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China

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National report

Political front

- Chinese Premier vows to increase supervision of government in key sectors (23rd March) (Xinhua) -- China will step up supervision of government bodies in key sectors this year as the government's latest initiative to combat corruption, Premier Wen Jiabao said Tuesday.

Some fields in China were still "prone to corruption" or plagued with "unfair law enforcement and inefficient governance" despite the government's anti-corruption efforts last year, Wen said at a State Council meeting devoted to deploying this year's anti-corruption work.

Wen said unchecked power was the root cause of these problems.

It was important to improve relevant mechanism to fight corruption and ensure clean governance, but it was more important to better implement the mechanism to constrain officials from corrupt conduct, he said.

Wen outlined key areas of the government's anti-corruption fight this year, including government funded projects, state-owned enterprises and financial institutions.

CUTTING GOV'T EXPENSES BY 5 PERCENT

Expenses on central government organs would be cut by 5 percent this year, according to the Premier.

Government funded overseas trips, vehicle purchase, and reception expenditure should be reduced consequently, he said.

The number of national conferences held under the name of the State Council or central government departments should be strictly controlled, he said.

And leaders of the State Council or central government departments should refrain from attending ceremonies or forums sponsored by companies, he added.

The government should set up a budgeting system covering all its revenue and expenditure, Wen said.

The government should publicize its public expenditure, its funds used on infrastructure building, and its operational expenses, so its operations could become more transparent and thus enable the public to supervise more effectively, he said.

IRON HAND ON CORRUPTION CASES

The government would continue its determination to crack major corruption cases and those who committed corruption would be severely punished, Wen said.

He called for intensified efforts to trace the fugitives and their illicit money and property, and vowed "not to let those who commit corruption to go unpunished or get a penny out of their illicit gain."

Government officials should strictly follow a code of ethics issued earlier this year by the Communist Party of China (CPC) to ensure clean practice in their work and prevent corruption.

The guidelines specify 52 unacceptable practices, including officials accepting cash or financial instruments as gifts, or officials using their influence to benefit their spouses and children with regards to their employment, stock trading or business.

ENHANCED SUPERVISION ON SOEs

Wen urged enhanced supervision on leaders of state-owned enterprises and financial institutions according to regulations.

"A reasonable proportion" should be maintained between the boss' salary and the employee's. And the income gap between people working in the monopoly sectors should also be kept in a reasonable range with those in other sectors, he said.

The government should also better regulate state-owned enterprises and financial institutions in their investment in the real estate sector, Wen said.

Vice Premier Li Keqiang and He Guoqiang, head of the Communist Party of China (CPC) Central Commission for Discipline Inspection (CCDI), the Party's internal anti-graft body, were also present at the meeting.

- China's anti-graft chief stresses intra-Party inspection (24th March)

(Xinhua) -- China's anti-corruption chief He Guoqiang Wednesday urged to strengthen supervision within the Communist Party of China (CPC) by improving the system and practices of intra-Party inspection.

He, head of the CPC Central Commission for Discipline Inspection and member of the Standing Committee of the CPC Central Committee Political Bureau, made the remarks when attending a training session for cadres doing inspection work.

A regulation on inspection work of the CPC was introduced last year. Inspectors' duty is to spot and report corruptions and malfeasance of officials.

He called on efforts to implement this regulation to make intra-Party supervision more effective.

He also stressed transparency and capacity building of inspection cadres.

- Intensified high-level mainland-Taiwan exchanges sign of solid relationship (27th March)

(Xinhua) -- The Chinese mainland and Taiwan are intensifying their exchanges, especially the mainland's high-level visits to the island, which is perceived as a sign of a more solid relation.

Since March, Taiwan has received business groups led by the mainland's ministerial officials under their non-governmental titles, and provincial and municipal chiefs. Provincial-chief-level visits to Taiwan started last year with east Jiangsu Province's Communist Party of China (CPC) chief.

On Thursday, Vice Commerce Minister Jiang Zengwei arrived in Taipei for a six-day visit. He is leading a group as honorary chairman of the mainland's Association of Economy and Trade Across Taiwan Straits.

The visit aims at helping mainland businesses better understand Taiwan's trade environment and at increasing cooperation, the association said in a statement on its website.

Besides Jiang, deputy governors of the northwest Qinghai Province and the southwest Guizhou Province also visited Taiwan this month, taking along attractive proposals for cooperation in the areas of energy resources, tourism as well as other sectors.

In April, Shanghai Mayor Han Zheng and Luo Qingquan, CPC chief of the central Hubei Province, are scheduled to visit the island. Chiefs of several other provinces and regions are also likely to visit Taiwan this year.

Meanwhile, the two sides' authorized negotiating bodies, respectively the mainland's Association for Relations Across the Taiwan Straits (ARATS) and Taiwan's Straits Exchange Foundation (SEF), started mutual visits in the middle of this month.

On Wednesday, SEF chairman Chiang Pin-kung led a group of Taiwan business people to Hunan Province, kicking off a tour to three central provinces. Right before Chiang, the ARATS' vice president Wang Fuqing visited Taiwan with a religious group.

For the whole year, the ARATS and the SEF each plan to organize around six group visits to the other side, according to Yang Yi, spokesman of the Taiwan Affairs Office of the State Council. Chang Jung-kung, deputy secretary-general of the Kuomintang Party in Taiwan, said increased visits by high-level mainland officials had expanded the range of cross-Strait exchanges.

This would help people on the mainland and Taiwan live harmoniously and the cross-Strait relations develop peacefully, Chang said.

Xu Bodong, professor of Taiwan studies in Beijing Union University, said the visits by provincial and municipal officials could help them establish contacts with Taiwan.

"This can build a more solid basis for cross-Strait exchanges and consolidate the sound momentum of the peaceful development of relations," Xu said.

Ties across the Taiwan Strait have seen marked progress in recent years, with the realization of direct air and sea transport links and postal services.

The two sides are now negotiating a wide-ranging economic pact, the Economic Cooperation Framework Agreement (ECFA), which aims at normalizing trade and investment links.

Experts from the two sides will gather in a few days in Taiwan to discuss the ECFA. The first round of talks was held in Beijing in January.

Foreign relations

- Google and China's Future (22nd March)

Google's dispute with the Chinese government has taught us a lot about modern China. The disagreement was sparked by the company's **January decision to stop filtering Internet searches** by its Chinese users and could lead to the **closure of Google's Chinese search engine**, or perhaps an even more drastic withdrawal from China. (An announcement from Google could come this week.) The case has exposed the myth that China is a great place to do business for foreign companies. Google's step also moves China closer to having a "different" Internet than the rest of the world, one dominated by Chinese companies and policed by the Chinese government.

China's leadership doesn't appear to care much about the impact of Google's possible departure. But should they? The Google case begs a fundamental question about China's future:

Is there a connection between human rights and economic progress?

Americans like me were brought up to believe that free enterprise and free societies are inseparable, that you can't have one without the other. The demands of a successful market-based economy, we've always believed, require the open flow of information in order for investors, businessmen and bankers to make proper decisions. Civil liberties are the basis for the innovation and inspiration that make capitalist economies thrive. Curtailing personal freedoms – such as restricting people's access to the world wide web – would eventually come back to haunt

a country's economic development, by disconnecting the economy from the rest of the world, stifling crucial information and hampering creativity. In other words, the traditional thinking on the relationship between politics and economics tells us that China's stand on human rights could cause it to miss out on crucial opportunities necessary for its future growth.

China sees things very differently. Its leadership believes democracy is not a requirement for a market-oriented economy; instead, you can have economic success without political openness. That's what the 1989 massacre on Tiananmen Square was all about. Deng Xiaoping, China's most influential leader back then, believed political reform would undermine his efforts to develop the economy. Not much has changed in China's thinking over the past 20 years on this issue. President Hu Jintao and Premier Wen Jiabao simply won't believe that allowing Chinese citizens to surf freely on the Internet about sensitive topics -- Falun Gong, Tibet, the Tiananmen Square massacre itself -- will in any way enhance its economic prospects.

So far, it's easy to say that China's leadership is correct. After all, China's economy has been the world's fastest-growing for the past forever, and is likely to become the second largest economy next year (surpassing Japan, a democracy, no less). Meanwhile, the free democracies of the West weren't saved from financial catastrophe by their free Internet policies; in fact, some would argue, the recent economic crisis was caused by too *much* freedom, and not enough government regulation and control.

At the same time, it's notable that there are hardly any countries around the world that have regimes that severely restrict civil liberties and also have thriving economies. It is true that out here in Asia, most of the region's rapid-growth economies were governed by dictatorships or something akin to one-party systems in their early years of development. (India is the glaring exception.) But that's no longer the case. Just about everywhere, they've either become vibrant democracies (South Korea, Taiwan, Indonesia) or more politically open over time (Malaysia). The question to ask is: Are these economies better off because of democratization and the improvement of human rights? The only way to know for certain is to hop into a time machine, zip back to the late 1980s, engineer continued autocratic rule and see what happens. But it is intriguing that in the more advanced economies (I'm thinking South Korea and Taiwan here) there has been a tremendous improvement in recent years in product development and design,

innovation, branding and marketing, and that these trends have coincided with the advancement of civil society and the arts – and the use of the Internet – under liberal political systems.

I'm not going to venture a guess as to whether China will or will not require political reform to keep its growth story going. Yet we'll find out soon enough. The real test of China's political and social policies will come as it attempts to shift from an economy that makes cheap stuff to one that innovates and invents advanced products and technologies. Only then will we find out if the government's control of information and personal freedoms will hamper its efforts to catch up with the United States, Japan and South Korea. Perhaps then China will realize the importance of having Google in its economy rather than outside of it.

<http://curiouscapitalist.blogs.time.com/2010/03/22/google-and-china%E2%80%99s-future/?xid=rss-topstories#ixzz0ivEZhIVl>

- Google decamps, China seethes (23rd March)

Internet giant redirects users in mainland China to its uncensored site based in Hong Kong. Bruised and embarrassed on the international stage, the Chinese government reacted with rage Monday after Internet giant Google announced it would shut down its mainland China search engine rather than continue to censor user searches as demanded by Chinese authorities.

Mainland Chinese Google users now will automatically be redirected to the company's uncensored version in Hong Kong.

Google supporters and free-speech advocates hailed the news as a historic moment for freedom of expression inside China.

But government authorities in Beijing lashed out and condemned the move, clearly fearful it could stand as an example to other foreign companies frustrated by China's ever-increasing controls on commerce and information exchange inside the country.

"We firmly oppose politicizing commercial issues and express our dissatisfaction and anger," a government spokesperson told the state-controlled news agency Xinhua Monday.

"Google has violated the written promise it made on entering the Chinese market," the spokesperson said. "It is totally wrong in halting its filtering (censorship) of its search engine."

Google originally agreed, on entering China in 2006, it would comply with government demands to censor user searches – effectively cutting them off from information on sensitive issues in China like democracy, freedom of speech and human rights.

Criticized at the time for its clear-cut complicity in censorship, Google defended itself saying that its presence in China would, over time, help to open up free speech.

But earlier this year, Google made it plain it could no longer continue – that the situation involving free speech in China was getting worse, not better.

Google said Monday the situation had become untenable.

"We want as many people in the world as possible to have access to our services, including users in mainland China," Google's chief legal officer, David Drummond, said, "yet the Chinese government has been crystal clear throughout our discussions that self-censorship is a non-negotiable legal requirement."

How long Google can continue redirecting mainland Chinese users to its Hong Kong-based, Chinese-language search engine is questionable.

Although Hong Kong, a former British colony, retains a significant measure of Western-style freedoms as part of the 1997 agreement that saw it returned to China, Beijing could easily block mainland users from accessing it.

Such a move would make all mainland Chinese advertising on the website useless – ultimately choking off ad revenues.

Drummond said in a blog post Google hoped the government in Beijing would respect the company's decision, but added, "we are well aware that it could block access to our services."

Beijing already blocks Chinese Internet users from accessing Google's popular YouTube site, as well as social networking sites Facebook and Twitter.

Google's risky decision is believed to have been led inside the company by co-founder Sergey Brin. The Soviet Union-born Brin bristled at engaging in censorship and is said to have vigorously disagreed with the 2006 decision to comply with Chinese government demands to censor searches.

A host of free-speech advocacy groups praised Google for having the guts to follow through on its January threat to either end its censorship or decamp from China.

"This is a crucial moment for freedom of expression in China," said Human Rights Watch's Arvind Ganesan, "and the onus is now on the other major technology companies to take a firm stand against censorship."

The New York-based international organization, Committee to Protect Journalists, also hailed Google's decision. "We hope that it ramps up pressure on the Chinese government to allow its citizens to access news and information they need to be informed and engaged," CPJ's Robert Mahoney said. The short-term losses for Google are low. Google owns only 31 per cent of the Chinese market and derives just 3 per cent of its worldwide \$22 billion (U.S.) revenues from China.

<http://www.thestar.com/news/world/china/article/783764--google-decamps-china-seethes>

- China Sees Red As Google Axes Censorship (23rd March)

China has reacted angrily to Google's decision to stop censoring search results in the country and redirect users to a portal in Hong Kong.

The country's harsh reaction to the move could now threaten the future of the web giant in the biggest internet market in the world.

China said **Google's** move was "totally wrong" and had "violated the written promise it made on entering the Chinese market".

Analysts say Google's other business interests could now be at risk.

"We don't see this as reducing tension," said Colin Gillis, analyst at **BGC Financial**.

"We see this as increasing or ratcheting up tension between the two parties.

[http://news.sky.com/skynews/Home/World-News/Google-China-Angry-As-Internet-Search-Engine-Redirects-Users-To-Portal-In-Hong-](http://news.sky.com/skynews/Home/World-News/Google-China-Angry-As-Internet-Search-Engine-Redirects-Users-To-Portal-In-Hong-Kong/Article/201003415579884?lpos=World_News_Top_Stories_Header_4&lid=ARTICLE_15)

[Kong/Article/201003415579884?lpos=World News Top Stories Header 4&lid=ARTICLE 15](http://news.sky.com/skynews/Home/World-News/Google-China-Angry-As-Internet-Search-Engine-Redirects-Users-To-Portal-In-Hong-Kong/Article/201003415579884?lpos=World_News_Top_Stories_Header_4&lid=ARTICLE_15)

[579884 Google%3A China Angry As Internet Search Engine Redirects Users To Portal In Hong Kong](#)

- China says Google case will not affect China-U.S. relations (23rd March)

(Xinhua) -- The Google case will not affect China-U.S. relations "unless someone politicalizes the issue," Chinese Foreign Ministry spokesman Qin Gang said on Tuesday.

Qin told a regular press conference that the Google case is just a business case and will not damage the image of China.

He blamed the move to relate the case to the China-U.S. relations as "making a fuss" and "overstating the issue."

Google's chief legal officer David Drummond made the "stop censoring" announcement in a blog post at about 3 a.m. Tuesday Beijing Time, more than two months after the company said it had been attacked by hackers supported by the Chinese government and was considering pulling out of the Chinese market.

- China expects to solve problems with U.S. in May dialogue: PM (23rd March)

(Xinhua) -- Chinese Premier Wen Jiabao said here Monday that an upcoming high-level political and economic dialogue would be "very important" for China and the United States to solve problems the two countries have regarding trade and currency.

The second round of the China-U.S. Strategic and Economic Dialogue, slated for May in Beijing, "will be a chance for China and the United States to settle disputes and problems," Wen told a group of overseas entrepreneurs attending a two-day forum in Beijing.

