chinese government took a highly responsible attitude toward the Chinese people, all peoples in the world and mankind's future.

Over the last two days, Wen delivered an important speech to the summit, kept close contact with many parties, communicated and coordinated with them, overcame various difficulties, and guided action according to situation. He adopted a principled but flexible attitude, broke his back to move the climate talks forward on the right track, and played a pivotal role in the climate talks.

Wen's attendance contributed to the global fight against climate change mainly in three fields, Yang said.

FIRST, ABIDING BY PRINCIPLES, MAINTAINING A FOUNDATION FOR COOPERATION

Yang said developing and developed countries were very different in their historical emissions responsibilities and current emissions levels, and in their basic national characteristics and development stages, therefore they should shoulder different responsibilities and obligations in fighting climate change.

According to Yang, Wen told the conference the international community must adhere to the following four principles to combat climate change.

First, maintaining the consistency of outcomes:

The outcome of this conference must stick to rather than obscure the basic principles enshrined in the Convention and the Protocol. It must follow rather than deviate from the mandate of the "Bali Roadmap." It should lock up rather than deny the consensus and progress already achieved in the negotiations.

Second, upholding the fairness of rules:

The principle of "common but differentiated responsibilities" represents the core and bedrock of international cooperation on climate change and it must never be compromised. Developed countries must take the lead in making deep quantified emission cuts and provide financial and technological support to developing countries. Developing countries should, with the financial and technological support of developed countries, do what they can to mitigate greenhouse gas emissions and adapt to climate change in the light of their national conditions.

Third, paying attention to the practicality of the targets:

In tackling climate change, the world needed to take a long-term perspective, but more importantly, focus on the present. It was important to focus on achieving near-term and mid-term reduction targets, honoring the commitments already made and taking real action. One action was more useful than a dozen programs. The conference should give people hope by taking credible actions.

Fourth, ensuring the effectiveness of institutions and mechanisms:

The international community should make concrete and effective institutional arrangements under the Convention to have developed countries honor their commitments, provide sustained and sufficient financial support to developing countries, speed up the transfer of climate-friendly technologies and effectively help developing countries strengthen their capacity in combating climate change.

Yang said Wen's propositions reflected developing countries' common stance. The propositions were reasonable and lawful, based on the present and faced the future, addressed all parties' interests, pointed out the direction for the climate conference when it was at the crossroads, effectively kept and boosted the talks, and won wide support and praise.

- China and Britain in Testy Exchange Over Climate Pact (22nd December)

Chinese officials, stung by criticism in the West that [China](#) had sabotaged a legally binding agreement for reducing greenhouse gases during talks in Copenhagen, fired back on Tuesday, saying that wealthy nations were seeking to sow discord among developing countries in a cynical attempt to avoid reducing their own emissions.

In comments made to the state-run media, a foreign ministry spokesman took umbrage at the assertions made by Ed Miliband, the British secretary of state for energy and [climate change](#), who said that Beijing had thwarted the passage of an iron-clad agreement last week.

Mr. Miliband, in a piece published Sunday in [The Guardian newspaper](#), accused China of scuttling a proposal that would have reduced global emissions by 50 percent by 2050 with developed countries pledging to reduce climate-warming pollution by 80 percent over the same period. “The last two weeks at times have presented a farcical picture to the public,” he wrote. “We cannot again allow negotiations on real points of substance to be hijacked in this way.”

Although she did not identify Mr. Miliband by name, the [foreign ministry spokesman, Jiang Yu](#), said “an individual British politician” was seeking to avoid the obligations of developed nations by sowing discord among poorer countries. The attempt, she said, was doomed to fail.

“We urge them to correct mistakes, fulfill their obligations to developing countries in an earnest way, and stay away from activities that hinder the international community,” the spokesman said.

In contrast to many Europeans, who were unhappy with the deal struck last weekend, Chinese leaders have been pleased by the outcome, which allowed them to walk away with their initial proposal — a 45 percent target for cutting the intensity of carbon emissions by 2020 — almost entirely intact.

Although environmental groups have expressed some disappointment, they have largely cast the talks as a critical step forward, citing an American pledge to raise \$100 billion for poor nations coping with the impacts of climate change and China’s concession to allow verification of its carbon emissions.

Alex L. Wang, director of the China environmental law project at the [Natural Resources Defense Council](#), said the focus on a legally binding agreement obscured much of the progress made in Copenhagen. He said the coming months will be critical as details of the accord are negotiated and lawmakers in the United States grapple with climate-change legislation. “This is not a perfect deal but at least it moves the ball forward in important ways,” he said.

- China played 'constructive' role, Wen says (22nd December)

China played an "important and constructive" role in sealing the last-minute Copenhagen Accord, Premier Wen Jiabao said yesterday, even as he urged the international community to treasure the summit's hard-won outcome.

Observers tracking the progress of the climate change talks agreed with Wen's assessment, saying China was making persistent efforts to cut emissions of greenhouse gases. They also criticized the Western media for being unaware of the progress the country was making in this direction.

Amid Western media reports that the country had wrecked a binding deal at Copenhagen, Premier Wen told Xinhua News Agency in an interview after his return from the conference that China had worked closely with other countries during the 13-day climate change negotiations.

"The communication process was open, transparent and highly efficient, which played a very important role in securing the outcome," Wen said. "China always does that with the utmost sincerity and effort."

Ever since Nov 26, when China pledged to cut carbon intensity by 40-45 percent (from 2005 levels) before 2020, Wen has been involved in intensive diplomatic efforts, including wide-ranging telephone talks with world leaders, to move forward the Copenhagen agenda.

He also met up with key heads of state from rich countries, the developing bloc, island nations, and from Africa after arriving in Copenhagen.

Without such efforts, the observers pointed out, even such an accord would not have been possible given the vastly different positions of the developed and developing nations.

The world could hardly afford a "no-deal" scenario, what with 119 global leaders attending the talks during the final stages, they said.

"In this respect, China has played a very constructive role in helping to secure a deal, whether it was binding or not," Dennis Pamlin, a Sweden-based climate change advisor and visiting scholar at the Chinese Academy of Social Sciences, said.

Alex Wang, director of the China Environmental Law Project of the US-based Natural Resources Defense Council, said China had made two important contributions to the Copenhagen Accord.

The first related to its voluntary announcement of the emission reduction target just before the Copenhagen summit, and the second, in agreeing to move towards greater transparency and "international consultations and analysis."

"The latter set the stage for a clearer global understanding of how countries were reducing greenhouse gas emissions, although the details need to be worked out in a way that promotes transparency," said Wang.

Wen, who was the first speaker at the leaders' summit last Friday in Copenhagen, said China's 40-45 percent carbon intensity reduction commitment was unconditional and voluntary, and that the country would try its utmost to meet, or even exceed, the target.

Many rich nations, however, had pledged to do more only if China committed to a higher emission reduction target, the premier said.

During a one-hour telephone conversation before heading to Copenhagen, British Prime Minister Gordon Brown raised such a request four times. If China were to agree then Brown said he would persuade the US and EU to commit to a deeper cut, Wen said.

The premier, however, refused, saying China was still a developing country with 150 million people still living below the poverty line.

In a separate development, Ed Miliband, UK's climate change secretary, in an article published in the Guardian yesterday, accused China of trying to hijack the Copenhagen summit and "holding the world to ransom" to prevent a deal being reached.

Pamlin refuted the allegation, saying any likely flaw in the current Accord was mainly the fault of Western nations as they had not taken adequate responsibility in the run-up to the summit.

"The last hours of the negotiations have been discussed too much, but the final result must be seen as part of the whole process," Pamlin said. "From that perspective, China has played a constructive role, and the domestic actions to reduce greenhouse gas emissions have been very important to demonstrate that China is serious."

For Copenhagen, Premier Wen had prepared a speech filled with concrete examples of what China was doing, Pamlin said. The world must remember that China was still a developing country and that it had played a constructive role even at previous climate change talks at Rio and Kyoto.

"This is in contrast to the Americans who have obstructed or even left the negotiations as in the case of Kyoto," he said.

Alleging that China was trying to "hijack" the negotiation was an obvious misunderstanding of the issue or perversion of the truth, said He Jiankun, vice-president of the National Expert Panel on Combating Climate Change.

He said the Copenhagen Accord was a result of concessions from all sides.

"You can't say China was hijacking the negotiations just because it disagreed with certain points; China has also made several concessions," He, who was in Copenhagen as an advisor to Chinese negotiators, said.

Pamlin said US President Barack Obama may have energized the talks, but that his speech lacked concrete action points.