"We attached great importance to the dialogue," he added.

Wen's remarks came as the U.S. is pressing China to appreciate the yuan and limiting Chinese products from entering its market by raising trade barriers.

"The China-U.S. relationship is of great importance," Wen said, noting it concerns the fundamental interests of the two peoples, and its significance goes further than that.

Highlighting trade ties of overall bilateral relations, Wen said he believes some existing differences and problems could be solved through fair consultation.

"Looking back, the disputes and differences between China and the United States have been settled one by one, leading to an increasingly close political and economic relationship," said the premier.

He said China welcomes American enterprises to explore business in China, and would expand imports from the United States in the future.

The China Development Forum, with a theme of "China and the World Economy: Growth, Restructuring and Cooperation", drew over 200 foreign executives from prominent transnationals including Ford, Rio Tinto and Royal Dutch Shell.

In response to a question from Chairman of the Morgan Stanley Asia Stephen Roach concerning emerging trade disputes and protectionism, Premier Wen urged all countries and companies not to start trade and currency wars, which would be harmful to the recovery of world economy.

"We are happy that the world economy shows good signs of recovery, however, some factors make us feel that the recovery will not be so smooth," he said, referring to high unemployment in some big economies, unstable prices of bulk products and inflation.

The premier called on people around the world to stay cool-headed at a time when world economy starts to resume. He said China promises not to pursue trade surplus and wants to enlarge the country's imports.

He said China's future economic growth relies on technology development, in particular, high technology such as life and biological technologies.

As for China's emission cut plan, Premier Wen stressed China regards its energy conservation and emission cut as an important strategy throughout the 11th and 12th five-year plan as well as its future development.

"We will implement our goal of 40-45 percent reduction of carbon intensity by 2020 in the 12th five-year plan," he said.

Concerning China's capital market reform, Wen acknowledged that some problems still exist in the management and monitoring of the financial sector, adding China is determined to establish an "integrated, sound and sustainable" financial system.

China would combine direct and indirect financing to expand the role of the capital market, he said.

- Russia vital for Chinese enterprises "going global": Chinese vice president (23rd March)

(Xinhua) -- Visiting Chinese Vice President Xi Jinping said here on Monday that Russia is a vital market for the "going global" strategy of Chinese enterprises, and expressed hope that mutually-beneficial economic cooperation could help consolidate bilateral ties and strategic partnership.

"Chinese enterprises should step up efforts to go global ... and Russia is a vital market for the implementation of our 'going global' strategy," said Xi while inspecting a Sino-Russian joint project, the Baltic Pearl, in Russia's northern metropolis St. Petersburg.

With a total investment of over 1.3 billion U.S. dollars, the large commercial, real estate and tourism project involved several leading enterprises from east China's Shanghai Municipality, the St. Petersburg municipal government and the Export-Import Bank of China. It was launched in 2006.

The Baltic Pearl is one of the "exemplary projects" for Chinese investment in Russia, and has received strong support from local and central governments in both countries, Xi noted.

"I hope you show dedication and innovation in the implementation of the Baltic Pearl project, so as to blaze a new trail for more Chinese enterprises to come and invest in Russia," Xi told representatives of Chinese businesses involved in the project on the site.

The vice president said that it is the Chinese government's unswerving policy to encourage more domestic enterprises to go overseas for investment and cooperation, by means of production capacity transfer, mergers and acquisitions, joint resources development, and project contracting. Chinese enterprises should contribute to China's economic restructuring and transformation of growth patterns through the "going global" strategy, which means a better use of both domestic and overseas markets and resources, he said.

On the current China-Russia relations, Xi said they are mature, stable and sound, with political mutual trust between the two sides reaching an unprecedented high level.

"In safeguarding the Sino-Russian relations, a key issue is to adhere to mutually-beneficial and win-win cooperation and consolidate the economic foundation of such relations," he stressed, adding that it's of particular importance to balance "take" and "give," and give full consideration to the interests of the Russian side in any cooperative projects.

He urged Chinese developers of the Baltic Pearl project to further strengthen communication and consultation with St. Petersburg authorities, and establish a sound public image for themselves and the Chinese nation as a whole.

He expressed the belief that the Baltic Pearl, as wished by Chinese President Hu Jintao during an earlier inspection tour of the project, would end up as "a first-grade project, a strategic platform and a prototype of cooperation."

Xi, who arrived in Russia on Saturday, is on a four-nation European tour which will also take him to Belarus, Finland and Sweden.

- Uncertainty surrounds Google's China partnerships amid censorship dispute (24th March) (AP) - China issued a blistering public attack against Google on Wednesday and appeared to quietly begin getting businesses to abandon the U.S. Internet giant after it moved its controversial Chinese search engine offshore.

The critical remarks in a high-profile Communist Party newspaper coupled with souring business deals underscored Beijing's determination to settle scores with Google Inc. after a public two-month dispute over stringent Chinese censorship policies. By challenging the often tetchy government, Google appears to have violated an unspoken rule of doing business in China, especially in the Internet industry whose control Beijing sees as crucial to maintaining its authoritarian rule.

"Everybody in the Internet space operates under the good graces of the government, and if the government's not happy with your partner, you probably are going to have to change," said T.R. Harrington, founder and CEO of Shanghai-based Darwin Marketing, which specializes in advertising for China's search engine market.

Signs quickly appeared that some ties forged over Google's nearly four years operating in China were unraveling. Tianya.cn, a popular portal with 32 million registered users, said it was taking full control over social networking and question-and-answer services operated jointly with Google. A company spokesman declined to say if the government exerted pressure but said in a statement that the takeover was being done to "guarantee each product, normal business and good operations."

Industry executives said that Google's revenues were diving as companies shied away from placing new ads with the search engine. Deals with China's top two mobile companies were also in doubt.

In Hong Kong, executives with China Unicom Ltd., the listed unit of one of China's biggest mobile phone companies, hinted that it would shelve plans to offer two cell phones running Google's Android program.

Asked by reporters if the deal to cooperate with Google to sell the phones made by Motorola and Samsung was still moving forward, China Unicom chairman Chang Xiaobing said the company was "open to cooperation with all the vendors but at the same time we need to abide by the laws and regulations in China."

Publicly, Google's Tokyo-based spokeswoman Jessica Powell said it was continuing to work with Chinese business partners, even providing some of them with censored search services to abide by existing contracts.

But the souring atmosphere came only a day after Google announced that it closed its China-based search engine and began redirecting queries to its google.cn search engine to the uncensored google.com.hk in Hong Kong. Though part of China, Hong Kong has a semiautonomous status due to its past history as a British colony, and Google is not legally required to censor results there.

Mainland users rerouted to the Hong Kong site still come up against Chinese government Web filters — collectively known as the Great Firewall — that automatically weed out anything

considered pornographic or politically sensitive before it can reach computers in China. The company's move, in effect, shifts the handling of the censorship from Google to the government. Beijing initially seemed to shrug off Google's move. A government statement called the move "totally wrong" while a Foreign Ministry spokesman appeared to dismiss it as an isolated business case.

The People's Daily newspaper on Wednesday was more shrill, accusing Google in a front-page commentary of cooperating with U.S. intelligence forces and suggesting its decision to move its search engine to Hong Kong was a salvo by U.S. Internet warriors.

"Considering the United States' big push in recent years to prepare for Internet war, perhaps this could be an exploratory pre-dawn battle," said the commentary in the newspaper's overseas edition.

While the U.S. State Department has said it was not involved in Google's decision over its search engine, a speech by Secretary of State Hillary Clinton championing Internet freedom added to Beijing's concerns about collusion and aggravated recently tense U.S.-China relations.

Google's troubles also added to growing pessimism in the U.S. and European business community that a richer, more powerful China was less in need of foreign investment and technology. New rules to promote indigenous innovation and favor local technology in government procurement have brought protests from Western chambers of commerce in China that Beijing was closing off access to the domestic market.

Given those dynamics, Google is likely to face a tough road to rehabilitation in the China market, Chinese and foreign Internet analysts said.

"They are certainly going to suffer and they are going to be spending years rebuilding their reputation with the people who are trying to market inside of China and proving they can offer a decent service in the PRC. Trust me, they aren't walking away from this unhurt," said David Wolf, president of Wolf Group Asia, a technology marketing consultant in Beijing.

http://www.canadianbusiness.com/markets/market_news/article.jsp?content=D9EL3J300&page=2

- Congress slams China and Microsoft, praises Google (24th March)

NEW YORK (CNMoney.com) -- Two days after Google stopped censoring search results in China, a congressional panel praised the company's actions while excoriating the Beijing government for its record on Internet censorship and human rights.

At a hearing held by the Congressional-Executive Commission on China on Wednesday, lawmakers called on China to allow a free flow of ideas on the Internet and sharply criticized Microsoft for continuing to act complicity with China's censorship laws.

"China wants to participate in the marketplace of goods but keep the marketplace of ideas outside their country," said Sen. Byron Dorgan, D-N.D., "Only when China respects human rights and allows the free flow of ideas ... only then will they be treated as a full member of the international community."

While lawmakers scolded China, they roundly applauded Google for shutting down its search operations in China.

Rep. Chris Smith, R-N.J., called Google's decision "a remarkable, historic and welcomed action." He also praised Internet domain host site GoDaddy.com for leaving China.

At the same time, he lit a fire under Google's search rival Microsoft ([MSFT](#), [Fortune 500](#)) for continuing to censor results in China and not following Google's ([GOOG](#), [Fortune 500](#)) lead.

"They [Microsoft] need to get on the right side of human rights rather than enabling tyranny, which they're doing right now," Smith said.

Microsoft could not immediately be reached for a response.

Smith said he supported the Global Online Freedom Act, which would require tech companies doing business in China to disclose what they're censoring. He called on China to do "more than passing lip service" to Google and pass the act.

Google agreed that the United States needed to take action as well. At the hearing, Google's director of public policy, Alan Davidson said governments should do more to protect Internet freedom around the world.

"Internet censorship is a growing global problem," Davidson said. "It not only raises important human rights concerns, but also creates significant barriers for U.S. companies doing business abroad."

But Google did not completely avoid criticism from lawmakers. When asked specifically what Google was censoring in China, Davidson said he could not reveal that information, because it is a Chinese state secret.

"I admire the decision ... but aren't you able to talk about it outside of China?" asked Dorgan.

Davidson declined, to Dorgan's displeasure. Davidson said the legality of the issue represented one of the reasons why the company shut down its search service in the company because it puts Google "in a terribly difficult position."

A future model for business in China

Due to the wide interest about the implications of Google's decision on the United States' diplomatic relations with China, the hearing was packed. Journalists and other spectators stood two rows deep in the back of the hearing room.

On Monday, Google [began redirecting](#) its Chinese users to its Hong Kong site, google.com.hk, which offers uncensored search results.

Google's search site for Chinese users is now hosted on servers that are in Hong Kong. Since Google is no longer hosting its search operations within mainland China, Google no longer needs to adhere to China's censorship laws.

It is now up to the Chinese government to block access to the results it finds objectionable.

One of the witnesses at the hearing, Sharon Hom, executive director of Human Rights in China, said Google's model of continuing to do business in China by operating outside of mainland China's borders serves as a model for other foreign businesses.

"Google's decision this week really demonstrates the possibility beyond the either-or mentality," Hom said. "Google really hasn't left the country."

http://money.cnn.com/2010/03/24/technology/china_google_hearing/

- China says willing to talk more with US (25th March)

China said Thursday it was willing to boost contacts with the United States to resolve a host of issues that are dogging ties, including a long-standing dispute over the value of the yuan.

US Treasury Secretary Timothy Geithner -- under pressure from US lawmakers to label China a currency manipulator in a report due next month -- said Wednesday it was "very important" for Beijing to make its currency flexible.

But Chinese Vice Commerce Minister Zhong Shan dismissed those demands for change, saying the revaluation of the yuan was "not a good recipe for solving problems".

Chinese foreign ministry spokesman Qin Gang refused to be drawn on the issue of the yuan in particular, but admitted there were "frictions and issues facing China-US economic and trade cooperation".

"We are willing to strengthen communication with the United States," Qin said, noting that "dialogue and consultations on an equal footing" was the best way to put paid to bilateral tensions.

The yuan is just one of the issues that have left US-China relations in tatters in recent months. The two countries are also divided over US arms sales to Taiwan, Tibet, trade and Internet freedom.

Beijing has effectively pegged the yuan to the dollar since mid-2008, which critics say keeps the currency's value artificially low, making its exports cheaper and thus more competitive on overseas markets.

China, the world's biggest exporter, has repeatedly defended its exchange rate policy as necessary for the survival of Chinese manufacturers and supporting jobs growth in the economy.

Qin noted that Vice Foreign Minister Cui Tiankai was in Washington for talks, along with Zhong, the vice commerce minister.

<http://www.google.com/hostednews/afp/article/ALeqM5gZaXIPbxNBQ5bGbVmZ2wLgIGdkig>

- China says diplomacy is "best, most effective" way to solve Iran nuclear issue (25th March)

(Xinhua) -- China believes that diplomacy and peaceful talks are the best and most effective way to solve the Iran nuclear issue, Foreign Ministry spokesman Qin Gang said Thursday.

"Peacefully solving the Iranian nuclear issue through diplomacy and talks is in the interests of the parties involved and regional peace and stability," Qin said at a regular press conference when responding to a related question.

With regard to the current situation, China hoped all parties involved would proceed by safeguarding the international nuclear non-proliferation regime as well as regional peace and stability, Qin said.

He also urged the parties to continue to strengthen trust between each other, show flexibility and make efforts for a comprehensive and long-term solution to the issue.

China was ready to continue consultations with relevant parties and promote peaceful talks, Qin said.

- China calls for bilateral consultations over trade friction with U.S. (25th March)

(Xinhua) -- China urged Thursday bilateral consultations, dialogue and communication on an equal footing in solving China-U.S. trade frictions.

"We maintain that it is imperative to seek a mutually beneficial and win-win solution to some problems and frictions in the Sino-U.S. trade and economic relations through equal consultation, dialogue and communication," spokesman Qin Gang with the Foreign Ministry told reporters here.

China was willing to strengthen communication with the United States over related issues, Qin said.

Chinese Vice Minister of Commerce Zhong Shan was paying a three-day visit to the United States from March 24 to strengthen the Sino-U.S. economic and trade cooperation.

Chinese Vice Foreign Minister Cui Tiankai was also making a pass-by visit to the U.S. after attending a coordinators' meeting for the G20 Summit in Canada.

During their stay in the United States, the two officials exchanged views with people from all walks of life in the country on the major issues confronting bilateral economic and trade relations, Qin said.

China believes that such contacts are conducive to enhancing mutual trust and understanding, as well as the proper handling of the "problems" between the two sides, so that the problems will not hamper the overall development of Sino-U.S. relations, he said.

"China attaches great importance to the problems and frictions in the Sino-U.S. economic and trade relations and stands for resolving the problems through dialogues and consultations on an equal footing", he stressed.

Qin reaffirmed that respecting each other's core interests and major concerns was a key for ensuring healthy and stable development of China-U.S. relations.

"A sound China-U.S. relationship is in the basic interests of the two peoples and is conducive to the peace, stability and prosperity of the world," he added.

"We hope the U.S. will work with China to advance bilateral relations toward the direction of positive, cooperative and comprehensive development in line with the important consensus reached between leaders of both nations and with the three Sino-U.S. joint communiques and the Sino-U.S. joint declaration as the base," Qin said.

- China opposes Switzerland accepting Chinese Guantanamo detainees (25th March)
(Xinhua) -- China on Thursday expressed its opposition to Switzerland taking two Chinese Uygurs released from Guantanamo Bay.

"China resolutely opposes the U.S. transfer of the above terrorist suspects to a third country, and opposes any third country taking them," said Foreign Ministry spokesman Qin Gang at a regular news briefing.

Qin's remarks came amid reports that the two Chinese Uygurs freed from the U.S. prison at Guantanamo Bay had arrived in Switzerland.

"We have lodged solemn representations to the country related," said Qin in response to a question.

China has maintained that the Uygur detainees were suspected members of the "East Turkistan Islamic Movement" listed as a terrorist group by the UN Security Council, and should be dealt with by China.

Seven detainees, from China's Xinjiang Uygur Autonomous Region, were held during the Afghanistan war launched after the terrorist attacks on the United States on Sept. 11, 2001.

China said in February that Switzerland's decision to take the two detainees would undermine its relations with China.

- China expects to see peace, stability and development in Afghanistan (25th March)

(Xinhua) -- China hoped to see the realization of peace, stability and development in Afghanistan, Chinese Foreign Ministry spokesman Qin Gang said here Thursday.

Qin told a regular press briefing that China was actively taking part in Afghanistan's peaceful reconstruction and insisted that the international community work together to provide support and assistance to the country with full respect to its sovereignty, independence and territorial integrity as well as the will of the people.

Chinese President Hu Jintao and visiting Afghan President Hamid Karzai witnessed on Wednesday the signing of three documents on economic and technological cooperation, favorable tariffs for Afghan exports to China and bilateral training programs.

Qin said, the agreements were expected to be implemented comprehensively for the further promotion of China-Afghanistan cooperation and the benefit of the Afghan people.

China's economic assistance to Afghanistan can be dated back to the mid 1950s when the two countries established diplomatic links.

Since 2002, China has given more than 900 million yuan (130 million U.S. dollars) in aid for the rehabilitation of Afghanistan. China has applied zero tariffs on 278 items of export products from Afghanistan since July, 2006 and announced to provide an additional 75 million U.S. dollars of aid to the country over the next five years in 2009.

We believed that the Afghan people were willing and capable of moving ahead towards the achievement of national reconciliation, social progress, economic growth as well as national and regional stability, Qin said, adding that China would, as it always did, make joint efforts with the international community to support and help Afghanistan within its ability.

At the invitation of Hu, Karzai is paying a state visit to China from March 23 to 25.

- Chinese vice-premier vows to boost economic, trade ties with Britain (25th March)

(Xinhua) -- Chinese Vice Premier Wang Qishan pledged here Thursday to work towards improving the environment for cooperation between Chinese and British enterprises so to increase economic and trade ties.

Wang hailed the booming Chinese-British economic and trade cooperation during a meeting with visiting British Prince Andrew, who is here as a special envoy of the United Kingdom for international trade and investment.

The two sides share broad potential for cooperation in such areas as infrastructure construction, finance and energy, Wang said.

Prince Andrew, in his turn, appealed to British and Chinese companies to enhance cooperation.

- China vows to further promote media co-op with ASEAN (25th March)

(Xinhua) -- China's publicity chief Liu Yunshan met with an Association of Southeast Asian Nations (ASEAN) media delegation here on Thursday, and vowed China would continue to promote media cooperation with ASEAN member nations.

"The seminar provides an opportunity for China and ASEAN countries to exchange experience and discuss cooperation," Liu said, as head of the Publicity Department of the Communist Party of China (CPC) Central Committee

He added that media cooperation was an important component of cultural cooperation, which would promote the China-ASEAN strategic partnership.

"The Chinese government encourages and supports Chinese media to strengthen exchanges and cooperation with their ASEAN country counterparts in such areas as broadcasting, human resources, information technology and business development," Liu said.

Chief delegate Brualaoanh Thanphilom, also editor-in-chief of the Laos' Pasaxon Newspaper, said the ASEAN media delegation thought highly of the seminar and hoped ASEAN and China would facilitate more media exchanges and cooperation.

Liu also called on media worldwide to be socially responsible, and make the news broadcasting real, objective, accurate and comprehensive.

The delegates were here to attend the two-day fourth China-ASEAN Media Cooperation Seminar held by the People's Daily from March 24 to 25 in Beijing. Representatives from newspapers, news agencies, web companies and relevant government departments of ASEAN member nations and China attended the seminar.

The theme of the seminar was the development of new media.

- China pledges military co-op with Afghanistan, Nepal (25th March)

(Xinhua) -- Chinese Defense Minister Liang Guanglie pledged military cooperation with Afghanistan and Nepal here Thursday when meeting his counterparts from the two countries.

In meeting with Afghan Defense Minister Abdul Rahim Wardak, Liang said China and Afghanistan had developed smooth relations since establishing diplomatic ties in 1955 and China appreciated the staunch support given by Afghanistan on issues relating to China's core interests.

"Chinese military will continue assistance to the Afghan National Army(ANA) to improve their capacity of safeguarding national sovereignty, territorial integrity and domestic stability," said Liang.

The ANA's troop numbers had surpassed 100,000 and Afghanistan was dedicated to building its capacity to improve the security situation, said the Afghan Defense Ministry, with the goal of having a 134,000-strong army by the end of 2011.

Wardak said he hoped the ANA would be "strong enough to defend the country against internal and external threats" after NATO-led forces, particularly after the U.S., withdraws from the country.

Military-to-military cooperation between China and Afghanistan had developed smoothly in military supply and personnel training, said Liang, noting that all the aid offers were provided on an unconditional basis.

- China, Afghanistan plan closer partnership as Karzai concludes state visit (25th March)

(Xinhua) -- Afghan President Hamid Karzai on Thursday concluded a three-day state visit to China during which deals on aid, tax reduction and training were inked to cement bilateral comprehensive cooperation.

In his meeting with top Chinese legislator Wu Bangguo on Thursday afternoon, Karzai said his country hopes to further expand cooperation with China in the areas of politics, trade, defense and education, and enhance coordination on regional and global issues.

Wu, chairman of the National People's Congress Standing Committee, told Karzai China always respects Afghanistan's independence, sovereignty and territorial integrity, and supports the country's efforts for national stability and development.

Hailing the progress of bilateral ties since the establishment of diplomatic ties 55 years ago, Wu said China hopes to push forward all-round cooperative partnership with the country and hopes the two countries to stay as good neighbors, good friends and good partners forever.

Wu appreciated Afghanistan's support for China on Taiwan issue and issues regarding Tibet and Xinjiang.

Karzai said currently Afghanistan-China relations are at the best period of time in the history, adding his country is committed to strengthening good-neighborly ties with China.

Premier Wen Jiabao told Karzai in their meeting that China will continuously provide assistance and aid to Afghanistan and pledged to enhance security and economic cooperation.

Wen asked the two countries to further respect each other's sovereignty and territorial integrity, enhance mutual trust and consultation on an equal basis.

He suggested the two states promote economic development, improve the people's livelihood, realize fair and justice in society.

Wen noted the two countries should win over and unite the people, and isolate the "three evil forces" of terrorism, separatism and extremism, and to strengthen the crackdown on cross-border crimes.

"China will step up contact and coordination with Afghanistan and the international society to strive for a secure and harmonious regional environment, push for lasting peace and common development," Wen said.

In a joint statement issued on Thursday, China reiterated its support for the peaceful reconstruction in Afghanistan.

The two sides also agreed to expand economic cooperation and trade, increase mutual investment and technology transfer, and deepen cooperation in areas of transportation, agriculture and irrigation, energy, mining and infrastructure, according to the statement.

It was Karzai's fourth visit to China as Afghan president. A high ranking delegation including leading ministers and 20 businessmen, are accompanying him in his China trip.

- China donates 1 million dollars to quake-torn Chile (25th March)

(Xinhua) -- China donated 1 million U.S. dollars to quake-torn Chile Wednesday, adding to the 2 million dollars worth of relief materials sent on March 5.

Fernando Schmid, Chile's acting foreign minister, thanked China for its support, saying the Chinese people had been standing together with Chileans through thick and thin since the disaster.

Fernando said Chile would further enhance ties with China, which had been an important trading partner of his country.

Chinese ambassador Lv Fan said people from China and Chile, although geographically far from each other, shared close ties and deep friendship.

The earthquake had caused great loss of life and immense damage to property in Chile, Lv said, adding the Chinese people, who suffered a 8.0-magnitude earthquake in southwestern Sichuan Province in 2008, could sympathize with the Chileans.

The ambassador said China had decided to donate 1 million dollars to Chile less than 48 hours after the earthquake, and China had already sent tents, blankets, portable generators and water purifiers.

The Red Cross of China also donated 100,000 dollars to Chile.

The deadly 8.8-magnitude earthquake rocked Chile on Feb. 27, killing 425 people and leaving 500,000 others homeless. President Sebastian Pinera estimated reconstruction would take about 30 billion dollars.

- China, Israel vow to enhance bilateral ties (25th March)

(Xinhua) -- Visiting Chinese Vice Premier Hui Liangyu on Wednesday held talks with Israeli President Shimon Peres, both vowing to further promote bilateral relations.

Hui conveyed warm greetings from Chinese President Hu Jintao to Peres.

The friendly and cooperative relations between the two countries have reached profound achievements in politics, economy, culture, science and technology and many other areas since the establishment of diplomatic ties 18 years ago, Hui said. He stressed that promoting Sino-Israeli relations agrees with the long-term interests of the two countries and peoples.

China is willing to join hands with Israel to expand bilateral exchanges, consolidate political friendship, complement each other with respective advantages and deepen cooperation in various fields, especially agriculture, science and technology, the Chinese vice premier said. Moreover, China is willing to enhance cultural and non-governmental contact, so as to give a sustained impetus to the progress of bilateral relations, he added.

Peres asked his guest to convey warm greetings to his Chinese counterpart, highlighting the friendly feelings of the Israeli people towards the Chinese people.

Noting that China has become one of the world's largest economies in a relatively short period and that the Chinese government is making enormous efforts to build a harmonious society, eliminate poverty and improve the living conditions of the Chinese people, and is also attaching great importance to agricultural production and food safety, Peres said that the Israeli government and people admire China's accomplishments and ambitions.

Israel and China have huge potential for cooperation in a variety of sectors, including agriculture, science and technology, and Israel is willing to expand its scope of cooperation with China and further advance bilateral ties, the Israeli leader said.

Later in the day, Hui also met with Israeli Vice Prime Minister and Minister for Strategic Affairs Moshe Ya'alon, during which the two sides agreed to further strengthen the friendly cooperation between the two countries in trade, agriculture, science and technology, culture, tourism and other areas.

The two sides also exchanged views on the Middle East issues, and Hui reaffirmed the principles and positions of the Chinese government on the Israeli-Palestinian conflict.

During his stay in Israel, Hui also visited a number of agricultural projects in an Israeli kibbutz and attended a signing ceremony of cooperation documents between Chinese and Israeli firms.

- Cultural exchanges vital in Sino-Russian partnership: Chinese VP (25th March)

(Xinhua) -- People-to-people and cultural exchanges have always played an indispensable role in promoting China-Russia friendship and have been proven to be an essential element in enhancing a strategic cooperative partnership, Chinese Vice President Xi Jinping said here Wednesday.

As an important part of such exchanges, the ongoing "Year of Chinese Language" in Russia will surely help elevate the development of Sino-Russian strategic cooperative partnership, Xi said in a speech at the launch of the "Year of Chinese Language" together with Russian Prime Minister Vladimir Putin in the Kremlin.

CHINA, RUSSIA GOOD NEIGHBORS, GOOD FRIENDS AND GOOD PARTNERS

Xi spoke highly of Sino-Russian bilateral friendship and cooperation in recent years, especially in the field of people-to-people and cultural exchanges.

"China and Russia have always been good neighbors, good friends and good partners," he said. Relations further strengthened after leaders of the two countries, proceeding from a long-term perspective, decided to establish the China-Russia strategic partnership of cooperation in April 1996.

"In recent years people-to-people and cultural exchanges have developed rapidly and played an important role in promoting this China-Russia strategic partnership of cooperation, which has evolved into a mature, stable and sound relationship," he said.

Xi cited the successful holding of reciprocal national theme years, the "Year of China in Russia" in 2007 and the "Year of Russia in China" in 2006, during which hundreds of activities were held, opening a new era for people-to-people and cultural exchanges between the two countries.

The two events of "the Year of Russian Language" in China in 2008 and "the Year of Chinese Language" in Russia this year will surely help push the bilateral exchanges to a new level, he said.

CHINESE, RUSSIAN LANGUAGES IMPORTANT BRIDGES

The Chinese language is an important carrier of the Chinese civilization, Xi noted. With the media of Chinese language, many great Chinese writings in philosophy, literature and military thoughts were passed on and spread to the world, becoming a common treasure for the whole mankind.

The invention of paper making and moveable-type printing by Chinese helped further disseminate the Chinese culture to the world. Nowadays a total of 1.4 billion people use Chinese as their mother tongue and Chinese is one of the five working languages of the United Nations.

Language and cultural exchanges between China and Russia have a long history. Russia began to send students to China to learn the Chinese language and culture since the mid 17th century. In 1708 the Chinese government opened the first official school offering Russian language courses. Since new China was established 60 years ago more people from both sides began to learn each others' languages. Famous literary works of both countries were translated and introduced to each other, greatly promoting mutual understanding of the two peoples.

LANGUAGE, CULTURAL EXCHANGES FLOURISHED IN RECENT YEARS

Language and cultural exchanges have flourished in recent years. About 19,000 Chinese students are now studying in Russian universities and over 10,000 Russian students are studying in China. Nearly 100 state-funded Russian universities are running Chinese courses, with over 40 listing Chinese language as their first foreign language. The number of undergraduate and postgraduate students studying Chinese language in Russia is estimated to be more than 10,000.

Twelve Confucius Institutes and three Confucius Classrooms have been established in Russia. Seven Russian language centers have been set up in China, up to 100 Chinese universities offer Russian language courses with over 10,000 students majoring in the Russian language.

The content of cultural exchanges has been enriched, and more people are being involved with greater achievements. Chinese philosophy, literature, martial art, cuisine and traditional Chinese medicine enjoy wide popularity in Russia.

Xi expressed confidence that the "Chinese Language Year" in Russia will be a great success, helping more Russians understand the special charm of the Chinese culture to further solidify the foundation of bilateral friendship and cooperation between the two countries.

- Highlight of Chinese vice president's European tour (25th March)

(Xinhua) -- The following is the highlight of Chinese Vice President Xi Jinping's European tour on Wednesday.

Xi is on a 12-day tour to four European nations -- Russia, Belarus, Finland and Sweden.

MOSCOW -- Xi met with Russian President Dmitry Medvedev, and they spoke highly of the development of bilateral ties.

Xi also met separately with two major party leaders in Russia to discuss party-to-party cooperation. The party leaders were Chairman of the Communist Party of Russia Gennady Zyuganov and Chairman of the Liberal Democratic Party of Russia Vladimir Zhirinovskiy.

MINSK -- Xi arrived in Belarus for an official visit after concluding his tour in Russia.

Xi met with Belarusian President Alexander Lukashenko. They hailed the healthy and steady development of Sino-Belarusian relations and agreed to strengthen ties.

Xi is expected to meet with Belarusian Prime Minister Sergei Sidorskiy, Chairman of the House of Representatives of the National Assembly of Belarus Vladimir Andreichenko, and Chairman of the Council of the Republic of the National Assembly of Belarus Boris Batura.