The US president even attacked China's position - something that was unnecessary and inappropriate for a leader of Obama's stature.

"The Western media and politicians put the blame on China. To me this sounds strange as China has invested in concrete actions," Pamlin said.

- Developing nations' diplomats hail China's efforts in Copenhagen talks (22nd December)

Diplomats from developing countries on Sunday hailed China's efforts in tackling climate change and pushing the Copenhagen climate talks to bear fruit.

China played an important leading role in the Copenhagen conference, Nolana Ta Ama, dean of the Diplomatic Corps and Togo's ambassador to China, said on Sunday at a new year reception held by the Chinese Foreign Ministry for foreign diplomats and officials of international organizations.

Applauding China's positive contribution to the conference, he said its efforts fully proved that China was a responsible big country.

He said he was impressed by China's strong commitments on greenhouse gas emissions cut.

Diplomats agreed that the two week-long Copenhagen meeting, which concluded Saturday in the Danish capital after producing a non-legally binding document on climate change, was successful as a whole.

China maintained close coordination with all parties during the conference, they said, noting that it not only abided by principles but also showed flexibility.

Speaking out from a sense of justice for developing nations, China firmly safeguarded the principle of "common but differentiated responsibilities" and effectively defended the development rights of developing nations, the diplomats said.

They also spoke highly of China's efforts to build a resource efficient and environment-friendly society, saying that it made remarkable achievements in energy-saving and emission reduction.

China had set a good example for the international community in coping with climate change and promoting sustainable development, they noted.

- Copenhagen Accord a step of "important significance" on climate change: China's top meteorologist (23rd December)

China's top meteorologist said on Tuesday that the Copenhagen Accord, a non-legally binding document adopted after a two week-long climate change conference in Denmark, can be seen as an important and significant step forward.

"The results achieved at the conference are not destination, but a new starting point," said Zheng Guoguang, head of the China Meteorological Administration, in an interview with Xinhua.

The accord upheld the dual-track mechanism of the UN Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol as well as the principle of "common but differentiated responsibilities", which reflects the consensus reached by all parties since the Bali Road Map negotiations started, said Zheng.

Developed countries agreed in the accord to offer 100 billion U.S. dollars annually by 2020 to help with their developing counterparts' efforts in tackling climate change. The accord also set a target of limiting global warming to a maximum 2 degrees Celsius over pre-industrial times.

"Although there is a certain gap between the pledges made by developed countries and the fund demand of developing countries, it after all has put forward a quantitative and predictable target," said Zheng.

Zheng said developed countries should face up and assume their responsibilities and take a lead in emissions cut and provide financial and technological support to developing countries.

"This is the legal obligation they must fulfill and moral responsibilities they can not shirk," said Zheng.

He said developing countries would mitigate greenhouse gas emissions with the support of fund and technology from developed countries in accordance with their own national situations.

China, as a responsible developing country, will unswervingly follow the path of sustainable development, said Zheng.

The Chinese government has set the target for mitigating greenhouse gas emissions. This is a voluntary action China has taken in the light of its national circumstances, said Zheng.

"The action, with no strings attached, is not linked up with the emissions cut targets of any other country," said Zheng.

In an interview with Xinhua on Monday, Premier Wen Jiabao said that China would like to work with other countries, with the Copenhagen talks as a new beginning, to honor commitments, cooperate more closely and conclude the "Bali Road Map" negotiations at an early date.

- Norwegian researcher: Criticizing China over Copenhagen meeting unfair (23rd December)

It was unfair to accuse China of "hijacking" the negotiating process at the Copenhagen climate change conference, says the director of Norway's Climate Research Center.

Knut Alfsen told the daily Dagsavisen for a story Tuesday that China did not deserve criticism over the outcome of the conference, which concluded on Dec. 19 with a nonbonding document known as the "Copenhagen Accord."

Ed Miliband, the British energy and climate change secretary, said in a Dec. 20 article in The Guardian newspaper that China tried to "hijack" the Copenhagen conference.

Alfsen said the accusation by Miliband was "unfair" as China is "miles ahead of" the United States in dealing with global climate change.

China's target for mitigating emissions was an "ambitious" one. Alfsen said. He said China is in the process of improving its society while bringing its emissions under control. Because of that, he said, it was wrong to point fingers at China.

Norwegian Environment and International Development Minister Erik Solheim shared the same view with Alfsen in an interview with the state television NRK.

Solheim said China should not be blamed for whatever happened during the Copenhagen meeting.

Dismissing Miliband's remarks as politically motivated, Foreign Ministry spokesperson Jiang Yu said Tuesday that China has made arduous efforts to advance progress at the Copenhagen conference and adopted a series of measures and policies in dealing with climate change.

China was second to none in terms of its attitude, intensity of actions and the achievements in addressing the climate change issue, Jiang said.

He added that China's voluntary emissions cut target had no strings attached and was not linked with the targets of any other country.

Some developed countries that have failed to fulfill their obligations should reflect on their own conduct, Jiang said.

- Top Chinese political advisor meets representatives of forest protection campaign (23rd December)

Jia Qinglin, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with representatives of a national forest protection campaign here on Wednesday.

Wang Gang, vice chairman of CPPCC National Committee, said at a conference on the campaign that more efforts should be made to mobilize people from all social sectors to support the development of forestry.

Efforts should also be made to tackle climate change, promote the building of ecological protective screen and publicize reforms in forestland tenure, he said.

- India, China protect interests of developing nations at Copenhagen summit: Indian FM (25th December)

Asserting that India and China have protected the interests of the developing world at Copenhagen climate conference, Indian Minister of External Affairs S.M. Krishna has expressed his wish developing countries will have to evolve a post-Copenhagen strategy.

In a brief meeting with the press here Wednesday night, Krishna noted that India and China had worked closely and effectively together at Copenhagen, thereby safeguarding the interests of developing countries.

He stressed that the developing world, including India and China, needs to evaluate the results of the Copenhagen Conference and then decide on a strategy for the post-Copenhagen process.

Pushing for greater people-to-people contacts, the Indian minister has also expressed optimism about the future of its relationship with China and underlined close cultural ties between the two countries.

"Talking about our overall bilateral relationship, I am very happy to see the tremendous progress being made," said Krishna.

He was inaugurating an exhibition of Chinese paintings and calligraphy in India, an event that is being held as a precursor to a series of cultural activities that will mark the 60th year of the establishment of diplomatic relations between India and China next year.

"I am very optimistic about the future of our relationship and we should continue to work to further enhance cooperation in all fields and strengthen our strategic and cooperative partnership," Krishna said.

- China plays key role making Copenhagen talks successful (25th December)

Undeniable facts showed China, by demonstrating sincerity, confidence and determination, has exerted maximum efforts to move forward the Copenhagen climate change negotiations with an eye on striking a widely accepted accord.

SINCERITY

Before arriving in Copenhagen on Dec. 16, Chinese Premier Wen Jiabao had held telephone talks on climate change issues with leaders of India, Brazil, South Africa, Ethiopia, Denmark, Germany, Britain and the UN secretary-general.

During the Copenhagen conference, Wen carried out shuttle diplomacy and requested host country Denmark's Prime Minister Lars Lokke Rasmussen and UN chief Ban Ki-moon to uphold fairness. For several times Wen attended the gatherings of leaders of the BASIC countries, which include China, India, South Africa and Brazil.

He also met U.S. President Barack Obama, German Chancellor Angela Merkel, Japanese Prime Minister Yukio Hatoyama and British Prime Minister Gordon Brown on climate change, and expressed his understanding of the particular concerns of small island countries, and the under-developed and African countries on the climate issue.

China, at the conference, also made some concessions to show its sincerity and the spirit of cooperation. For example, China backed off and conceded the target of limiting global warming to a maximum 2 degrees Celsius over pre-industrial times be written into the Copenhagen Accord.

Moreover, China has not only helped developing countries gain as much fund as possible from developed countries to fight climate change, but provided aid within its capacity to developing countries.

CONFIDENCE

China's confidence was highlighted in its adherence to its substantial principles on climate change.

First, China stuck to the dual-track mechanism of the UN Framework Convention on Climate Change and the Kyoto Protocol on the principle of "common but differentiated responsibilities."

Second, China turned down some developed countries' demands to link China's voluntary mitigation actions with developed countries' compulsory emissions reduction targets. Premier Wen said the Chinese commitments are "nonnegotiable and unconditional."

Third, China refused to set a fixed year for peak emissions, as it would more or less hinder the development of developing countries, which are still faced with the priority tasks of economic development and poverty reduction. China believed it was unhelpful to prescribe such a year, as different countries had different characteristics and were at different development stages, and developing countries may face more uncertainties in their future development.