Later, the Chinese vice president will travel to Helsinki to start his visit to Finland, the third leg of his European tour.

- China's top political advisor in Cameroon to boost traditional ties (25th March)

(Xinhua) -- China's top political advisor Jia Qinglin will wrap up his visit to Cameroon and leave for Namibia on Thursday to continue his 10-day African tour.

In Cameroon, Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), held talks with Cameroonian President Paul Biya and National Assembly President Cavaye Djibril separately on Wednesday, discussing the ways to lift the two country's traditional relations to a new height.

"As developing countries, it is in the fundamental interests of China and Cameroon to seek bilateral friendly cooperation," Jia told Biya in their hour-long talks at the Presidential Palace.

Jia arrived here on Tuesday for a three-day official visit.

Jia and Biya reviewed the progress of bilateral relationship since the two countries established diplomatic ties in 1971, particularly the significant improvement after the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) in 2006.

To further China-Cameroon relationship, Jia proposed the joint efforts in cementing political foundation, widening economic cooperation, deepening people-to-people exchange and increase coordination on international issues.

On broader China-Africa relationship, Jia said China was committed to implementing the new eight measures introduced by Chinese Premier Wen Jiabao last November in Egypt, which also include debt cancellation, agriculture production, infrastructure, education.

"China would like to listen to the suggestions of Cameroon and other African countries on carrying out those measures in a bid to generate more benefits for African people at an early time," Jia said.

For his part, Biya echoed Jia's proposal, saying his country would like to work more closely with China in those fields.

Biya said Africa-China cooperation was characterized by equity, mutual benefit and common development, which had brought substantial benefits to African nations.

The president said his country would support China's policy and initiative on Africa.

After their meeting, Jia and Biya witnessed the signing of a number of cooperative deals between the two countries.

Jia earlier delivered a key-note speech at the National Assembly. The speech, entitled "May the Flower of China-Africa Friendship Grow More Splendid," reaffirmed China's commitment to boosting the ties between the world's biggest developing country and the continent with the largest number of developing countries.

In the speech, Jia put forward a four-point proposal aiming at fully advancing relations with Africa. The proposal covered political trust, economy collaboration, cultural exchanges and global issues.

"Under the new circumstances, China will work with Cameroon and other African countries to enhance the traditional friendship and grow the new type of China-Africa strategic partnership," he said.

"Both sides should remain committed to deepening political mutual trust," said Jia.

"We support the efforts of African countries to uphold peace and stability and seek development through unity," he said, adding that China stood ready to make contribution to African peace, security and integration.

On the economic front, Jia pledged more cooperation with African countries in trade, investment, infrastructure, agriculture, energy, finance and telecommunications.

"We will fulfill the pledge of the Chinese government to provide 10 billion U.S. dollars of preferential loans to African countries," Jia said.

The preferential loans were part of the eight new measures introduced by Chinese Premier Wen Jiabao last November in Egypt, which also include debt cancellation, agriculture production, infrastructure and education.

He encouraged well-established Chinese companies to invest in Africa and take more favorable measures to increase the continent's exports to China.

"The Chinese businesses accompanying my visit to Africa will sign important agreements on importing goods from Cameroon," Jia said.

Jia called for stronger cooperation in education, public health, culture, sports and tourism.

"We will work with African countries to train 20, 000 professionals for Africa within three years," Jia said.

With the Shanghai World Expo in sight, Jia also extended a welcome to people in Africa. The 41st World Expo will open in May in China's economic hub.

Jia underscored the importance of China-Africa efforts to tackle global challenges, including world financial foe, climate change, food security, among others.

"We will strive to increase the representation and say of developing countries in the international system," Jia said.

On the hot-button climate change, Jia said China would not "compete with African countries for a single penny of assistance."

Instead, China will do its utmost to help African countries enhance the capacity to meet the climate challenge, Jia said.

The speech, delivered during Jia's three-day official visit to the central African nation, drew around 400 parliamentarians, diplomats, experts and professionals.

- China, U.S. can treat each other as partners instead of rivals: Chinese official (25th March)

(Xinhua) -- China and the United States should appropriately handle economic and trade frictions to advance healthy ties, a senior Chinese trade official said Wednesday.

"For the moment, the biggest challenge facing the China-U.S. economic and trade relationship is trade protectionism and the politicizing of our economic and trade issues," Chinese Vice Commerce Minister Zhong Shan told reporters.

Under the pressure of mid-term elections and high unemployment rate, some U.S. senators last week proposed a legislation to press China to appreciate its currency.

The bill requires the U.S. Treasury Department to identify countries with "fundamentally misaligned currencies" and asks the Commerce Department to investigate currency undervaluation as a "countervailable subsidy."

Zhong said that to press China to reevaluate its currency is counterproductive. "We hope that China and the United States can treat each other as partners instead of rivals."

- China Establishes New Limits On Google (26th March)

China has introduced a swathe of new limits on media coverage of the world's largest search engine run by Google Inc., Yonhap news agency reported, citing a U.S.-based research network at the University of California, Berkeley on Friday.

Google earlier this week withdrew its China-based operations and has begun redirecting online visitors to Hong Kong.

Users who type in www.google.cn in the search box of a Web browser are automatically transferred to www.google.com.hk, Google's Hong Kong-based service.

The company has cited cyber attacks on its e-mail service and strict censorship regulations in China as reasons for the move. Google's Hong Kong site is uncensored, Yonhap reported.

The China Digital Times run by the Berkeley China Internet Project said the Chinese government issued new regulations this week on how Chinese media companies should deal with the recent row between China and the U.S. Internet giant.

The government ordered the companies to pay strict attention to content requirements, said the note obtained by the China Digital Times.

"Do not participate in reporting Google's information or press releases. Do not report about Google exerting pressure on our country via people or events," the note said.

It also ordered the operators of forums, blogs and other interactive media not "to hold discussions or investigations on the Google topic."

<http://www.bernama.com/bernama/v5/newsworld.php?id=485598>

- Chinese vice premier praises Sino-Indian trade ties, calls for furthering of co-op (26th March)

(Xinhua) -- Visiting Chinese Vice Premier Hui Liangyu Friday praised the fast growing Sino-Indian trade relations and called for further efforts by the two sides to expand such cooperation.

In a speech to Indian businessmen and Chinese entrepreneurs based in New Delhi, Hui said that Sino-Indian cooperation in economic and trade field has become a remarkably bright spot in bilateral ties, as bilateral trade rose from 2.9 billion U.S. dollars to 51.8 billion U.S. dollars from 2000 to 2008.

This made China India's second largest trade partner and India China's biggest trade partner in South Asia, he said.

Hui said that China has also built infrastructure projects in India worth 11.1 billion U.S. dollars in the past few years and invested 260 million U.S. dollars in India in the fields of telecom, software and pharmaceutical industry, while India has made 300 million U.S. dollars of investment in China.

The vice premier said that as both China and India are experiencing fast growth, there exist a great potential and a wide and bright perspective for expanding bilateral cooperation and exchanges between the two countries.

"Such cooperation will benefit not only the two countries, but also the whole world," he said.

Hui also proposed that China and India increase strategic trust to push forward cooperation of bilateral benefit.

"The economies of China and India are mutually supplementary to a great extent. The two countries can take advantage of each other 's technological strong points in IT, manufacturing, agriculture, infrastructure, energy saving and environment protection," he said.

Hui also promised that China will provide more export and investing opportunities for Indian enterprises, so that bilateral trade can develop in a more balanced way.

"China is working on expanding domestic consumption, this will also provide a lot of business opportunities for Indian and other foreign enterprises in China," he said.

Hui suggested that the two countries provide favorable conditions to help increase exchanges among their enterprises, create equal and transparent investment environment, and facilitate trade and investment processes.

He said that China and India can continue to join hands in multilateral cooperation to safeguard common interests.

This can be carried out though strengthening coordination and increasing dialogue on the issues of international financial crisis, reform of global economic management structure, pushing forward WTO Doha Round talks, as well as coping with global warming, he said.

- CPC leader vows to enhance cultural exchanges within SCO (26th March)

(Xinhua) -- A leader of the Communist Party of China (CPC) expressed the hope Friday that the countries of the Shanghai Cooperation Organization (SCO) would enhance cultural exchanges to facilitate their cooperation in various fields.

"Within the SCO framework, the countries should boost cultural exchanges to enrich cooperation of the SCO," said Li Changchun, a member of the Standing Committee of the Political Bureau of the CPC Central Committee.

Li made the remarks while meeting with cultural ministers from the SCO member countries and observers, who are to attend the seventh SCO meeting of cultural ministers to be held in China's southernmost province of Hainan.

Li said that cultural exchanges serve as a bridge for communications among the SCO countries, and the meeting mechanism of the SCO cultural ministers has played an important role in enhancing cultural exchanges and friendship.

The SCO Secretary General Muratbek Imanaliev said the cultural ministers' meeting will exert positive influence on the friendship among the SCO member countries and observers.

The SCO, which was founded in Shanghai in 2001, comprises China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Four nations, including Mongolia, India, Pakistan and Iran, have observer status in the group.

- Chinese vice president in Finland after Belarus visit (26th March)

(Xinhua) -- Chinese Vice President Xi Jinping arrived in Finland Thursday afternoon for an official visit after his tour in Belarus.

In a written statement distributed to the press upon his arrival in Helsinki, Xi said Sino-Finnish relations, built on mutual trust and substantiated with practical cooperation, have been stable and healthy ever since the establishment of diplomatic relations 60 years ago.

As Sino-Finnish friendship conforms with the fundamental interests of the two peoples, China attaches great importance to developing its relations with Finland and is willing to lift their friendly and cooperative ties to a higher level, Xi said.

The Chinese leader said he is looking forward to discussing with Finnish leaders the prospects of bilateral relations and exchanging views with them on major international issues of common concern.

During his three-day stay in Finland, Xi is expected to meet Finnish President Tarja Halonen, Prime Minister Matti Vanhanen and Parliament Speaker Sauli Niinisto.

Earlier in the day in Minsk, Xi held separate talks with Belarusian Prime Minister Sergei Sidorsky and parliament speakers over bilateral relations and efforts to further exchanges between the legislatures of the two countries.

- China, Egypt vow to strengthen strategic ties (26th March)

(Xinhua) -- Senior Chinese legislator Wang Zhaoguo, who is on a four-day visit to Egypt, met here Thursday with Egyptian Prime Minister Ahmed Nazif, discussing ways to strengthen strategic cooperation between the two countries.

Wang, vice-chairman of the Standing Committee of the National People's Congress (NPC), China's top legislative body, led an NPC delegation to Egypt for an official goodwill visit starting from Tuesday afternoon.

Wang said Egypt and China are important developing countries and the two peoples will benefit from the progress of bilateral ties.

"We should boost our cooperation in agriculture, culture, education, science and technology, health care and tourism in the coming years," Wang said.

For his part, Nazif said Egypt has witnessed China's huge achievements through reforms and opening up and China plays an important role in world affairs.

"Egypt attaches great importance to the strategic cooperation with China and I hope our cooperation in various fields will bear more fruit in the future," Nazif said.

Wang, who is also a member of the Political Bureau of the Central Committee of the Communist Party of China, hailed the strategic friendship between China and Egypt, noting that bilateral relationship has been developing faster in recent years under the auspices of both heads of state.

"The China-Egypt friendship is a good example for developing countries and South-South cooperation," Wang said.

China and Egypt established strategic cooperation partnership in 2009. Bilateral trade surpassed 6 billion U.S. dollars in 2009.

- China, ASEAN to hold defense and security dialogue Monday (26th March)

(Xinhua) -- China and the Association of Southeast Asian Nations (ASEAN) will hold a dialogue meeting on defense and security matters in Beijing from March 29 to 31, China's National Defense Ministry said Friday.

Officials and scholars from the two sides will discuss regional defense and security issues during the dialogue sponsored by the Academy of Military Sciences of the Chinese People's Liberation Army.

The academy hosted China-ASEAN dialogues on defense issues in 2008 and 2009 to deepen exchanges and promote mutual trust.

- Chinese, Peruvian foreign ministers hold talks (26th March)

(Xinhua) -- China and Argentina, two of the world's major emerging economies, should enhance coordination on international affairs and jointly face global challenges, Chinese ambassador Zeng Gang said Thursday.

Reforms on international political and economic systems were of vital importance to all countries, Zeng said at a seminar on Sino-Argentine relations here.

Zeng said China and Argentina, which had many similarities, should coordinate actions on such global issues as UN reform, world financial system reform and fighting climate change among others, in a bid to protect their common interests and seek new global economic and political orders in favor of developing nations.

The two countries should strengthen high-level exchanges and boost strategic mutual trust, said the ambassador, adding China is expecting Argentine President Cristina Fernandez's upcoming visit this year.

Meanwhile, the two countries should promote pragmatic cooperation, enrich bilateral relations and expand investments, he said.

The two countries had been important trading partners; however, there was still great potential in bilateral economic cooperation, Zeng said, noting the two were currently negotiating on railway and subway infrastructure projects and China was willing to expand investment in energy and mining in Argentina.

- China, Namibia reaffirm commitment to stronger relationship (26th March)

(Xinhua) -- China and Namibia on Thursday pledged to work more closely to upgrade their relationship.

The pledge came after the talks between China's top political advisor Jia Qinglin and Chairman of the National Council of Namibia Assert Kapere on Thursday afternoon.

Jia, the chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), the country's top advisory body, arrived in Windhoek on Thursday afternoon for a four-day visit to the southwestern African nation.

Jia started the talks by congratulating Namibia on the 20th anniversary of obtaining its full independence. Namibia was one of the youngest state in Africa, which became fully independent in 1990.

China-Namibia relationship has taken a good momentum of development since the two countries forged diplomatic ties in 1990, Jia said, highlighting frequent high-level exchanges, fruitful cooperation in politics, trade, culture, education and public health between the two sides.

Jia said China-Namibia friendly and cooperative relationship is significant for China-Africa solidarity, south-south cooperation and world peace.

To consolidate bilateral relationship, Jia proposed more exchanges at different levels to build a solid political relationship.

On the economic front, Jia called for both countries to expand economic cooperation. He encouraged well-established Chinese companies to invest in Namibia and play a role in local development.

Jia also called for expanded people-to-people exchanges, more collaboration in education and public health, and interaction among media, women organizations and academic institutes between the two countries. On the international issues, Jia said China and Namibia should step up coordination and cooperation to safeguard the common interests of the developing countries.

Kapere reviewed the ties between the two countries, saying China is a sincere friend of his country.

Kapere said Namibia is ready to work with China to bring bilateral relationship to a new high.

With the joint task of promoting bilateral friendship, the CPPCC and the National Council of Namibia should expand cooperation and make efforts to advance the relationship, Jia said.

After the talks, Jia and Kapere witnessed the signing of a series of economic deals.

Namibia is the second leg of Jia's 10-day African tour which has already took him to Cameroon. He will visit South Africa next week.

- China's build-up is affecting regional military balance: US (27th March)

WASHINGTON: The build-up of Chinese armed forces is continuing "unabated" and Beijing's goals appears to be power projection beyond Asia and to challenge America's freedom of action in the region, a top US admiral has said.

Outlining that Chinese buildup was affecting regional military balance, Admiral Robert Willard, Commander of the US Pacific Command said, "China's rapid and comprehensive transformation of its armed forces holds implications beyond the Asia-Pacific region".

The admiral's comments came in a testimony to the Congress armed services committee and raised concerns that whether Beijing harboured global military ambitions.

"Of particular concern is that elements of China's military modernisation appear designed to challenge our freedom of action in the region," Willard said.

Elaborating, the top American Admiral said China had augmented its submarine and air defence fleet, which was now the dominant presence in crucial Asian waters in South China Sea, East China Sea and the Yellow Sea and these forces constituted "anti-denial and anti-access" capability against the American and regional forces.

"The PLA Navy has increased its patrols throughout the region and has shown an increased willingness to confront regional nations on the high seas and within the contested island chains.

Additionally, China lays claim to the Senkakus, administered by Japan, and contests areas on its border with India," Willard said.

The US armed forces officials also told the Congressional committee that over the past several years, Beijing had begun a new phase of military development by beginning to articulate roles and missions for the PLA that go beyond China's immediate territorial concerns, but has left unclear to the international community the purposes and objectives of the PLA's evolving doctrine and capabilities.

In his opening remarks, Senator Carl Levin, chairman of Senate Armed Services Committee said as China's influence and military grow, traditional alliances and partnerships in the region may come under pressure from a perception that the balance of power is shifting. And other countries in the region may deem it necessary to grow their militaries as well.

Such developments need to be understood and inform our decision making. China's growing involvement with Iran, including investment in the Iranian energy sector, is an example of China's global influence expansion efforts," he said.

"China is the primary obstacle to more stringent United Nations Security Council sanctions against Iran," Levin said.

Another powerful Sen Joseph Lieberman said his impression is that over the last year or so there seems to have been a move up in the assertiveness of China economically, diplomatically and militarily.

To these probing queries by the influential senators, Willard said the Chinese buildup ranged from integrated air defence systems off their coastline, which stand off well beyond their territorial waters and air space, to their investments in submarines, which is pretty profound.

That particular capability now that is ranging throughout the South China Sea, East China Sea and Yellow Sea and beyond, and other capabilities that together provide sizable area denial capability, he said.

"Over time they have very much appeared to zero in on US capabilities and a potential ability to counter those, as a framework for these investments. But I would offer that they not only concern the United States but our regional allies as well.

As you suggest, Japan, the Republic of Korea, our allies in Southeast Asia, the Philippines and Thailand, and our partners in Vietnam and elsewhere in the region, all have to deal now with capabilities that could potentially infringe on their freedom of action throughout this very important part of the world," he said.

The US commander also said that American military and government networks and computer systems continue to be the target of intrusions that appear to have originated from within China.

http://www.dnaindia.com/world/report_china-s-build-up-is-affecting-regional-military-balance-us_1364063

- China, Namibia mark 20 years of diplomatic relations (27th March)

(Xinhua) -- Namibia commended China's assistance during its independence struggle at a banquet held on Saturday in Windhoek in honor of a visiting Chinese delegation led by Jia Qinglin, China's top political advisor.

The banquet, which was attended by Namibian Foreign Affairs Minister Utoni Nujoma, former President of the nation and Dr. Sam Nujoma, Namibian cabinet ministers and members of the diplomatic corps, marked the 20th anniversary of establishment of diplomatic relations between the People's Republic of China and the Republic of Namibia.

During the banquet Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference, the country's top advisory body, who is on a 10-day African official tour, said that he was delighted to be in Namibia when the two countries celebrated 20 years of diplomatic relations.

He said China and Namibia have a long history of friendship predating Namibia's independence that later culminated in a good partnership.

Jia also praised Namibia for having made fine achievements since attaining nationhood and that it has maintained peace and stability.

He said in 2009 trade two-way between the People's Republic of China and the Republic of Namibia increased significantly to 577 million U.S. dollars.

Speaking at the same event Dr. Nujoma said "Sino-Namibia relations are characterized by strong bonds of friendship and solidarity, which were forged during the difficult years of our struggle for freedom and independence."

"The spirit of solidarity and friendship of the Chinese people and other peace-loving nations of the world made it possible for Namibia to attain our genuine freedom and independence. I can thus state with conviction that the excellent bilateral relations enjoyed by our countries are indeed built on solid foundation," he added.

"Immediately, after Namibia's independence 20 years ago, Namibia and China established diplomatic relations, and since then, bilateral relations have been strengthened for the mutual benefit of our two nations," the former president told the gathering at the Safari Conference Center in Windhoek.

"From 1990, till today, China has been a steadfast partner in our national efforts towards social economic development. China has thus helped Namibia with the implementation of various projects, including the construction of the National Council and the Regional Council's offices, hospitals and clinics, as well as schools throughout the country," said Nujoma who was attired in a mandarin-collared, orange shirt.

- Indian PM, Chinese vice premier agree to further Sino-Indian cooperation (27th March)

(Xinhua) -- Indian Prime Minister Manmohan Singh and visiting Chinese Vice Premier Hui Liangyu Saturday agreed that India and China should further their cooperation in all fields.

During his meeting with Singh, Hui conveyed cordial greetings from Chinese Premier Wen Jiabao to Singh. He also highly evaluated the Sino-Indian relations.

Hui said that in recent years, China and India have maintained comprehensive and fast growing momentum of their relations, which he said is the result of high degree attention paid by and personal efforts, made by the leaders of the two countries, as well as that of sustained efforts which have been made by the two countries for many years.

He said that the Chinese government always look at and make decision on Sino-Indian relations from a strategic height and a long-term perspective, and has been committed to further deepening Sino-Indian strategic partnership of cooperation.

Hui said that this year marks the 60th anniversary of the establishment of diplomatic relations between China and India, at a time when Sino-Indian relations stay at a new historical start point and face rare opportunities of development.

He said that China is willing to make common efforts with India in strengthening concrete cooperation in all fields and expanding the merging point common interests of the two countries, in order to instill new meaning and stimulus to the Sino-Indian strategic cooperative relations which are oriented towards peace and prosperity.

Indian Prime Minister Singh asked Hui to convey his cordial greetings to Premier Wen Jiabao.

He said that Indo-Chinese strategic cooperative partnership has taken on a global significance, and it conforms not only with the interests of development of the two countries, but also would contribute to peace and prosperity of Asia and the world at large.

Singh said that the Indian government will join hands with the Chinese government in pushing forward exchanges and cooperation between the two countries at all levels and in all fields, to make more fruitful such cooperation.

The two sides agreed to increase high level exchange of visits and contacts in order to deepen mutual understanding and trust.

The two sides agreed to deepen economic and trade cooperation, expand fields of investment, encourage bilateral economic and trade relations to develop in a healthy and balanced manner.

The two sides also agreed to strengthen concrete cooperation in the fields of agriculture, forestry, anti-poverty projects and environment protection, as well as to further coordinate and cooperation on globally challenging issues such as climate change, in order to commonly safeguard the interests of the developing countries.

Hui had earlier held talks with Indian Minister of State for Environment and Forests Jairam Ramesh to exchange views on pushing forward bilateral cooperation in forestry, agriculture and rural development.

The two sides agreed to take full advantage of the bilateral agriculture and forestry cooperation mechanism to strengthen exchanges of experiences and take substantial measures to push forward relevant cooperative projects.

- China, South Africa have great co-op potential: Ambassador (27th March)

(Xinhua) -- China and South Africa, two influential developing countries, have great potential to develop bilateral cooperation, Chinese Ambassador to South Africa Zhong Jianhua said.

In a recent interview with Xinhua, Zhong said both countries attach great importance to developing bilateral ties and have obtained remarkable achievements in cooperation in politics, economy and trade, culture and education.

Jia Qinglin, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), is scheduled to visit South Africa on March 28-April 1.

Zhong said the visit will enhance bilateral cooperation and promote friendship between the two countries.

Developing comprehensive cooperation with South Africa has always been a high priority of China since the two countries forged diplomatic ties in 1998 and established a strategic partnership in 2004.

Meanwhile, South Africa has given priority to its ties with China in South-South cooperation, and therefore, China-South Africa relations have enjoyed a smooth development and increasingly close contact.

- China expects Arab summit to make progress in Palestinian cause (27th March)

(Xinhua) -- China expects that the Arab summit in Libya can coordinate the inter-Arab relations and make achievements in the Palestinian cause, a senior Chinese diplomat said here on Saturday. "We hope the Arab countries could coordinate internal relations and achieve positive results in reconciliation among Palestinian factions as well as the resumption of Palestinian-Israeli talks at the summit," said China's Special Envoy to Middle East Wu Sike in an interview with Xinhua on the sidelines of the 22nd Arab Summit in the Libyan city of Sirte.

As a special representative of Chinese Foreign Minister Yang Jiechi, Wu attended the opening ceremony of the summit at the invitation of the Arab League Secretariat. He transmitted a letter of Chinese President Hu Jintao to the Arab leaders.

"I will convey a strong message of China that we attach great importance to relations with the Arab world, and wish to promote further developments of such relations in the future," Wu said.

Wu said China and the Arab world have a long history of friendly relationship. Since the founding of the China-Arab Cooperation Forum, the two sides have seen considerable progress made in the fields of political, economical and cultural exchanges as well as energy and environmental cooperation, and more than 10 mechanisms on exchange and cooperation have been established.

"China-Arab Cooperation Forum has become a successful brand," said Wu.

Wu said before coming to Libya, he participated in a reception in Beijing together with Arab diplomats to celebrate the 65th anniversary of the establishment of the Arab League. These ambassadors and representatives highly appreciated the relationship between China and the Arab countries.

Wu also said he would brief the Arab League headquarters and Arab foreign ministers on China's preparatory work for the foreign ministers meeting under the mechanism of the China-Arab Cooperation Forum to be held in May and convey the invitation of Chinese Foreign Minister Yang Jiechi.

Asked about the Palestinian issue, Wu said "As a friend of the Arab world and the Palestinian people, China is very concerned about the Palestinian-Israeli conflict and has made unremitting efforts to push the issue solved through political negotiations.

"To achieve a comprehensive settlement of the Middle East issue and establish an independent Palestinian state are China's consistent position, he added.

"There are some new developments of this issue, and China has been in contact with concerned parties to promote the peace process," he said.

The annual Arab summit opened here earlier in the day. The two-day gathering will focus on a package of issues facing the Arab leaders, including rescuing East Jerusalem from Israeli violation, the reconciliation of the Arab world and the Iranian nuclear issue.

Economic front

- China's economic restructuring to benefit world economy (21st March)

(Xinhua) -- The transformation of China's economic growth pattern will provide new opportunities for the world economy, a senior economist said here Sunday.

As the world's third largest economy, China imports a trillion-plus U.S. dollars worth of goods every year and is becoming the largest engine powering the world's economic growth, Zhang Yutai, president of the Development Research Center of the State Council, said at the China Development Forum 2010.

China has great market potentials for green technology and high-tech exports as it endeavors to eliminate high-energy consuming and heavy-polluting industries as parts of its moves to transform the economic growth pattern, Zhang said.

Apart from creating huge demand for high-tech exports, the country's efforts to save energy and cut emissions also make a great contribution to the global effort in tackling climate change, he said.

Zhang also suggested China open wider to the outside world, adding China's fast economic development in the past 30 years was largely due to the opening-up policy.

The country will strengthen economic cooperation with the outside world and introduce more talents and advanced technology to push forward the transformation of the economic growth pattern, he said.

- Currency appreciation of "limited help" to trade rebalance: commerce minister (21st March)

(Xinhua) -- The appreciation of a country's currency is of "limited help" to solve global trade imbalance, as China is witnessing narrowing trade surplus with a stable yuan, China's Minister of Commerce Chen Deming said here Sunday.

Speaking at the China Development Forum 2010, Chen said the yuan exchange rate is not undervalued, while pressure on yuan appreciation is "irrational" and will bring no good to both sides.

Chen noted that despite that yuan had appreciated by more than 20 percent from 2005 to 2008, China's trade surplus increased in the three-year period.

By contrast, as China has kept its currency stable since 2009, the country's total trade surplus fell more than 30 percent in 2009 from 2008, and it continued to decline another 50 percent year on year in the first two months this year, he said.

"Personally I think China is likely to see trade deficit in March," Chen said.

China's trade surplus contracted 50.4 percent from a year earlier in the first two months this year to 21.76 billion U.S. dollars, customs data showed.

Chen said the exchange rate issue is something entirely within China's sovereign rights instead of matters that can be discussed between two nations.

"The United States should not politicize economic issues," he added.

Besides, China will not sit back and "turn a blind eye" if there is any sanction after the United States names China as a currency manipulator, he said.

The U.S. Treasury Department is to decide whether to label China as a currency manipulator in a semiannual report to the Congress next month.

China will also respond if the labelling means legal actions under a multilateral legal system, he added.

Chen said it is only "partial" to conclude that imbalances in global trade and payment have caused the global crisis.

The reasons for the world economic imbalance are structural and complicated, including imbalances in the global wealth distribution and the international monetary system, Chen said.

"But the root cause for the imbalance is the widening gap between the developed countries and the developing ones," he said.

Chen warned that rising trade protectionism could hamper the global economic recovery and pose threat of a economic "double-dip".

The China Development Forum 2010 runs from Sunday to Monday, with a theme of "China and the World Economy: Growth, Restructuring and Cooperation".

- China key to global tourism growth in 2010: UNWTO official (21st March)

(Xinhua) -- A senior official with the United Nations World Tourism Organization (UNWTO) said here Saturday that China was expected to contribute a lot to global tourism recovery in 2010. Taleb Rifai, the secretary general of the UNWTO, said global tourism experienced the most difficult year in 2009 with the global tourism revenue dropped by 4 percent.

The UNWTO forecast the global tourism revenue in 2010 was expected to grow by 2-3 percent and China would contribute a lot to the growth, he said.

He made the remarks at the opening ceremony of the 2010 Boao International Tourism Forum.

Global tourism was at a crucial recovery phase and it was necessary to pool wisdom worldwide and information to boost tourism growth, said Shao Qiwei, chairman of the National Tourism Administration of China.

The forum provided a rare chance for Hainan to learn from advanced experiences in its drive to grow into an international tourism island, said Wei Liucheng, secretary of the Hainan Provincial Committee of the Communist Party of China (CPC).

The forum held in Sanya has attracted about 2,000 people from worldwide tourist sectors to exchange their experiences in boosting tourism amid the global financial downturn.

Sponsors of the forum included Hainan Provincial government, the National Tourism Administration and the United Nations World Tourism Organization.

- Economic rebalance biggest challenge for China: ADB president (22nd March)

(Xinhua) -- China's biggest economic challenge is the need to rebalance the economy in order to achieve sustainable long-term growth, says Haruhiko Kuroda, president of Asian Development Bank (ADB).

"Rebalancing the economy is not only a key challenge for the whole world, but also the biggest challenge for China," said Kuroda in an interview with Xinhua on Sunday.

Kuroda, who is in Beijing to participate in the China Development Forum 2010, said China should speed up its economic restructuring and increase personal consumption to rebalance its economy.

"Sustaining long-term growth in China will require substantial economic restructuring," Kuroda said.

He said over-reliance on investment, exports, and industrial development in China had created imbalances and structural constraints.

Kuroda said to increase consumption, China should further develop services, which would play a major role in improving production efficiency, and promoting technical progress and innovation "While manufacturing will remain a key sector in China in the coming years, the service industry has the potential to become an important source of growth," he said.

China should pay more attention to the development of tourism, transportation, financial services, energy and clean technologies.

To bridge the income gap and regional disparities, China should invest more in rural areas by improving infrastructure, education and health care facilities.