DETERMINATION

China has voluntarily carried out a variety of mitigation actions, although there are no compulsory emissions cut demands for developing countries according to international accords.

China was the first developing country to adopt and implement the National Climate Change Program.

The inefficient production capacity that China eliminated stood at 60.59 million tons of iron, 43.47 million tons of steel, 140 million tons of cement and 64.45 million tons of coke.

By the end of the first half of this year, China's energy consumption per unit of the GDP had dropped 13 percent from the 2005 level, equivalent to reducing 800 million tons of carbon dioxide.

China has set the new target of cutting carbon dioxide emissions per unit of the GDP by 40 percent to 45 percent by 2020 from the 2005 level.

During his address to the Copenhagen meeting, Premier Wen said, "We will honor our word with real action. Whatever outcome this conference may produce, we will be fully committed to achieving and even exceeding the target."

These actions and commitments fully display China's determination to combat climate change.

Regional report

North

Politics

Social front

- Beijing hikes water price to ease shortage (21st December)

Beijing will raise water price by 8 percent starting Tuesday to encourage saving in the Chinese capital, local authorities said Monday.

The price of water for residential use will be hiked by 0.3 yuan to 4 yuan (0.6 U.S. dollars) per cubic meter, the municipal development and reform commission said.

The hike includes 0.16 yuan increase in water resources fee and 0.14 yuan rise in sewage treatment charge, it said.

The price rise came days after 22 out of 25 representatives voted for a government-proposed water price hike by 0.9 yuan, or 24.3 percent, in three years at a public hearing.

Most of the 22 representatives said authorities should take into consideration the impact on residents and raise the price gradually over three years.

The hike aims to "boost water-use efficiency, increase sewage water use, and encourage water-saving", the agency said in a statement.

The commission also stated the government is working on a pilot "tier pricing system", in which the price increases with each higher level of consumption.

Beijing will pilot the tier pricing system in some residential communities in 2010, it said.

The city last raised the price of water for residential use by 0.8 yuan to 3.7 yuan in August 2004.

Beijing, a city of 17 million, has been plagued by droughts for nine consecutive years in the past decade.

Government data shows per capita water availability is only 300cubic meters, far below the internationally recognized warning level of 1,000 cubic meters.

Over the past five years, Beijing has invested more than 4 billion yuan in water conservation and water supply projects.

Last month, the city raised the price of water for non-residential use by up to 48.6 percent.

Other Chinese cities are also planning or have agreed to raise water prices, including Shanghai, Tianjin, Shenyang, Guangzhou, Nanjing and Chongqing.

- Hanoi, Beijing youth leagues sign MOU for cooperation (22nd December)

The communist youth leagues of Chinese capital city Beijing and Vietnamese capital city Hanoi signed a memorandum of understanding (MOU) here on Tuesday to boost bilateral cooperation.

According to the MOU, the two sides will enhance cooperation in youth cultural and sports activities and volunteer service work, as well as increase exchanges of young entrepreneurs and young officials engaged in youth league work.

Ngo Duy Hieu, secretary of the Vietnamese Ho Chi Minh Communist Youth League Hanoi Committee and Wang Shaofeng, secretary of the Chinese Communist Youth League Beijing Committee attended the signing ceremony.

Hieu said that Hanoi and Beijing communist youth leagues have maintained good cooperation in the past years, setting a good example for exchanges of youth leagues in the two countries at local level.

Hieu expected the two sides could expand cooperation scope and enrich cooperation work in the coming time.

Wang said he learned experiences on how to encourage young people to start business and serve the society during the visit to Vietnam from the Hanoi counterparts.

Wang said he expected the bilateral cooperation could be further boosted under the new MOU, deepening the friendship between the young peoples of the two countries and contributing to the China-Vietnam friendly and cooperative relations.

The Beijing delegation is in Vietnam for a six-day visit.

- Music festival of Chinese ethnic groups held in Beijing (23rd December)

Young maidens of Miao ethnic group in the silvery festival apparels perform the garish primitive song and dance during a musical festival at the Xinghewan Community in Beijing, Dec. 22, 2009. A grand song and dance pageant featuring the distinctive and primitive music, song and dance of ethnic minorities people from Yunnan, Guizhou, Inner Mongolia are staged on to entertain Beijing citizens.

Economic front

- China predicts 10 bln tonnes of iron ore reserves in Hebei Province (26th December)

Exploration work in the eastern region of north China's Hebei Province shows potential iron ore reserves in this area is estimated to top 10 billion tonnes, the China Metallurgical Geology Bureau (CMGB) said Saturday.

A total of 3.44 billion tonnes of iron ore has been verified in five mines in the province, said Yan Xueyi, director with the CMGB.

The discovery of this deposit would largely ease the shortfall in China's domestic iron ore supplies and contribute to a sound and sustainable development of the country's steel industry, according to Yan.

China imported 443.56 million tonnes of iron ore in 2008, bringing the country's reliance on imported iron ore to around 50 percent.

The country's steel mills suffered an unfavorable position during the annual iron ore pricing talks as overseas miners allied to ask for a higher price.

Northwest

Politics

Social front

- Eleven officials penalized after NW China lead poisoning scandal (22nd December)
Eleven county officials in northwest China have been given disciplinary penalties after 851 children fell ill in lead poisoning, local media reported Tuesday.

The officials worked with the county government, environment protection authorities and the management committee of an industrial park in Fengxiang county, Shaanxi Province,, according to a report in Baoji Daily, quoting the discipline inspection commission of Baoji City, which has jurisdiction over Fengxiang.

The names of the penalized were yet to be disclosed as the disciplinary procedures had not been completed, a commission spokesman was quoted as saying.

The general manager and deputy general manager of Dongling Lead and Zinc Smelting Co., which caused the poisoning, had been removed from their posts, Baoji Daily said without giving their names.

Local authorities reported on Aug. 7 that excessive lead was found in 138 children in two villages of Changqing Township of Fengxiang.

Villagers took to the streets on Aug. 17, demanding the closure of the smelter. The protests drew attention nationwide. Following blood tests found 815 had excessive blood-lead levels.

Economic front

- Capacity of China's 1st massive wind power base hits 2 GW (25th December)
The installed capacity of China's first massive wind power base in northwestern Gansu Province reached two gigawatts, local authorities said Friday.

The Jiuquan wind power base achieved the landmark capacity as China Datang Corporation, one of China's power giants, installed a 200-megawatt wind power unit in Yumen City under the jurisdiction of Jiuquan City, said Wu Shengxue, deputy head of Jiuquan's Reform and Development Commission.

The wind power base, which consists of 8 groups of power plants, is planned to be the first of its kind to have a capacity of more than 10 gigawatts. According to a plan of China's National Energy Administration, its capacity is expected to reach 12.71 gigawatts in 2015.

The plan included five other wind power bases of over 10-gigawatt capacity. A wind power base of 20 gigawatts and another of 30 gigawatts are to be built in east and west Inner Mongolia. Two other bases, each having a 10-gigawatt capacity, are respectively planned in eastern Jiangsu Province and northern Hebei Province. One more wind power base of 20 gigawatts is to be built in northwestern Xinjiang.

China would have a wind power capacity of more than 100 gigawatts or 3 percent of the country's overall consumption by 2020, said Shi Pengfei, deputy president of Chinese Wind Energy Association.

Northeast

Politics

Social front

Economic front

- NE city abolishes controversial temporary residence permits targeting migrants (26th December)

The northeastern city of Dalian issued residential cards to 200 migrant workers on Friday, as the city officially abolished the controversial temporary residence permits.

Holding the card, 48-year-old Li Yan'an said with a sigh that he had waited for 16 years.

"I felt discriminated when I was given a temporary residence permit," said the migrant worker from a village in Liaoning Province, who came to Dalian some 20 years ago.

The city began to issue temporary residence permits to migrants, who were usually farmers, in 1993, and each permit charged 35 yuan (5.1 U.S. dollars). The new residential cards are free.

"The residential card makes me feel that I am gradually accepted by the city," Li said.

As "temporary residents," the migrant farmer workers had to pay an additional 2,000-3,000 yuan (about 294 to 441 U.S. dollars) a year to have their children admitted by primary and middle schools in the city.

The new card means not only the exemption of extra education fees for children of the migrant workers, but also equal rights as local citizens in employment, vocational training, application for driving license and vehicle registering for migrant farmers like Li.

The card also brings more benefits on medical care, old-age pension and others.

"It (the residential card) is a milestone event for the city's nearly one million migrant workers," said Zhou Zhou, deputy secretary general of the Dalian government.

The number of permanent residents is 5.83 million in the city.

With the rapid economic development and urbanization, Chinese farmers swarmed into cities to become migrant workers. Official statistics showed that China currently has about 130 million farmers working in cities.

"The migrant workers made great contribution to the city's development," said Ning Min, deputy head of the Public Security Bureau of Dalian City. "But they also brought problems in social security, family planning and job-hunting."

The temporary residence permit system, since it came into effect in the 1980s, has limited rights of migrant workers in employment, education and medical care in cities and was always seen as prejudice against the group.

Public outcry to abolish the system reached the peak in 2003, when Sun Zhigang, a 27-year-old college graduate working away from home in Guangzhou, was put into custody for not carrying his temporary residence permit and was beaten to death.

Many other migrant workers had similar bitter experiences of being questioned, taken into custody and fined.

Sun Heng, a migrant worker who came to Beijing more than 10 years ago, said he had more than 10 temporary residency permits.

"We would be fined if we didn't carry the permits with us during police inspection or failed to renew the permits timely," he said.

Many Chinese cities are or consider abolishing the temporary residency permits.

In August, 2008, the boomtown Shenzhen took the lead to change the temporary residency permits which had been in use for 24 years to residential cards. Other cities in the migrant-rich Guangdong province then followed suit.

Taiyuan, capital city of north China's Shanxi Province, abolished temporary residency permits this past August, while Beijing has announced to adopt residential cards next year.

Wang Zizheng, a professor with the Law School of Dongbei University of Finance & Economics, hailed the change as reflecting social progress.

"Deletion of the word 'temporary' showed China's attitude to remove obstacles for migrant workers, improve their conditions and give them more recognition," he said.

However, the move does not mean any change to the fundamental Hukou (permanent residency) system for the migrant farmer workers.

"If the governments didn't change their mindset and take concrete measures, the residential card reform would be superficial," he said.

A cab driver surnamed Huang in Dalian welcomed the new policy with worries. "Who can promise that the residential card won't become temporary residency permit ultimately?" he asked.

"More problems of this new card shall emerge and tasks for social management could be arduous," said Wang Zizheng. "But undoubtedly, a reform to China's population management system is taking place, and more could be done."

Southwest

Politics

Social front

- Free education benefits 270,000 rural Tibetan students (22nd December)

China's Central Government has earmarked about 100 million yuan (14.65 million U.S. dollars) in subsidies to the students from rural Tibetan families, according to the Tibet Autonomous Regional Education Department.

Now the subsidies for the students' food, accommodation and tuition total five million yuan each year. As a result, 270,000 primary and middle school students now enjoy free food and accommodation for their education and 200,000 who receive scholarships have benefited from the preferential policy.

It is the eighth time that the Central Government has increased the subsidies for needy students.

In line with the new standard, the annual subsidy for the education of every primary school pupil from a rural family has risen to 1,750 yuan from 1,300 yuan. Junior middle school students can get 1,850 yuan, 400 yuan more than the previous figure. The students in Tibet's border areas can get 100 yuan more.

Tibet is also the first region in China to make free compulsory education universal.

Since "the free food, accommodation and tuition move" was launched by the Central Government, many herders in the northern Changtang Prairie have been sending their children to study in Lhasa, said Tsering Drolkar, a teacher of the Doilungdeqen Middle School.

Farmer Nyingma Tsering, who was visiting his daughter studying in the school, said that he was happy that his daughter could study there.

"The school is like a home to my daughter. She can eat well and have sound sleep. Sp. we don't have to worry about her anymore," said Nyingma Tsering.

According to Rigzin, who is in charge of the second year students of the junior high middle, from November 1, the daily food subsidy for each boarding student rose to 7.5 yuan from 5.5 yuan. If the students are sick, they can get free medical treatment at the campus clinic.

Like many other schools in Tibet's counties, students in the Doilungdeqen Middle School have four days off after studying for ten days in a row. When it is the time for them to go home, the school usually sends the students home in rural areas in buses it hires from the bus company and then picks them up from their homes the day before the school starts.

- Gang leader executed in southwest China (23rd December)

A gang leader was executed Tuesday in southwest China's Chongqing Municipality after being convicted of organizing a crime ring, murder and robbery.

Wang Xingping from Wushan County was the second executed in the city's crackdown on organized crime.

Another crime ring leader, Chen Ming, from Rongchang County was executed on Nov. 26.

The No. 2 Intermediate People's Court in Chongqing sentenced Wang to death in April 2008 also for purchasing and selling guns, running casinos, drug trafficking, and offering bribes. The Supreme People's Court has approved the death penalty.

Wang was fined 542,000 yuan (79,361 U.S. dollars).

The other 18 members of Wang's ring have received penalties ranging from two years in prison to a suspended death sentence.

Economic front

- Economic zones refuel west China development amid global downturn (20th December)

"Since mid-September, all the trucks transporting our products have been fully-loaded, queuing in a long line outside our company," said Yang Jinfu, manager of a private food oil company.

Yang's company set up a factory at Qinzhou Port Bonded Zone in southwestern Guangxi Zhuang Autonomous Region seven months ago.

"At first, we came here to look for sales market. However, such a huge market potential in the western region inspired us to set up a factory here," Yang added.

Yang's company was headquartered in southeast China's Fujian Province where export-oriented economy has been heavily stricken by the shrinking foreign order amid the global financial crisis.

China's vast western region, however, has taken the chance to actively attract investment and explore new domestic markets by speeding up its own infrastructure construction.

After ten years of China's strategy to develop its western region, economic zones in the west become an emerging engine that drives China's economy.

The Beibu Gulf Economic Zone in Guangxi, where Qinzhou Port Bonded Zone locates, is one of the three economic zones in China's western region.

As the only river estuary to sea in China's western region, the Beibu Gulf Economic Zone has witnessed a rapid construction development since the plan for Guangxi Beibu Gulf Economic Zone Development was approved by the central government in January 2008.

"When Qinzhou Port Bonded Zone opened five years ago, we couldn't find it on a world nautical chart," said Yang Lizhong, general manager of Qinzhou Oriental Resources Co. Ltd. "Foreign ships were reluctant to come here, the municipal government had to pay 120,000 U.S. dollars to buy a foreign ship to unload here."

Now the Qinzhou Port has become an important maritime hub in the Beibu Gulf with an annual throughput of more than 52 million tonnes, and has formed a chain of ports in the Beibu Gulf with neighboring Beihai city's Tieshan Port and Fangcheng Port.

"China's western region has been closely connected to the world," Yang said. Improving communication and favorable geographical location added appeal to the Beibu Gulf area, which saw increasing inflow of investment and logistics flow to meet local growing consumption.

For example, Yunnan, Guizhou and Guangxi have seen an increase of oil consumption of at least 10 percent per year, while Guangxi alone produces 800,000 tonnes of oil annually, meeting a small proportion of the overall demand.

A Petro China refinery project with an annual capacity of 10 million tonnes has settled down in the Qinzhou Port Economic Development Zone. The 20-billion-yuan (3 billion U.S. dollars) project, upon completion in 2010, will not only help China's southwestern region get rid of oil shortage, but also bring downstream industries with a total investment of more than 78 billion yuan (11.5 billion U.S. dollars) to settle down in the Beibu Gulf region.

"The largest petrochemical base in southwest China will emerge here, changing the whole economic structure of Guangxi," said Huang Yi, chief of Qinzhou's Business Promotion Bureau.

According to Huang, in 2008 alone, the city of Qinzhou introduced investment totaling 15.76 billion yuan (2.32 billion U.S. dollars), including 41 large-scale projects. International companies such as SK Telecom of the Republic of Korea, and Japan's Marubeni and Mitsui have also come to Qinzhou to discuss cooperation.

The Chinese government initiated the strategy to develop its vast western region in 2000, since then large projects such as the transmission of natural gas and electricity from west to east have marked the first period of development.

The second period of western region development will focus on innovation, and the cultivation of key areas and new growing industries. After the Beibu Gulf Economic Zone, the development planning for the Guanzhong-Tianshui Economic Zone was approved by the State Council this year.

The three key economic zones are expected to act like a three-cylinder engine to boost the economy in west China, upgrading its industry structure, and promoting the development quality.

For instance, the Chengdu-Chongqing area has been lagging behind in the IT industry compared to other regions due to geographic conditions, though it boasts many IT talents and old electronic industry bases.

The financial crisis has forced the IT and relevant industries to speed up moving to the IT talent-rich western region with lower costs in human and natural resources. In October, Intel announced to add an investment of 75 million dollars to its Chengdu plant.