He said he believed that as the biggest contributor to the global economic recovery, China would continue to contribute to the global growth in coming years with its growth model refocused to a sustainable mode.

- Chinese Premier: trade and currency wars harmful (22nd March)

BEIJING - Chinese Premier Wen Jiabao on Monday urged all countries and companies not to start trade and currency wars, which would be harmful to the recovery of world economy.

"We are happy that the world economy shows good signs of recovery, however, some factors make us feel that the recovery will not be so smooth," Wen told some 60 delegates at the two-day China Development Forum 2010.

He mentioned some of the factors, such as the high unemployment in some big economies, unstable prices of bulk products and inflation.

He added "all responsible countries and business people should refrain from starting trade and currency wars. That won't help us cope with difficulties, but just curb cooperation."

Chairman of the Morgan Stanley Asia Stephen Roach expressed that most delegates were worried about the emerging trade disputes and protectionism, in his question to the premier.

Wen said those who thought trade protectionism would help their economy recover, would find those measures counter-productive.

He stressed that China was not pursuing a trade surplus and wanted to enlarge the country's imports.

"To keep a balance of international payments is the goal we are working towards," Wen said.

He reiterated that China will change the way its external economy develops, and work hard to expand domestic demand.

The forum runs from Sunday to Monday and its theme is "China and the World Economy: Growth, Restructuring and Cooperation".

- US Companies Feel Increasingly Unwelcome in China (22nd March)

A growing number of American businesspeople feel unwelcome in China because of what they see as discriminatory government policies and inconsistent legal treatment. The findings come in a survey released Monday by the American Chamber of Commerce in China.

Amcham-China president Michael Barbalas says a survey of 203 members of his organization shows growing pessimism among American businesses operating in China.

"A question that we had asked before is, 'Are companies increasingly unwelcome to participate and compete in the Chinese market?' which we had in this survey, we had 38 percent saying yes.

In 2008, when we asked a similar question, only 23 percent [had that response], so we're up 15 percent in just a little over a year and we thought that was pretty significant," he noted.

He attributes the business community's change in attitude to Chinese government regulations requiring something known as "indigenous innovation." The policy discourages companies - both Chinese and foreign - from using or purchasing foreign technology and instead encourages them to use domestically developed technology.

The Chinese government introduced the policy in 2006, and in December, announced a detailed process for applying for indigenous innovation status.

Critics in the foreign business community charge this could in effect force them to give up important trade secrets, for free, so that they can continue doing business in China.

Barbalas says Amcham is not against China developing its own technology, but is concerned in how the Chinese government will implement the new policies.

"What we're concerned about is that this is done in a way that is really open," he added. "We want to see open markets for trade and investment."

The government has been reaching out to the foreign business community in China. Commerce Minister Chen Deming met recently with foreign businesspeople, and in a news conference this month, Premier Wen Jiabao said he also would like to meet with foreign businesspeople.

Wen says such exchanges would allow them to better understand China's policies. But he says he also would be interested in hearing their opinions as to how China can attract more foreign investment.

Amcham's Barbalas is optimistic about these meetings, saying he hopes they result in clarifying and improving the laws and regulations.

<http://www1.voanews.com/english/news/economy-and-business/US-Companies-Feel-Increasingly-Unwelcome-in-China-88815132.html>

- Rio Tinto Executives Plead Guilty to Bribery in China (22nd March)

Tom Connor, Australia's Consul-General in Shanghai, center, speaks to journalists after the trial of an Australian citizen outside of the Shanghai's No. 1 People's Intermediate Court, 22 Mar 2010.

Four mining executives on trial in Shanghai have pleaded guilty to taking bribes in a case that has raised international concern about doing business in China.

Lawyers for the executives from the Australian mining giant Rio Tinto told reporters outside the courtroom Monday that their clients admitted receiving bribes, but are challenging the amounts they are accused of accepting.

Australian Stern Hu and his Chinese colleagues Liu Caikui, Ge Minqiang and Wang Yong were arrested last July during negotiations with Chinese officials over the price of iron ore.

They are accused of obtaining inside information that helped Rio Tinto during the talks, and will face charges of corporate espionage in a separate, closed-door trial this week.

Australia has called for transparency in the case.

The trial has raised concerns among international investors about China's judicial system, which is not fully independent and does not always meet international standards.

China has said all four defendants will have their rights protected.

Rio Tinto chief executive Tom Albanese said Monday that the case is a "great concern" to the company. But he said he would respectfully await the outcome of the Chinese legal process.

<http://www1.voanews.com/english/news/asia/Rio-Tinto-Executives-Plead-Guilty-to-Bribery-in-China-88821272.html>

- China's premier: Increasing domestic demand a long-term strategy (22nd March)
(Xinhua)-- Chinese Premier Wen Jiabao said here Monday that China would steadfastly stick to the practice of expanding its domestic demand, which is considered a long-term strategy. Though China had generally done well in combatting the impact of the global financial crisis, the crisis had exposed some of China's problems, Wen told some 60 foreign delegates attending the two-day China Development Forum 2010 in the Great Hall of the People. The crisis actually has challenged China's mode of economic growth, Wen said, adding the shifting of the economic growth pattern need to be done urgently. He said China's goal of economic growth last year was achieved even though China saw a 16 percent reduction in its exports, which showed that domestic demand had contributed much. "We should shift the economy's dependence from external demand to domestic demand, and make great efforts to shorten the gaps between regions, and between urban and rural areas," Wen said. The forum runs from Sunday to Monday and its theme is "China and the World Economy: Growth, Restructuring and Cooperation".

- Chinese premier vows to continue financial reform (22nd March)
(Xinhua) -- Chinese Premier Wen Jiabao pledged here Monday to continue reform of the country's financial system and develop the capital market. "China's financial system is generally sound. It was not greatly affected by the financial crisis and indeed helped the Chinese economy to cope with it," Wen told some 60 foreign delegates attending the two-day China Development Forum 2010 in the Great Hall of the People in downtown Beijing. Some problems, however, still existed in the management and monitoring of the financial sector, he said, noting China was determined to establish an "integrated, sound and sustainable" financial system. On the development of capital market, Wen said China would combine direct and indirect financing to expand the role of the capital market. Direct financing means raising funds through issuing stocks and bonds in the capital market instead of companies borrowing from banks, which is indirect financing.

The forum runs from Sunday to Monday and its theme is "China and the World Economy: Growth, Restructuring and Cooperation."

- Rio Tinto Says China Took 70% of Its Iron Ore Exports in 2009 (22nd March)
(Bloomberg) -- Rio Tinto Group, the world's second-biggest iron ore exporter, said China took 70 percent of its iron ore exports in 2009. The comments were made by Sam Walsh, the head of London-based Rio's iron ore operations, to delegates at a conference in Perth today.
<http://www.businessweek.com/news/2010-03-22/rio-tinto-says-china-took-70-of-its-iron-ore-exports-in-2009.html>

- China expects a 5% growth of net oil import this year: official (22nd March)
(Xinhua) -- China's net oil imports are expected to total 210 million tonnes this year, National Energy Administration (NEA) said Monday.
The volume would be about 11 million tonnes, or 5.5 percent, higher than last year, said Huang Li, vice director of Energy Saving and Science Equipment Department, NEA.
According to online data provided by the China Petroleum and Chemical Industry Association, the country imported about 203.8 million tonnes of oil in 2009, while exports totalled about 5.16 million tonnes.
"Total consumption of oil this year would remain above 400 million tonnes, and refinery industry will recover as a result of the increase in auto demand and recovery of logistics and transportation industries," she said.
Coal production this year would reach 3.15 billion tonnes, and annual net coal imports would be around 100 million tonnes, as the country would increase power generation capacity by around 75 million kilowatts from 3.7 trillion kilowatts last year, she said.

- China Enterprises Index falls 2.07% (22nd March)
(Xinhua) -- The Hang Seng China Enterprises Index fell 253.71 points, or 2.07 percent, to close at 12,008.65 on Monday.
The H-shares index, initiated in August 1994 and readjusted on Sept. 7, 2009, tracks the overall performance of 44 major Chinese mainland state-owned enterprises listed on the Hong Kong Stock Exchange.
The Hang Seng China H-Financials Index dropped 1.93 percent at 16,546.63.
The H-Financials Index, initiated on Nov. 27, 2006, readjusted on Sept. 10, 2007, tracks the performance of nine major banks and insurers of the Chinese mainland.
The Hang Seng China-Affiliated Corporations Index moved down 89.22 points, or 2.15 percent, to close at 4,053.42.
The index tracks the performance of 34 locally listed companies with a significant equity interest held by entities in the Chinese mainland.

- Google, Rio find it tough doing business with China (23rd March)
The future of Google in China is unclear.

The giant Internet search generator has hit the self-destruct button with its decision to stop censoring search results. That move follows an alleged “highly sophisticated” cyber attack on email accounts.

China’s response has been swift:

Google has violated a written promise it made on entering the Chinese market... it is totally wrong in halting filtering of its search provider and also making aspersions and accusations towards China about hacking attacks... we.. express our anger at Google Inc’s unreasonable accusations and practices.

China is undoubtedly the biggest market for everything – including the internet. But it appears Google is willing to forgo earnings of as much as \$640 million. Of China’s estimated 380 million Internet users, Google share is about 36 percent compared with 59 percent for rival Baidu.

Google hopes to keep a presence in China by routing searches through its Hong Kong operations. Google had hoped to sell other services in China – including its Android smartphones. Unless, the Chinese give ground Google can kiss that lucrative market good bye.

Compare that stance to that of Anglo-Australian miner Rio Tinto rather than forgoing relationships with China it’s getting deeper into bed despite four of its executives standing trial on charges of stealing commercial secrets.

At first sight it would appear the four executives are being hung out to dry for commercial interest. Rio may have little or no choice and this is more a political-commercial ruse that could help their employees.

Rio Chief Executive Tom Albanese according to Reuters told an audience in Beijing he did not want to jeopardize business ties with China.

Chinalco, the Chinese state-owned aluminum maker, is the biggest shareholder in Rio Tinto with a 7.8 percent stake worth more than \$4 billion. China is still sore about Australia’s opposition to an increased investment in Rio.

Still – last week Rio and Chinalco signed a \$2.9 billion agreement to jointly develop an iron ore project in Guinea.

Rio's acquiescence could be the difference between a 20-year jail-term for spying or just 5 years.

<http://blogs.aljazeera.net/business/2010/03/23/google-rio-find-its-tough-doing-business-china>

- China May Seek Prison for Rio's Workers, Lawyer Says (23rd March)

Bloomberg) -- China may seek prison sentences of at least five years for Australian Stern Hu and his three Rio Tinto Group colleagues after accusing them of taking bribes to sell iron ore, said a lawyer representing one of the defendants.

Hu, Liu Caikui, Wang Yong and Ge Minqiang are charged with taking bribes exceeding 86.6 million yuan (\$13 million), said Tao Wuping, who represented Liu at the hearing yesterday at the Shanghai No. 1 Intermediate People's Court. Hu has pleaded guilty to the bribery charges, said Tao, adding that his client won't plead innocence.

A prison term may further test relations between China and Australia, already frayed by the arrests and Rio's rejection of a \$19.5 billion investment from state-owned Aluminum Corp. of China, or Chinalco. Australia protested against China's decision to hold part of the trial behind closed doors and Prime Minister Kevin Rudd has said the world is watching the trial.

"It looks like this is a very difficult case for Australia and Rio Tinto," said Shujie Yao, professor of economics and head of the contemporary Chinese studies school at the U.K. University of Nottingham. "It really depends on the diplomatic effort by Australia. If China considers the diplomatic and political effort, and compromises, then they will reduce the sentence."

Rio shares rose 1.2 percent to A\$75.89 at 2:58 p.m. Sydney time on the Australian stock exchange. They have risen 23 percent in the past six months.

Waiting Reporters

The hearing of the bribery charges concluded this morning at about 11:15 a.m. Shanghai time after the prosecution gave a summary of the case and lawyers for the four made their rebuttals, Australia's consul-general Tom Connor told reporters.

"The accused were given the opportunity to personally respond to the points being made by the prosecution," Connor said. Hu didn't speak in court today, he said. The proceedings on charges of infringement of commercial secrets will begin this afternoon in a closed session, he said.

Before his arrest, Hu was the head of London-based Rio's iron ore unit in China. Rio is the world's second-largest supplier of the steelmaking material. Hu was accused of taking bribes worth 1 million yuan and \$790,000, Connor said yesterday.

Tony Shaffer, a Melbourne-based spokesman for Rio, said the company would not comment while the trial was in progress.

Maximum Sentence

Liu, who faces bribery charges involving about 3.7 million yuan, “doesn’t plan to plead innocence,” said lawyer Tao. Wang Yong faces bribery charges involving more than 70 million yuan, and Ge Minqiang charges involving about 6.9 million yuan, Tao said. Prosecutors are seeking at least 5 years-jail and can ask for 15 years, he said, citing court documents.

Hu received 6.46 million yuan in bribes, while Liu got 3.78 million yuan, Wang received 75 million yuan and Ge got 6.94 million yuan, China’s state news agency Xinhua reported today, citing court documents.

Lawyers representing the other three defendants couldn’t be reached for comment.

‘Fully Protected’

Chinese Foreign Ministry spokesman Qin Gang last week said that the rights of the defendants “will be fully protected” and that the trial shouldn’t be “politicized.”

“We respectfully await the outcome of the Chinese legal process,” Rio’s Chief Executive Officer Tom Albanese said in a speech yesterday in Beijing, where he is attending the China Development Forum. “This issue is obviously of great concern to us, as it would be for any company operating in China.”

China is Australia’s biggest trading partner with two-way trade valued at A\$83 billion (\$76 billion) in the 12 months ended June 30. Rio’s overall sales to China overtook North America and Europe in 2009, reaching 24.3 percent of total revenue from 18.8 percent a year earlier, it said on Feb. 11.

Tan Yixin, an official with Shougang Corp., and Wang Hongjiu of Laiwu Group, were named in the prosecutors’ case as giving bribes to the Rio Tinto employees, lawyer Tao said.

The Chinese companies couldn’t be reached for a comment.

Chinese steelmakers last year failed to agree to annual prices with Rio after rejecting a 33 percent price cut as insufficient.

Talks to settle this year’s prices with Rio, Vale SA and BHP Billiton Ltd., the biggest suppliers, have stalled. Chinese mills oppose a demand by suppliers to increase prices by as much as 90 percent, the China Iron & Steel Association said March 16.

‘Positive Relationship’

“A positive relationship with this market is vital to the continued success of our company,” Rio’s Albanese said in his speech yesterday. The relationship with Chinalco is “important to us,” he also said.

Chinalco on March 19 agreed to pay \$1.35 billion for a 44.65 percent share in Rio's Simandou iron ore project in Guinea. The deposit was described by Albanese in 2008 as the world's "top" undeveloped iron ore deposit. Beijing-based Chinalco is also Rio's largest shareholder.

Rio canceled Chinalco's investment plan last June in favor of a joint venture with rival BHP and a share sale, following protests from shareholders and Australian politicians.

Rio's Hu is a classically trained violinist who chose his English first name after virtuoso Isaac Stern. He became an Australian citizen in the early 1990s after joining technology firm AWA Ltd. to run its Beijing office, The Australian newspaper reported July 15.

<http://www.businessweek.com/news/2010-03-23/china-may-seek-prison-for-rio-s-workers-lawyer-says-update2-.html>

- China should maintain stable exchange rate, Brazilian economists say (23rd March) (Xinhua) -- China should maintain a stable exchange rate of the yuan and not give in to foreign pressure on currency appreciation, Brazilian economists have said.