By the end of November, Intel has finished moving its assembly and test plants from Shanghai to Chengdu. Before that, Taiwan's Foxconn Technology Group had just contracted to invest 1 billion U.S. dollars to build a manufacturing base in Chengdu.

In August 2009, Hewlett-Packard made Chongqing home for its 20-million-laptop program. The city also signed with Taiwan's Quanta company to build a processing base for its 40 million laptops. It's estimated the revenue for the altogether 60 million notebooks could reach 80 billion dollars.

According to Liu Shiqing, head of the Institute of Regional Economic Research of Sichuan Provincial Academy of Social Sciences, western China's investment environment has been improved under the central government's favorable policies.

In 2008, 6.62 billion U.S. dollars have been invested in China's western region. Nearly 200,000 enterprises from eastern China have invested or set up ventures in the western region with combined investment exceeding 2.2 trillion yuan (323.5 billion U.S. dollars).

According to the Annual Report on Economic Development in Western Region of China (2009) issued by the Chinese Academy of Social Sciences, the GDP of the western region reached 5.83 trillion yuan (856.7 billion U.S. dollars) in 2008, with an annual growth rate of 11.42 percent, exceeding the national average ratio of 9.64 percent. The western region accounted for 17.8 percent of the national GDP.

In the first half of 2009, the western region also witnessed a faster economic growth rate than the central and eastern regions.

- Tibet launches Shengyuan Mining Group Corporation (20th December)

The Tibet Shengyuan Mining Group Corporation was founded on Wednesday by four companies with a registered capital of 200 million yuan(29 million U.S. dollars).

Among the four founders, the Tibet Autonomous Regional Mining Development Company is the new company's largest shareholder having 40 percent of its stocks, according to Tibet Business.

The founders also included Jiangnan Mining Co., Ltd. in Tibet's Lhoka holding 30 percent of the new company's shares, Tibet Autonomous Regional Investment Co., Ltd. 20 percent and Tibet Autonomous Regional Geological and Mineral Development Bureau holding 10 percent.

The establishment of the mining company is regarded as conducive to the development of mineral resources and the restructuring of mining companies in the region, according to Ding Yexian, assistant to the chairman of the Tibet Autonomous Regional Government.

Wang Guoxin, president of the mining corporation, said that his company will make full use of its superiority in resources, improve its management and capital operation and accelerate the undertaking of key projects, such as the second-phase of Tibet's Zabuye lithium mining project and the extension of Tinggong copper mine project in Nimu County, Tibet's capital of Lhasa.

Tibet plans to complete next year the establishment of five industrial groups involving the fields such as construction, building materials, mining, tourism and traditional Tibetan medicines.

- Tibet's small-amount border trade flourishing (22nd December)

Small-amount trade in Tibet's border areas has become a new economic growth point despite the overall downturn in foreign trade so far this year, according to the Tibet Autonomous Regional Commerce Department.

Statistics show that Tibet reported a foreign trade volume of 313 million U.S. dollars in the first ten months in 2009, down 20.59 percent year on year, as a result of the global financial crisis and the gloomy foreign trade environment of the nation.

By contrast, the figure in 2008 was 765 million dollars, a surge of 94.5 percent over the same period in the previous year, with the result that Tibet ranked first in China in terms of the foreign trade growth rate.

Ma Xiangcun, director of the department, said that the impact of the global financial crisis spread to Tibet later than to other parts of China.

Despite the surge in its foreign trade last year, Tibet began to feel the pinch earlier this year.

In comparison, the region's small-amount trade in the border areas grew so rapidly in the first ten months of this year as to make up one third of the total foreign trade volume.

Experts said that the development of Tibet's small-amount border trade has promoted the restructuring of the region's agriculture and animal husbandry and increased the incomes of farmers and herders.

(Source: chinanews.com.cn/Xinhuanet)

- Tibet's largest thermal power plant operational (22nd December)

The first generating set of the largest thermal power plant in Tibet went into operation on Monday, with the daily power output reaching 160,000 kwh.

The Lhasa Transitional Power Supply Project, undertaken with the aid of the China Huaneng Group, a State-run comprehensive energy group, is expected to play an active role in easing power shortages in Lhasa this winter.

With rapid social and economic development in Tibet, the demand for power supply has also been increasing substantially. However, the power supply in Tibet, which relies heavily on hydro power, has dropped due to the lower rainfall this year.

As a result, Tibet, especially the power grid in central Tibet, faces power shortages this winter and next spring and the power supply might plunge by 30 percent.

The installed capacity of the newly-built power plant is 100,000 kw, about 20 percent of the total installed capacity of the Central Tibet power grid.

Nine diesel power generating sets, with an individual capacity of 11,500 kw, have been installed at a total cost of 230 million yuan.

By the year end, another generating set will have been put into use, so will be another nine by the end of February next year, thus enough to meet the need of the power supply in Tibet.

- Tibet targets 12% GDP growth in 2010 (22nd December)

Tibet plans to achieve a 12 percent increase in its gross domestic product (GDP) in 2010, according to the Tibet Autonomous Regional Economic Work Conference held recently.

Participants in the conference agreed that Tibet's GDP has been growing at an average annual rate of more than 12 percent for the last ten years, except for 2008, which saw the March 14 anti-government riot.

Therefore, they noted that Tibet will certainly be able to meet the 12-percent GDP growth target with great efforts of local officials and residents.

Tibet's economic development relies heavily on investment and consumption. To attain its economic growth goal, Tibet will have to keep its investment and consumption growing more than 18 percent in 2010, according to Tibet Business.

So, Tibet needs to obtain financing from the central government's budget, undertake a number of key projects and attract investment from the private sector, as well as bettering its environment and services.

- Tibet earmarks 210 mln minimum living subsidies in 2009 (22nd December)

The Tibet Autonomous Regional Government has earmarked 210.15 million yuan (30.78 million U.S. dollars) in subsidies for minimum living in 2009, according to the Regional Civil Affairs Department.

The government has allotted 97.55 million yuan to urban areas and 112.6 million yuan to rural areas for basic living subsidies this year.

Tibet began to introduce a system related to subsistence subsidies in 1997 in its urban areas and in its rural areas in 2007, in a move to ensure the basic living standard of Tibetans, Lhasa Evening News reported.

To date, the spending on the system from the central government and regional government has totaled 530.31 million yuan.

The minimum living standard has been improving in Tibet's urban areas and now stands at 310 yuan per person from 130 yuan in 1997. So far, Tibet has adjusted the minimum living standard seven times in order to cover more disadvantaged residents.

In 2009 the regional government adjusted the minimum living standard to include the residents with a yearly per-capita income of less than 1,100 yuan, up from 850 yuan.

The regional government has also implemented a policy of giving temporary subsidies to those in case of a hike in foodstuff prices.

The governments at all levels in the region have allocated 357.59 million yuan in minimum living subsidies in rural areas since 2007.

- Per-capita income of Tibetan farmers keeps double-digit growth for 7 years (22nd December)

Tibet's farmers and herders have reported a double-digit growth in their per-capital income in the last seven years, according to a Tibet regional conference on economic work held recently.

The per-capita income of rural residents in Tibet is expected to reach 3,589 yuan for the whole of 2009, up 13 percent year on year.

The Tibet Autonomous Regional Government set at the beginning of this year the task to improve rural residents' living conditions and increase their incomes as the top priority of its work for 2009.

So far this year, Tibet has invested 11 billion yuan RMB (1.61 billion U.S. dollars) in its agriculture-related industries, 19 percent higher than that in the same period last year.

The region has built 59,637 houses for its farmers and herders, meeting one year ahead of schedule the housing project target set for the 11th Five-Year Plan period (2006-2010).

Moreover, it has spent another 290 million yuan RMB (42.45 million dollars) reinforcing rural residents' houses against possible earthquakes.

In terms of infrastructure construction, Tibet has made safe drinking water accessible to 1.22 million rural residents, roads accessible to 4,222 villages, and telephone services accessible to 85 percent of its villages.

In addition, the regional government has allocated 830 million yuan RMB (121 million dollars) as a special fund in support of 65 projects in agriculture and animal husbandry with local characteristics.

Furthermore, 700,000 Tibetan farmers and herders went out to work in other parts of China, earning 1.27 billion yuan RMB (186 million dollars).

Tibet has also earmarked 213 million yuan RMB (31.18 million dollars) in various kinds of subsidies to farmers so far this year, up 37 percent year on year.

South central

Politics

Social front

Economic front

- Chinese President Hu Jintao inspects Zhuhai, stresses innovation (21st December)
Chinese President Hu Jintao has called on the country's enterprises to recruit more talents and strengthen research and innovation in order to facilitate the transition from "made in China" to "created in China."