It is a matter of sovereignty for a country to adopt an exchange rate system that serves its interests, Darc Costa, former vice president of the Brazilian National Social and Economic Development Bank, told Xinhua on Monday.

Costa said China should be careful not to play into the hands of the United States, which, by demanding the appreciation of the yuan, is trying to have China pay for Washington's huge trade and budget deficits.

The United States has for several times pressed other countries to revalue their currencies to ease its financial pressure since the breakdown of the Bretton Woods System in 1973, he noted.

Washington's latest demand on the appreciation of the Chinese currency is another conspiracy, he warned.

The U.S. demand of a stronger yuan will deprive China of its right to fix a price for its own currency and further hurt Chinese companies' competitiveness.

Celso Ming, a well-known economy and finance columnist in Brazil, said the yuan's exchange rate is not a determinant cause for global trade imbalances. Not a single trade treaty has seen a fixed exchange rate as a means to obtain unfair trade advantages.

Ming said it is wrong for U.S. trade unions and politicians to press China to appreciate its currency as this kind of pressure is not the way of solving trade deficit problems.

- China-Australia LNG deal as Rio Tinto trial ends (24TH March)

Australia and China signed a multibillion dollar energy deal Wednesday, pushing ahead with business as the trial of four employees of mining giant Rio Tinto ended in Shanghai without a verdict.

The contract signed in Beijing calls for China's offshore oil and gas company CNOOC to buy 3.6 million tons of liquefied natural gas a year for 20 years from an Australian energy project operated by BG Group PLC.

It is Australia's biggest single company-to-company contract ever, Australia's Resources and Energy Minister Martin Ferguson said Wednesday after witnessing the signing. A figure for the deal wasn't released but Australian media reports estimated its value at Australian dollars 80 billion (\$73 billion).

Australia has been ramping up natural gas projects in response to booming demand from China and elsewhere as a less polluting fuel than coal to drive power generators.

The latest in a string of gas supply contracts, the CNOOC deal suggests that Australia and China's commercial ties have been largely unaffected by other tensions, including the trial of Australian citizen Stern Hu, who was head of Rio Tinto's iron ore business in China, and three Chinese co-workers on charges of taking bribes and stealing business secrets.

"It's very clear that right through the difficulties over Stern Hu, we have maintained a healthy business relationship with China that has been mutually beneficial to both countries," Ferguson told Australian Broadcasting Corp. Radio.

Ferguson would not comment on the trial itself.

"Let's leave it till the dust settles and then see what is the appropriate way forward," he told ABC.

The trial, which began Monday, wrapped up earlier than expected Wednesday.

The Rio Tinto case is seen by many working in China as evidence the Communist-ruled government is subjecting foreign companies to increasingly close scrutiny, raising their risks of running afoul of secrecy rules that are themselves kept secret.

Australia urged greater transparency and protested the court's decision to keep sessions of the trial dealing with commercial secrets closed, though its consul-general in Shanghai did attend the sessions on bribery charges.

Australia's Department of Foreign Affairs and Trade issued a statement late Wednesday saying that it had no further comment on the court's proceedings after the trial's end but that consular officials would attend when it announces a verdict.

"The Australian Government will make a considered statement at the conclusion of the trial processes," it said, pledging to safeguard Hu's rights and welfare.

A verdict and possible sentences could come within days, said Tao Wuping, a defense lawyer. He said the business secrets allegedly stolen by the Rio Tinto employees were straightforward commercial information.

"The case is not as complicated as the public may think," said Tao, who nonetheless refused to provide any details on the commercial secrets allegations, citing a court confidentiality order.

Virtually all cases that go to court in China end in conviction.

The four defendants pleaded guilty to charges they took bribes, although they contested the amounts allegedly involved in some cases, lawyers said.

Few details of the allegations against Hu and the others have been released, and none have been allowed to make any public comment since they were detained. Chinese officials have warned against politicizing the case.

Still, the arrests were thought linked to Beijing's anger over high prices it paid for iron ore — a key commodity in China's booming economy. Rio Tinto, based in London and Melbourne, is one of the top suppliers of ore to China and a key industry negotiator in price talks with China's state-owned steel mills.

Reports Wednesday on the Web site of the Chinese financial magazine Caijing said one of the Rio Tinto employees, Wang Yong, was accused of receiving \$9 million from Du Shuanghua, a steel tycoon whose company has chafed at the state-dominated pricing arrangements, setting his own agreements with overseas suppliers.

Staff at Rizhao, which was taken over by a state-owned rival last year against Du's objections, refused comment on the report.

Chinese media reports earlier suggested the Rio Tinto employees may have been caught up in an effort to control information exchanged during the iron ore pricing talks, where Rio Tinto was acting as lead negotiator for the miners.

Negotiations for 2010-2011 shipments face an April 1 deadline, with China urging global miners to ease demands to nearly double prices over last year's rates.

China imported 630 million tons of iron ore last year, up 41.6 percent from the year before, and is complaining that soaring costs are injuring its state-dominated steel sector.

The admissions of bribe taking were a blow for Rio Tinto, which is seeking to undo any damage to its wider business interests. Last week, it announced an agreement with Chinese aluminum giant Chinalco to develop an iron ore reserve in the West African country of Guinea.

<http://www.ajc.com/business/china-australia-Ing-deal-398092.html>

- China Expects First Trade Deficit in 6 Years (24th March)

The prospect that China may report its first monthly trade deficit in six years could offer an unexpected boost to the nation's position in the increasingly heated international debate over its currency policy.

Top Chinese officials have in recent days said trade numbers for March could show China imported more than it exported this month—its first monthly deficit since April 2004.

The official numbers for March are scheduled to be reported April 10. But the rush to add supportive data to officials' talking points highlights how Beijing is stepping up its defense of a currency policy that has drawn fire from trading partners.

Officials from the U.S. and Europe have argued that China's persistently large trade surpluses show the yuan, which has been held fixed to the U.S. dollar since mid-2008, is undervalued to give Chinese exporters a competitive advantage. Chinese officials counter by pointing out that their nation's trade surplus has declined sharply in the past year, and argue that China's large stimulus program helped it keep buying from the rest of the world, thereby supporting global economic growth.

China's economic growth last year "was achieved mainly by relying on domestic demand," Premier Wen Jiabao said in a meeting with foreign executives Monday. China's trade surplus thus has been narrowing, and in the first one-third of March, China ran a trade deficit of about \$8 billion, he said.

"To be honest with you, I am pretty happy about this development," Mr. Wen said.

The premier's remarks followed comments from Minister of Commerce Chen Deming at a conference Sunday that he expected a trade deficit for the full month of March. Mr. Chen argued that the strong growth in imports helps foreign businesses, and noted that in the first two months of 2010, imports from the U.S. were up 37%, from Europe up 35% and from Japan up 48%. China's trade surplus for January and February already was down 50% from a year earlier.

An actual trade deficit in March, rather than just a smaller surplus, could give more weight to China's arguments that the global economy is improving without an appreciation of the yuan. China's trade surpluses stand out during the current global downturn because they show the country is adding to its growth by selling to other countries. Also, a deficit would be a sign that other countries are expanding by selling to China.

"A trade deficit in March, if realized, would be positive and likely would help reduce international political pressure on China in relation to currency and trade," Barclays Capital economists said in a note Tuesday. Offshore currency markets were pricing in marginally less

future appreciation of the yuan Tuesday after Mr. Wen's comments were publicized by state media.

Still, many economists don't expect any trade deficit to last long, and China is still likely to post a large trade surplus this year. The World Bank forecasts that China's current-account surplus, the broadest measure of its trade position, will rise this year to \$304 billion, after dropping to \$284.1 billion in 2009 from a record \$426.1 billion in 2008.

Many U.S. lawmakers are pressing the Obama administration to take action against China on the currency. The Treasury Department is scheduled to issue its semiannual report on currency policies on April 15, in which it will decide whether to formally label China a currency manipulator. Some senators also have introduced legislation that could lead to tariffs on Chinese goods if Beijing doesn't change policy.

But domestic politics in China make it hard for Mr. Wen's administration to change positions. Export manufacturers are big employers and have a strong voice in China's commerce ministry. They argue a strengthening of the currency would derail their nascent recovery.

"We hope our government can bear the pressure and stabilize the exchange rate," said Bai Ming, a deputy general manager of Zhejiang Mingfeng Car Accessories Co., which makes car cushions and covers.

<http://online.wsj.com/article/SB20001424052748704211704575139303670915216.html>

- China may let yuan trade more freely if economies improve (26th March)

(MarketWatch) -- China may allow its currency to move more freely if the economy continues to improve, but the move won't do much to remedy structural economic problems in the U.S., a top adviser to the People's Bank of China said Friday.

"China may resume a 'managed float' of its exchange rate, particularly if the uncertainty of the overall post-crisis economic situation diminishes," said Fan Gang in an opinion piece published in the state run China Daily Friday.

He added that any move on the currency would require Chinese policy makers to weigh the impact on exporters and avoid abrupt adjustments that would result in a "sudden loss of competitiveness."

However, the move won't do much to help the U.S. economy, Fan said, noting that a stronger yuan would boost the cost of Chinese goods sold in the U.S., adding to inflationary pressures. The U.S. central bank, in turn, may be forced to raise interest rates and tighten monetary policy, steps that could hurt the economic recovery.

In sizing up a return to such a managed float regime, China's policy makers need to consider issues such as China's rising status in the global economy as well as the necessity of heading off a backlash among its major trading partners.

"Policy makers may weigh factors ranging from China's international responsibilities to the potential damage of foreign protectionism or even a trade war," Fan said.

People's Bank of China Vice Gov. Zhu Min said Thursday that interest rates were a "very heavy weapon" and acknowledged there was a need for China to fine tune its exchange-rate regime.

"China should, China would, continue to improve its managed floating rate regime based on market demand reference to a basket of currencies," Zhu told an investor conference in Hong Kong. [See full story on Zhu's comments](#)

Bank of America Merrill Lynch analysts said Zhu's comments may be laying the ground work for adopting a currency platform similar to the one in place in Singapore, which would involve benchmarking the yuan to a basket of currencies.

In his statement Fan also said most economists would agree that China's yuan is undervalued, but the extent of which remains an "open question".

In fact, it's not clear that a stronger yuan would improve the trade situation with the U.S., he added.

Though the Chinese currency appreciated 22% against the greenback in the 38 months leading up to the collapse of Lehman Brothers, the U.S.'s quarterly currency-account deficit increased to \$205 billion from \$195 billion.

China has kept the value of its currency stable against the U.S. dollar since July 2008, when it suspended its managed floating exchange-rate system.

"We should realize that there are fundamental causes for the imbalance on the U.S. side," Fan said.

He said calls for reform were getting louder amid gains in the real exchange rate of the yuan against major currencies.

Meanwhile, China's current surplus tallied about \$200 billion in 2009, down about a third from levels in 2008.

China's trade balance is expected to swing into the red in March, with senior Chinese leaders reportedly expecting an \$8 billion deficit for the month, HSBC noted in a research report Friday.

What's emerging, HSBC said, is a long-term trend, though China's trade account will likely swing back into positive territory for the remainder of the year as infrastructure spending is trimmed back.

"Growth in imports is likely to outpace exports growth in the coming years," HSBC analysts said in the note, also adding that the nation's trade surplus topped in 2007.

http://www.marketwatch.com/story/china-may-let-yuan-float-if-economies-improve-2010-03-26?reflink=MW_news_stmp

- China to start stock index futures trading on April 16 (26th March)

(Xinhua) -- Trade in Chinese stock index futures will begin April 16, the China Financial Futures Exchange (CFFEX) said Friday in a statement on its website.

The CFFEX released the statement straight after the China Securities Regulatory Commission, the country's securities watchdog, gave official approval for the launch of a stock index futures contract tracking the Shanghai-based CFFEX Hushen 300 Index.

The Hushen 300 Index, which covers about one fifth of all stocks listed on China's stock markets and about 60 percent of the markets' value, mainly reflects the performance of China's Shanghai and Shenzhen stock markets.

Contracts for May, June, September and December will be the first to trade, according to the statement.

Investors are required to put down cash deposits equal to 15 percent of the contract value for the May and June contracts as a maintenance margin. For the September and December contracts, the margin is 18 percent.

A 0.05 percent transaction fee will be levied on the total turnover, the statement said.

On Jan. 8 the State Council approved "in principle" the launch of stock index futures and a margin-trading pilot program in a move to further develop China's financial markets. Investors began applying for the trading account in late February and are required to have a minimum 500,000 yuan (73,206 U.S. dollars) to open an account.

- Chinese shares close up Friday (26th March)

(Xinhua) -- Chinese equities rose on Friday. The benchmark Shanghai Composite Index on the Shanghai Stock Exchange closed at 3,059.72 points, up 1.34 percent, or 40.54 points.

The Shenzhen Component Index on the Shenzhen Stock Exchange closed at 12,240.36 points, up 153.46 points, or 1.27 percent.

Combined turnover was 185.75 billion yuan (27.21 billion U.S. dollars), down from 196.43 billion yuan on the previous trading day.

Gainers outnumbered losers by 781 to 91 in Shanghai and 679 to 209 in Shenzhen.

- China shares rebound on better corporate earnings (26th March)

Chinese shares rebounded Friday on reports of improved corporate earnings, led by blue chips. The Shanghai benchmark ended the week down 0.3 percent.

The Shanghai Composite Index rose 40.54 points, or 1.3 percent, to close at 3,059.72. The Shenzhen Composite Index for China's smaller second exchange jumped 0.9 percent to 1,186.23.

Analysts said the market was boosted by an "annual report effect," after major Chinese lenders Industrial & Commercial Bank of China Ltd. and Bank of China Ltd. both reported better-than-expected earnings this week, thanks to last year's 9.5 trillion yuan (\$1.4 trillion) lending spree.

Bank of China Ltd., gained 1.7 percent to 4.2 yuan, while China Construction Bank Ltd. jumped 1.3 percent to 5.58 yuan. ICBC, China's biggest lender, edged up 0.6 percent to 4.9 yuan.

Oil heavyweights rose on hopes the government may soon raise fuel prices. China Petroleum and Chemical Corp., known as Sinopec, added 2.7 percent to 11.76 yuan, while PetroChina Ltd., Asia's biggest oil and gas producer, rose 1 percent to 12.77 yuan.

Shanghai-based companies surged with the approach of the World Expo, which starts May 1. Shanghai Haibo Co., an investment holding company that provides taxi services, advanced the daily limit of 10 percent to 11.28 yuan, while Shanghai New World Co., a local department store, gained 3.5 percent to 17.85 yuan.

In currency markets, the yuan strengthened to 6.8273 to the U.S. dollar, up from Thursday's close of 6.8284.

<http://www.businessweek.com/ap/financialnews/D9EM7PFO1.htm>

- Interview: Pressure on appreciation of yuan lacks scientific basis (27th March)

(Xinhua) -- There is no scientific basis for the U.S. to bring pressure on China to appreciate the value of the Chinese yuan, says a financial expert in Chicago.

Eugene Zheng, managing director of Asia Affairs at the Chicago Board Options Exchange, told Xinhua that some of the pressure on China has been caused by a limited understanding of the country by American voters.

The U.S. Congress has been recently pressing China to revalue the Chinese yuan," Zheng said, "In the Western world, the U.S. has been a country with the strongest protectionism."