Hu made the remarks during a two-day inspection to Zhuhai, a coastal city in China's southern economic hub of Guangdong Province, from Sunday to Monday.

During his visits to the Kingsoft Corporation Limited, a leading software company in China, and a research institute of the Gree Electric Appliances Inc., Hu said the two companies' business success was indispensable from the country's support and their own research and innovation.

Chinese enterprises should recruit more talents and hone their research and development capabilities in order to facilitate the transition from "made in China" to "created in China," Hu said.

He also urged members of the Communist Party of China (CPC) to play a leading role in the enterprises' technical innovation.

The president also visited two local technician training schools, where he encouraged the students to devote themselves to their studies in order to become talents needed by the country.

After hearing the work reports from the Guangdong provincial government and the Communist Party of China (CPC) Guangdong provincial committee, Hu urged the province to accelerate its transition to an innovation-driven economy.

The province should also make sound efforts to improve people's livelihood, promote socialist culture, safeguard social harmony and stability, and push forward party building under the new situation, he said.

Hu, also general secretary of the Central Committee of the CPC and chairman of the Central Military Commission, visited Zhuhai after he attended celebrations marking the 10th anniversary of Macao's return to the motherland.

East

Politics

- Former Shanghai police deputy chief disciplined in Gome chief probe (22nd December)

Zhu Ying, former deputy director of the Shanghai Municipal Public Security Bureau, has been expelled from the municipal discipline inspection committee of the Communist Party of China (CPC), the local discipline watchdog said Tuesday.

The committee also denied reports in Chinese newspapers that Zhu had been detained.

The committee said in a statement that Zhu was stripped of his membership in the committee for disciplinary violations in connection with a financial scandal involving Chinese businessman Huang Guangyu.

The committee did not disclose details of Zhu's involvement in the scandal.

Huang, chairman of Gome, China's largest home appliance retailing chain was detained by Beijing police in November last year for allegedly manipulating share trading, a charge being investigated by the Ministry of Public Security. Huang owns a third of Beijing-based Gome with estimated assets of 43 billion yuan (6.3 billion U.S. dollars).

Zhu was appointed deputy director of the Shanghai Municipal Industry and Commerce Bureau in January.

Local media reports said Zhu's promotion to deputy police chief was supported by his connections with officials implicated in Huang's case.

China's Ministry of Public Security confirmed in January two officials in charge of economic crime investigations were suspected of graft during investigations into Huang's case.

They were Zheng Shaodong, who served as Assistant Minister of Public Security and director of the economic criminal investigation bureau, and Xiang Huaizhu, the bureau's deputy director.

- Former Shanghai environment official jailed for 11 years on bribery charges (25th December)

A Shanghai deputy environmental protection official was sentenced for 11 years in jail by a court here on Friday on bribery charges.

Yan Shunjun was also deprived of political rights for two years, and received a fine of 100,000 yuan. He was sentenced by the Shanghai No.2 Intermediate People's Court.

The court heard that the 63-year-old official took bribes worth 1 million yuan between 2003 and 2008 from seven contractors.

Yan served as deputy head of the city's Environmental Protection Bureau since 1997, and retired from the post in 2008.

Prosecutors told the court that Yan took bribes from contractors when he supervised environmental protection projects. The largest single bribe he took was 400,000 yuan from helping Shanghai Huajing Environmental Engineering Co. Ltd. secure two noise-reduction projects.

Yan told the court: "I was afraid my life would not be as good when I retired as it was when I was working. I could not resist the temptation of the money. "

The court said the sentence was made considering the fact that Yan had admitted his crime and returned all the money.

Social front

- Most-wanted human trafficker arrested: ministry (24th December)

An abduction suspect on the most-wanted list has been arrested, the Ministry of Public Security said Wednesday.

Wu Qiuyue, 52, was captured on Tuesday in her hometown Anxi County of Quanzhou City in southeast China's Fujian Province by local police.

She was involved in a human trafficking gang the police smashed in February. Police rescued 29 children and arrested 13 suspects in the crackdown, but Wu ran at large.

On June 4, the ministry issued a class-A warrant for Wu. On Dec. 15, more than 100 police officers started searching for Wu and seized her seven days later in a cave in Jiandou Township, Anxi County.

So far, 19 out of 20 suspects on the ministry's most-wanted list of serious abduction crimes have been arrested.

In another development, the ministry on Wednesday launched a 100-day nationwide winter campaign to ensure order and stability for the incoming Lunar New Year holidays.

Serious criminal crimes should always be severely cracked down upon, said Vice Minister Zhang Xinfeng.

Economic front

- China's "sock capital" grows on clustering (21st December)

Exports of China's "sock capital," Datang, rose 6.7 percent in the first 11 months, as manufacturers elsewhere found themselves mired in the global economic downturn.

Datang, a town in east China's Zhejiang Province that specializes in making socks, exported 3.5 billion pairs of socks worth 530 million U.S. dollars from January to November, said YuanZhigang, Datang's Party chief.

The 6.7 percent growth outshines most of China's export-oriented cities as exports dived 18.8 percent and those of Zhejiang declined 16 percent in the first 11 months, according to the National Bureau of Statistics and the Department of Commerce of Zhejiang Province.

With its 70,000 population and 130,000 migrant workers living on making socks, Datang acquired the nickname "the capital of socks" as city officials claimed it produced one in every three pairs of socks worn on the planet.

Datang's advantages in the global hosiery market were well beyond cheap labor and resources, said Professor Lin You, director of the Zhejiang University Industrial Development Research Center.

Lin said Datang's real edge is the myriad sock-related businesses clustered together, including textile material processors, yarn dealers, sewing firms, pressing operations, packagers, and forwarders.

Proximity of closely related firms in the same industry helped save operational and transaction costs and provided easier access to skilled and specialized workers, Lin said.

China's local clusters of consumer goods manufacturers contributed greatly to bringing China's industry to global prominence, said Professor Wang Jici, of Peking University's College of Urban and Environmental Sciences.

Wang said clustering and networking helped small and medium-sized enterprises to raise their competitiveness by being more specialized.

In Datang, specialists abound for every procedure of making socks. There are even workers specializing in binding pairs of socks with metal clips, said Yuan.

The clustering effects theory finds echoes in the UN Industrial Development Report 2009, released in April, which said manufacturing activity benefited from economies of scale -- unit costs of production would fall when similar and closely related firms were clustered.

"Closely related firms in the same industry benefit from sharing of technological or marketing knowledge, and learning effects may be easier to achieve because it is easier to monitor what the neighbors do and learn from their successes and mistakes," said the report.

However, Lin warned that Datang could not live on its low-end socks forever as workers' pay and costs of land and resources rose.

Datang had to upgrade and produce more high-value-added socks if it was to continue flourishing and retain its strong position in the global marketplace, Lin said.

- Indonesian gov't allocates \$10 mln for participation in Shanghai Expo (22nd December)

Indonesian government will allocate 104 billion rupiah (about 10.4 million U.S. dollars) to participate in the Shanghai Expo scheduled May to October 2010, Kompas.com quoted an official as saying on Tuesday.

The budget will be used to rent 4,000 meter square-booth and to pay workers.

"We will allocate about 104 billion rupiah for the Shanghai Expo. The amount is normal as it fits national activity standard," said the Deputy Minister of Economy Coordination for Industry and Trade Edy Putra Irawadi here.

According to Eddy, the government allocated 20 billion rupiah (about 2 million dollars) to participate in the same event in 2003, where Indonesia rented 324 meter square-booth.

Edy said that during six-month expo, there would be business mission, trade mission, business forum, product and culture promotion and investment promotion.

The Shanghai Expo will be held from May 1 to October 31, 2010.

- Sea-crossing bridge links China's island city with mainland (25th December)

A sea-crossing bridge linking Zhoushan City, China's only city of more than 1,000 islands in eastern Zhejiang Province, with the country's mainland went into trial operation Friday.

Costing 13.1 billion yuan (1.9 billion U.S. dollars), the 46.5 km-long Zhoushan Sea-crossing Bridge, so far the longest of its kind in the country, was completed after 10 years of construction.

The bridge starts at the Zhoushan island, passing the island of Lidiao, Fuchi, Cezi and Jintang and traversing several watercourses, and connects with the national expressway network at Zhenhai District in Ningbo, an economically strong city of Zhejiang Province.

The opening of the bridge will improve the life of Zhoushan residents and facilitate the development of the deep-water harbors of Zhoushan and Ningbo, said Lu Zushan, governor of Zhejiang.

Rich in marine resources, Zhoushan is one of China's major fishing grounds. The Zhoushan Port is a natural communications hub for ships sailing from south to north. It handled more than 10 million twenty foot-equivalent units (TEUs) last year.

HONGKONG AND MACAU

Politics

- Hu Jintao reviews PLA garrison troops in Macao (20th December)

President Hu Jintao inspected the People's Liberation Army garrison troops in Macao Sunday, praising them for their important role in maintaining Macao's prosperity and stability.

Following a solemn military review, Hu, also general secretary of the Chinese Communist Party Central Committee and chairman of the Central Military Commission, visited the garrison's history museum and chatted with soldiers.

In the past decade, the troops carried out the decisions and orders of the Party and the CMC, adhered to the PLA's fundamental aim and fine traditions, performed their duties legally and successfully, and fulfilled various tasks, Hu told the garrison officers.

He said the troops should firmly implement the principles of "one country, two systems", "Macao people governing Macao" with a high degree of autonomy and the Basic Law, support the administration of the Macao Special Administrative Region government and show friendliness to and care for local residents.

The president also required the troops to strengthen training and scientific management, enhance defense capabilities, and administer the army according to law.

- President Hu Jintao meets with Macao new chief executive (20th December)

Chinese President Hu Jintao Sunday met with Fernando Chui Sai On, the newly sworn-in chief executive (CE) of the Macao Special Administrative Region (SAR).

During the meeting, Hu congratulated Chui on his taking the office of Macao SAR's third-term CE, saying the central government places extensive trust in Chui and the people of Macao have high expectations of their new CE as well.

He expressed his hope that Chui can successfully carry out his task and be worthy of the great trust.

Meanwhile, He said that the SAR government, under the leadership of Chui, must unswervingly implement the principles of "one country, two systems", "Macao people governing Macao" and a high degree of autonomy, and carry out its policies in strict accordance with the Basic Law.

Chui's swearing-in ceremony, administered by President Hu Jintao, was held earlier Sunday morning, which is part of the 10th anniversary celebration gathering of Macao's return to the motherland and the third-term government inauguration of the Macao SAR.

Chui said that he is grateful that the central government gave so much concern and support to Macao.

Chui also promised that he will keep his task in mind and scrupulously abide by his duty, leading the SAR government and the people of Macao to push forward Macao's development in a better and faster way.

- Anniversary celebration gathering, third-term gov't inauguration held in Macao (20th December)

The celebration gathering marking the 10th anniversary of Macao's return to the motherland and the inauguration of the third-term government of the Macao Special Administrative Region (SAR) were held here Sunday.

President Hu Jintao, who is also general secretary of the Central Committee of the Communist Party of China (CPC) and chairman of the Central Military Commission, attended the ceremony, where Macao SAR Chief Executive Fernando Chui Sai On and principal officials of the SAR government were sworn in.

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President Hu delivered an important speech after the swearing-in ceremony.

Hu expressed congratulations to Fernando Chui, members of the third-term SAR government and Executive Council, saying that he was confident that they will be able to unite and lead Macao people to build a better Macao.

The president said that the past decade after Macao's return to the motherland witnessed the successful practice of "one country, two systems" in Macao, the smooth implementation of the Basic Law of the Macao SAR and the constant progress made by Macao people of all circles in pursuing a development road that conforms to Macao's realities.

"Important inspiration can be obtained by reviewing the uncommon process of the past decade since Macao's return to the motherland," said Hu.

First of all, it is imperative to have a full and correct understanding and implementation of the "one country, two systems" principle, he said, noting that the key is to realize the most extensive unity under the banner of loving the motherland and loving Macao so as to lay a sound political base for Macao's long-term prosperity and stability.

It is also imperative to act in strict accordance with the Basic Law of the Macao SAR, to focus on development, to maintain social harmony and stability and to cultivate talents, said the president.

The advance of the great cause of "one country, two systems" calls for the joint efforts of the central government, the governments of the Hong Kong SAR and Macao SAR as well as people of all circles, the president noted.

The central government will remain firmly committed to the principles of "one country, two systems", "Hong Kong people governing Hong Kong", "Macao people governing Macao" with a high degree of autonomy.

The central government will continue to act in strict accordance with the basic laws of the Hong Kong SAR and Macao SAR and give full support to the chief executives and governments of the Hong Kong SAR and Macao SAR in their governance according to law, he said.

The president pledged that all policies adopted by the central government on Hong Kong and Macao always adhere to the principles of benefiting the long-term prosperity and stability of Hong Kong and Macao, the improvement of the livelihood of all residents in Hong Kong and Macao as well as benefiting the common development of Hong Kong, Macao and the country.

"The great motherland is always the strong back-up force for the prosperity and stability of Hong Kong and Macao," said Hu.

The newly sworn-in chief executive of the Macao SAR Fernando Chui Sai On also made a speech at the inauguration. He said that for ten years, with strong support from the central government and the mainland, the Macao SAR government headed by Edmund Ho Hau Wah, together with the Macao people, has turned a new leaf in the annals of Macao and has paved the way for Macao's prosperity.

"The vigor and vitality of the Macao SAR today are a vivid reflection of the strong life-force of the 'one country, two systems' principle," he said.

Chui promised that the new-term Macao SAR government will firmly adhere to the "people-oriented" concept of governance, actively promote the diversified development at an appropriate level, improve people's life, build an effective and clean government as well as pay special attention to training and talents to further advance the great practice of "one country, two systems."

Social front

- Macao's tourism success prompts diversification plan (21st December)

With visitor numbers soaring to a staggering 22.9 million in 2008, up from 7.44 million in 1999, Macao is now one of the few tourism destinations in the world to have sustained a stable development for its tourism industry, despite the twin lingering specters of both the global financial crisis and the H1N1 epidemic.

In the 10-year interval between December 20, 1999 - the date that Macao returned to Chinese rule - and December 20, 2009, the government of the Macao Special

Administrative Region (SAR) has focused on nurturing the island's tourism industry, a policy that seems to have paid a considerable dividend of late.

RICH TOURISM RESOURCES

Throughout the last decade, the Macao Government Tourism Office has maintained a high-visibility strategy, building awareness of the region across a range of new markets, whilst refining its own tourism resources.

This policy saw the appeal of Macao highlighted through a series of promotions in a range of different cities across the world, all of which were introduced to the program's "Experience Macao" theme. These promotions showcased the region's singular combination of Chinese and Western culture, as well as the unique charm of its recreational facilities and exhibitions venues.

Although Macao is a comparatively small town, its historical significance and cultural heritage is incomparable. It boasts splendid hotels and resorts, world famous concert halls and theatres, large shopping malls and food streets replete with Chinese and Western restaurants.

A HISTORIC CENTER

To underline its standing as city with a complex history stretching back more than 450 years, back in 2002 the Macao government began to lobby UNESCO to designate "the historic center of Macao" as a world cultural heritage site. Following three years of intense activity, work, UNESCO acknowledged the area as a world heritage site during the 29th world heritage committee meeting.

The historic center of Macao includes the most venerable, most substantial, best-preserved and most concentrated sites of Chinese and Western architecture in the whole of China. Centered on Macao old town, the area has traditionally styled houses, ancient temples dating back to the Ming and Qing dynasties and architecture of a distinct southern European style. It also features baroque churches, including the world famous Ruins of St. Paul's, the A-Ma Temple, St. Dominic's Church and the similarly-styled Dom Pedro V Theatre.

With its advantageous geographical location, Macao has access to a number of rich resources, all within a 3-hour flight. The tourism office has now introduced many preferential flight deals, aimed at attracting visitors to the surrounding areas. The completion of many large-sized recreational facilities and hotels has also made the city a truly international destination, with unlimited prospects for future development.

EXCITING SPORTS EVENTS

The tourist office has also inaugurated a number of annual sports and cultural events and launched a number promotional sports fixtures.

The Macau Grand Prix has always been one of these annual events and, aside from the main race, it also includes a number of motorcycle, super touring cars and Formula-1 competitions. During the event, the whole city is said to be gripped by the excitement generated by the race and is caught up in its vibrant atmosphere.

This year's 56th Macau Grand Prix attracted more than 58,000 visitors, up 3.57 percent compared to last year.

To mark the 10th anniversary of the handover on December 20, a number of events are planned throughout the region. These include a highprofile flag-raising ceremony in the morning, followed by a spectacular fireworks performance in the evening.

FOOD AND SHOPPING

Apart from experiencing the distinctive charm of Macao whilst ambling through its yellow churches and green streets, many visitors find the city's culinary range irresistible. Rua Do Cunha is a famous food thoroughfare in Macao, featuring many Portuguese restaurants and stalls offering gift-wrapped food parcels. Dozens of excellent gift shops line the streets and offer a selection of exquisite foodstuffs, including egg pastes, apricot cakes, egg rolls and peanut candy.

Macao is also a paradise for shoppers. Its low tax tariff policy, advantageous geographical location and low-levels of domestic consumption have all resulted in highly enjoyable shopping experience for many visitors.

In recent years, many large and luxury shopping centers have opened for business, providing comfortable and convenient shopping opportunities. The two large one-stop Duty Free Shoppers Gallerias, managed by the DFS group, the largest duty free operators in the world, are by far the most prominent.

CONVENTION INDUSTRY

On the business tourism front, Macao has invested in high levels of communications, conferencing and corporate entertainment facilities, making it an ideal venue for commercial visitors.

According to government statistics, Macao hosted 206 meetings, incentives, conventions and exhibitions (MICE) events in 1999.

By 2008, the total number of such events had risen to 1,240. The number of MICE events held during the first half of 2009 was 730, including 694 meetings/conferences (95 percent of the total) and 36 exhibitions.

Economic front

- Macao looks to int'l links to boost its economy (21st December)

Located in the southwest of Guangdong, one of the fastest growing economic regions in China, Macao is renowned for its advantageous geographical location, open economy, well-established infrastructure facilities, free port policy, straightforward taxation system and comparatively low business costs. Added to these are its competitive business environment and its access to a range of international market networks.

Macao has made use of its strengths and resources to establish itself as a high quality and efficient regional business service center, providing convenient and effective trade and industrial services to local and overseas enterprises and utilizing its links with the mainland, a number of Portuguese-speaking countries, EU markets and overseas Chinese entrepreneurs.

Since the establishment of the Macao Special Administrative Region (SAR) in 1999, the area has experienced substantial social and economic development. The Macao economy sustained double-digit growth from 1999 to 2008 and an average annual GDP growth of 14 percent between 2000 to 2008. Its per capita GDP also increased to over \$39,000. According to the WTO Trade Policy Review of the region in 2007, Macao's economy has remained one of the most open in the world.

Following the completion and opening of various major tourism, gaming, resort, convention and exhibition facilities, as well as the completion of a number of infrastructure projects, Macao's tourism sector has experienced rapid growth. This has resulted in the accelerated development of its service industries, including convention and

exhibition facilities, hotels, retail centers and food and beverage outlets, and has promoted a moderate economic diversification within Macao's economy.

The local government sees great potential within Macao's service industries. Among these emerging sectors, the convention and exhibition has achieved the most prominent growth over recent years.

With progressive investment and the deepening of the Mainland and Macao Closer Economic Partnership Arrangement (CEPA), coupled with the further expansion of the Pan-PRD Regional Co-operation program, Macao-mainland trade and economic co-operation has broadened and provided the region's businesses with increased scope for future development.

Since the implementation of CEPA in 2004, liberalization measures have been introduced gradually, following the signing of a series of supplementary agreements. Currently, a total of 1,156 Macao-sourced products benefit from a preferential zero-tariff in the mainland market.

"The Outline of the Plan for the Reform and Development of the Pearl River Delta", adopted by the National Development and Reform Commission in early 2009, strategically positions Macao as an international tourism and leisure centre, whilst aiming to enhance its economic ties with Guangdong and Hong Kong. The development of the Hengqin district of Zhuhai city has also provided a new opportunity for Macao's economic diversification and has further expanded co-operation and market development between Guangdong and Macao.

Macao is well established within the international community and has extensive global and regional links, with particularly close relations with the European Union and Portuguese-speaking countries. The Trade and Co-operation Agreement, signed in 1992 between Macao and the EU, laid the groundwork for co-operation in economic, technological, cultural, environmental protection and human resource fields. Subsequently, many European institutions have been established in Macao.

Through its ever-greater participation in regional co-operation, Macao has further strengthened its trade and economic relations with the mainland and several overseas territories. Trade associations and the relevant government departments from the mainland and Macao have worked together to jointly promote business co-operation between the two.

The "Macao International Trade and Investment Forum" (MIF), organized by the Macao Trade and Investment Promotion Institute (IPIM), is an economic and trade exhibition designed to promote international co-operation and exchanges in investment and trade.

The Macao International Environmental Cooperation Forum and Exhibition (MIECF), hosted by the Macao SAR Government since 2008, is another major international event in the region and a portal for the sharing of green resources, technology exchange and co-operation between Macao, the Chinese mainland, the European Union and a number of Portuguese-speaking countries.

The 2010 MIECF is scheduled to run from the 8th to 10th of April and will continue to function as a high-level, pro-active platform for promoting Macao's initiatives in the Green Business arena through a series of events, notably Green Forums, a Green Showcase, Green Matching Facilitation, Green Business Co-operation Day and a Green Gala.

- HK stocks end 1.12 pct higher tracking Chinese mainland, U.S. markets (23rd December)

Hong Kong stocks closed 1.12 percent higher on Wednesday, tracking gains on the Wall street overnight and Chinese mainland's market.

The blue-chip Hang Seng Index rose 236.70 points, or 1.12 percent, to 21,328.74 after trading between 21,017.02 and 21,339.18 during the session. Turnover fell to 44.19 billion HK dollars (5.70 billion U.S. dollars) from Tuesday's 45.96 billion HK dollars (5.93 billion U.S. dollars).

Gains in the U.S. and China bolstered the local market. Overnight, the Dow Jones Industrial Average rose 0.49 percent to 10,464.93 following a bigger-than-expected rise in existing-home sales for November.

In Chinese mainland's market, the benchmark Shanghai Composite Index ended up 0.76 percent at 3,073.78 led by retailers on hopes of strong sales during the spring festival holiday in February and steel makers on expectations of rising prices.

Chinese financial companies led the gains on bargain hunting in Hong Kong. Analysts said investors favor the firms because of their long-term growth prospects.

China Construction Bank rose 1.6 percent to 6.51 HK dollars after it fell 6.4 percent in the previous six sessions. Bank of China rose 2.2 percent to 4.18 HK dollars after it lost 4.2 percent in the same period. ICBC gained 1.6 percent to 6.37 HK dollars after it fell 3.1 percent in the same time.

China Life Insurance rose 1.6 percent to 37.45 HK dollars after a 7.2 percent drop in the last six sessions and Ping An Insurance was up 0.8 percent to 66.80 HK dollars after a 4.7 percent fall in the same period.

Heavyweight HSBC Holdings was up 0.75 percent after BNP Paribas delivered upbeat comment and reiterated Buy on the bank. HKEX was up 1.11 percent.

The benchmark Hang Seng index has risen 48 percent since the start of this year.

Analysts said they expect the local market to trade in a tight range between 21,000 and 21,400 before the end of the year.

- Hong Kong stocks up 0.88% in shortened session ahead of Christmas (24th December)

Hong Kong stocks rose 188.26 points, or 0.88 percent to close at 21,517.00 at midday in the shortened session on Thursday ahead of a Christmas break, tracking Wall Street's overnight rise.

Overnight, the Dow Jones Industrial Average ended up 1.51 points, or 0.01 percent, at 10,466.44, its fourth consecutive gain.

The blue-chip Hang Seng Index traded between 21,357.29 and 21,591.99 during the session. Turnover totaled 27.55 billion HK dollars (about 3.56 billion U.S. dollars) on Thursday. The turnover for Wednesday's full session totaled 44.19 billion HK dollars.

The benchmark index rose 1.6 percent this week. Analysts said they expect the local market to trade in a tight range in the remaining sessions of the year.

All the all sub-indices gained ground. The commerce and industry sub-index rose most at 1.01 percent, followed by the finance at 0.89 percent, the properties at 0.77 percent and the utilities at 0.03 percent.

Local property companies led Thursday's rise on hopes the land auction of two prime waterfront sites in Tai Po on Monday will attract strong bids from developers.

The Hang Seng Index's property sub-index rose 0.8 percent to 27,519.69. Sun Hung Kai Properties rose 0.7 percent to 114.30 HK dollars. Henderson Land was up 1.1 percent at 57.65 HK dollars and Sino Land advanced 0.8 percent to 14.66 HK dollars.

Oil companies also gained Thursday on high oil prices. Cnooc rose 1.7 percent to 12.06 HK dollars and PetroChina was up 2.0 percent at 9.29 HK dollars.

Crude oil futures closed up 2.27 U.S. dollars at 76.67 U.S. dollars a barrel Wednesday after the U.S. Energy Information Administration reported large drops in oil and fuel inventories that exceeded forecasts.