Zheng said that a recent poll shows that a majority of voters thought China's economy has already surpassed that of the U.S. But in fact, China's economy is not even half as big as the American economy.

"Many Americans previously did not know much about China. Over the last few years they suddenly felt that China is developing quickly and became very rich," Zhang said, "But this is actually a misunderstanding of China, because the Americans did not see the poor side of the country."

Zhang said that when the mood of the American voters was communicated to the congressmen who represent them, especially before the November election, "the congressmen simply brought all the attention to the revaluation of the yuan."

Noble Prize winning economist Paul Krugman recently proposed a 25-percent tariff on all products imported from China, in order to force the yuan to appreciate.

Zheng criticized the proposal, saying it is based on an obsolete economic theory that is not applicable to U.S.-China trade relations.

"This theory's premise is between two countries that can freely trade commodities, labor force, and capital," Zheng said, "Under this condition, if one country has massive earnings while the other has massive deficits, then it shows that the currency exchange rate has problems."

"China and the U.S. don't have the premises required by the theory. So, Krugman's proposal is theoretically wrong. For example, Germany and Greece are having trade issues which is similar with China and the U.S.' situation. The reason that Greece's products are competitive is mostly because of its cheaper labor cost. Even though both countries are using the same currency, they still have huge trade problems," he said.

Zheng said the fundamental question between China and the U.S doesn't lie on the exchange rate. "The pressure from the Congress is simply a political performance, or the named political operation," Zheng said, "It may also be regarded as a kind of misunderstanding, or economic theory backwardness and so on. However, in any event, I could not see any scientific basis for this issue."

Zheng pointed out that the exchange rate issue comes from the huge disparity in wages, insurance and welfare of the two countries.

"China's huge foreign currency reserve should be used by the Chinese government gradually to make up for people's welfare," he said. "But the U.S. only saw that China has lots of money and should help the U.S. absorb some of its bubbles. "

Another misunderstanding is the statistical method used by the Chinese government, Zheng said. . "China always does its counting on the country's basis, instead of on an individual basis," Zheng said. "As a country, it seems to have huge foreign currency reserve. But when divided by each individual, it is really very little."

Zheng said China could face market problems if the yuan is revalued.

"Historically speaking, nearly all new economies have attracted massive short-term hot money before their currency revaluation, thus has prompted market froth," he said. "This happened to Brazil, Thailand, Mexico and so on."

Another problem, Zheng said, is that the yuan is not an international currency.

"If it is revalued one dollar, the Chinese Central Bank's foreign currency reserve will lose one dollar," he said. "Therefore, China's foreign currency reserve will automatically drop and the Central Bank needs to draw cash to fill in this big hole."

Still, Zheng said, a yuan revaluation does have advantages for China's big enterprises.

"They will become stronger in the global market," he said. "However, many small businesses will have to close their doors. This will enlarge the gap between the rich and the poor in China."

Finally, Zheng said China's Central Bank and decision-making body should make decisions on revaluation of the Renminbi based on the situation of China's national economy, rather than acting on external pressure.

"After all, the influence of this action is indeed too huge," he said.

Social front

- World Bank to work with China on rural financing: WB official (21st March)

(Xinhuanet) -- The World Bank Group will step up its efforts to work with the Chinese Government this year on rural financing, said a senior official of the organization Sunday on the sideline of the China Development Forum 2010.

Both the World Bank and the International Finance Corporation (IFC) are very interested in the program, said Janamitra Devan, vice president of the bank, during an exclusive interview with Xinhuanet.

"There is a low rate of penetration of financial service to the rural sector," noted Devan, who is also IFC's vice president, adding that the number of villages and towns that don't have banking facilities is large.

"How can people become active in society if they don't have some of these fundamental things?" he asked, noting the World Bank will "work with the Chinese Government to help expand the access to finance for people in the rural areas to use banking facilities."

As China is facing a very challenging time given the global current economic situation, Devan said, the World Bank is happy to continue to cooperate with the Chinese Government to help it get over the uncertainties brought by the financial crisis.

The position of the World Bank in China, he explained, is "to continue to bring the best knowledge that we have on development, and we share (it) with the Chinese Government very openly."

The other areas that the World Bank is interested in involve very different arenas including such vital issues as climate change, Devan said.

The World Bank "takes active interest in lending to the Chinese Government," he went on.

"From these lending we try to focus especially on climate change, energy efficiency and environmentally friendly energy. And these are the things that we think are significantly important. I believe that the Chinese government also believes in the same thing. "

The two-day forum, titled "China and the World Economy: Growth, Restructuring, Cooperation," opened on Sunday morning with the sponsorship of the Development Research Center of the State Council.

It will address a wide range of topics, including the international trade, and adjustment of economic structure, as well as the actions and international cooperation in dealing with the climate change.

- Senior Chinese official stresses integration of tourism, culture (21st March)

(Xinhua) -- A senior Chinese official said here Sunday more efforts should be made to further integrate tourism and culture so as to achieve greater development of the industries.

Liu Yunshan, a member of the Political Bureau of the Communist Party of China Central Committee, made the remarks at the 2010 Boao International Tourism Forum in Sanya, a tourist resort in south China's Hainan Province.

Global tourism was experiencing drastic adjustment along with the world economy's profound changes, while connections between tourism and culture had been increasing, he said.

Integrated development of the two industries was an inevitable demand of the times when economic development came to a certain level, which offered huge potential for the tourism industry, said Liu.

It was important to stick to opening-up and cooperation in promoting the tourism and culture industries, Liu said.

"The Chinese government has made the decision to build Hainan into an international tourism island, which demands more efforts to further expand opening-up and explore integration of tourism and culture, making Hainan a key platform for economic cooperation and cultural exchanges between China and foreign countries," Liu said.

The two-day forum, under the theme of "transformation of tourism and cultural industries in the aftermath of the global economic crisis," attracted delegates from more than 50 countries and regions, as well as executives of world tourism organizations such as the United Nations World Tourism Organization and the World Travel and Tourism Council.

- Senior official emphasizes effectiveness in safeguarding women's rights (21st March)

(Xinhua) -- The All-China Women's Federation (ACWF) Chairwoman Chen Zhili Saturday stressed greater efforts to be made to improve effectiveness in safeguarding women's rights.

Chen, also vice chairwoman of the Standing Committee of the National People's Congress, China's top legislature, made the remarks while attending a ceremony held in Beijing to mark the national week for safeguarding women's rights and opening of a special welfare phone hotline -- 12338 -- in this regard.

"To improve effectiveness, it is necessary to fully understand the significance of safeguarding women's rights from a perspective of advancing building a harmonious socialist society, and to combine it with diverse other activities meant to promote women's progress," said Chen.

The hotline service is hosted by local women's federations in 1,000 counties of 10 selected Chinese provinces and currently available in those counties only. Such phone service will be extended to other parts of the country gradually.

- Senior leader urges cooperatives to play bigger role in rural development (21st March)

(Xinhua) -- China's supply and marketing cooperatives should play a bigger role in advancing modern agriculture and prospering rural markets, State Councilor Ma Kai said here Sunday.

"Supply and marketing cooperatives are an important part of the country's agricultural and rural development, concerning the overall reform and development in rural areas," Ma said in an address to the 5th Congress of the All-China Federation of Supply and Marketing Cooperatives held Sunday in Beijing.

Chinese Vice Premier Li Keqiang and Vice Chairperson of the Standing Committee of the National People's Congress Uyunqing also attended the congress.

With a history of more than 80 years, China's supply and marketing cooperatives have served as an key platform for the distribution of agricultural products in the rural areas.

China's supply and marketing cooperatives have provided strong support to agricultural growth, farmers' income increase and rural prosperity, and made remarkable contributions to rural market expansion as well as stable and relatively fast economic growth, Ma said.

Ma stressed that the distribution network in rural areas should be further advanced and the establishment of specialized farmers' cooperatives should be sped up.

In 2009, the combined sales volume of China's supply and marketing cooperatives rose 14.75 percent year on year to exceed 1.23 trillion yuan (181 billion U.S. dollars), while their total retail sales of consumer goods rose 27 percent to 338 billion yuan (50 billion U.S. dollars).

- Chinese leaders urge capability building of police (21st March)

(Xinhua) -- Chinese leaders have urged police chiefs across the country to step up their efforts in capability building to do good work in solving social conflicts and safeguarding stability.

In his written instruction to a training session for city-level public security bureau heads, Zhou Yongkang, Standing Committee member of the Political Bureau of the Communist Party of China Central Committee, told the police chiefs to strengthen their studies and exchanges, and continuously enhance their management capabilities to push forward the solving of social conflicts.

Zhou also called for a harmonious relationship between the police and the people.

State Councilor Meng Jianzhu, who is also minister of public security, said at the opening ceremony of the training course on Saturday that public security authorities should explore new measures to enhance their capability in safeguarding national security and social stability.

About 470 police bureau chiefs attended the training session which will last for 10 days.

- Senior Chinese leader stresses just law enforcement (22nd March)

(Xinhua) -- Senior Chinese leader Zhou Yongkang has urged law enforcement departments at all levels to ensure their work practices are just and incorrupt to better solve social conflicts and uphold justice.

"Currently, our country is experiencing a period when social conflicts are prominent and more and more cases have emerged in the judicial field," Zhou told a plenary meeting for the Political and Legislative Affairs Committee of the CPC Central Committee here Monday.

"More people are expecting to protect their own rights through judicial channels and they also have a higher requirement for just law enforcement," said Zhou, also a member of the Standing Committee of the Political Bureau of the CPC Central Committee.

"However, many people's ideas, abilities and working styles in the judiciary who enforced the law still left much to be desired," he said, adding that many proposals raised during the just-concluded annual parliamentary and political advisory sessions were about law enforcement.

Zhou urged related departments at all levels to "carefully" study these advices and proposals and investigate and correct mistakes.

- China contributes hugely to MDG in access to safe drinking water: UN officials (23rd March)

(Xinhua) -- China has made huge contributions in realizing the United Nations Millennium Development Goals (MDG) in access to safe drinking water, said Joakim Harlin, Senior Water Resources Advisor at the United Nations Development Program based in Stockholm on Monday. "According to a joint monitoring report issued by the World Health Organization and the United Nations Children's Fund last week, 89 percent of the population of 1.3 billion has access to drinking-water from improved sources, up from 67 percent in 1990, This is a huge contribution to MDG," Harlin said in an interview with Xinhua after a seminar on MDG to mark the World Water Day.

Johan Kuylenstierna, Chief Technical Advisor for UN-Water, also commented on China's efforts in addressing the mounting water problems from access to safe drinking water to prevention of water pollution.

"China is an interesting country because you are facing so many problems, but you are also seriously addressing many of them," Kuylenstierna told Xinhua, adding that when a problem is clearly identified, you take action on trying to mitigate it and address it.

"China can learn a lot from other countries, but I think we can learn a lot from China too in dealing with various environmental problems," Kuylenstierna said.

He also said statistics from 2009 showed that China is the biggest country in investing in renewable energy just in one year, and it has passed the United States.

"Water quality problem is a major global issue, access to clean water for achieving the MDG. If the water is not clean, it is not useful. This is a global problem. We release about two million tons of waste everyday into our waters," said he.

2.2 million children die every year from drinking bad water. Five or six million people in total that is because of the poor quality of water. People die every year from diseases that could actually prevented, according to the UN's statistics.

- Rio Case Illustrates Role of Defense Lawyers in China (24th March)

The secretive trial of four [Rio Tinto](#) PLC executives in Shanghai, which concluded Wednesday without an immediate verdict, has illustrated the role of criminal defense lawyers in China, where sensitive cases are still decided behind the scenes despite official statements embracing the rule of law.

Alan Dershowitz and Mark Geragos they are not. Chinese defense lawyers, unlike their more famous American peers, generally shun the limelight. They also sometimes expose themselves to political risk in sensitive cases, and—because of China's tightly controlled judicial process—lose nearly every case that goes to trial.

In the Rio Tinto case, even the identity of the attorneys representing Stern Hu, whose status as an Australian national has made him the best known of the four executives, had been a mystery outside the court. On Wednesday, an official at Shanghai No. 1 Intermediate People's Court, where the four were tried, identified Mr. Hu's lawyers publicly for the first time: Jin Chunqing, a partner at Fangben law office, and Shi Keqiang, of Shanghai's Er Li law firm. Mr. Shi confirmed the pair's role in a brief telephone interview, but declined to comment further.

Few details have been made public in the three-day Rio Tinto trial, which involved allegations that the four employees accepted a total of around \$11.25 million in bribes and stole commercial secrets. Wednesday's portion of the trial, which lasted about a half day, involved the latter charge, and lawyers for two of Mr. Hu's three Chinese colleagues said afterward that their clients—Wang Yong and Ge Minqiang—had pleaded not guilty to the commercial secrets charge. The pleas of Mr. Hu and the fourth executive, Liu Caikui, couldn't be determined. A verdict from the three-judge panel that heard the case isn't expected immediately, and analysts say it will almost certainly be determined after input from higher-level officials. The court hasn't commented on the case nor indicated when it will issue its verdict.

Chinese officials describe the country's criminal justice system as transparent, impartial and independent. "China will handle the Rio Tinto case in light of China's laws and legal procedures," said foreign ministry spokesman Qin Gang at a regular news briefing Tuesday. "As to what evidence to be presented or whether the defendants' acts constitute crime, the court will decide independently according to law."

Observers say, however, that the deck is often stacked against defendants and their lawyers in China from the start. China court's have a remarkably high conviction rate for cases that are brought to trial: From 1998 to 2006, fewer than 1% of criminal defendants were acquitted. Lawyers' pre-trial access to clients is generally limited, as is their ability to challenge the prosecution's evidence by calling their own witnesses or cross-examining those brought by the prosecution.

In the Rio Tinto case, lawyers representing some of the four executives said they received notice of Monday's trial date just days in advance, with little specific information about the proceedings.

Chinese defense lawyers face political pressure themselves in sensitive cases, partly because local governments that run the courts also handle the lawyers' annual license renewals. And the lawyers often face a difficult choice between trying to vigorously defend clients—knowing that a guilty verdict is almost inevitable—or encouraging them to plead guilty in hopes of minimizing punishment.

"It's not an easy position," says Joshua Rosenzweig, a senior researcher at the Dui Hua Foundation in Hong Kong, which focuses on China's criminal justice system. Even in cases where individual defendants express a desire to defend themselves, the courts will appoint a lawyer. "They're there because they're supposed to be there," says Mr. Rosenzweig. "It's important that it be perceived as a legitimate legal proceeding, and part of that is having a defense lawyer."

Little could be learned Wednesday about Mr. Hu's lawyers. Mr. Jin is a specialist in foreign trade arbitration, while Mr. Shi once represented a former cook for Mao Zedong in a successful claim against a Chinese subsidiary of PepsiCo Inc. for unauthorized use of his photo to advertise Lay's brand potato chips. It wasn't clear how they came to represent Mr. Hu. Mr. Jin couldn't be reached Wednesday.

Initially, people familiar with the situation identified Mr. Hu's counsel as Charles Duan, a relatively prominent Shanghai lawyer, but Mr. Duan later denied that he was directly responsible for Mr. Hu's defense and that his role in the case was limited to assisting other attorneys on strategy.

Mr. Hu's Chinese colleagues have retained relatively well-known lawyers. Tao Wuping, who represents Mr. Liu, said his client had specifically requested him. Mr. Tao, co-founder and managing partner of Shanghai-based Shenda Partners, said he relished the challenge presented by the case. Mr. Liu this week admitted to receiving bribes worth three million yuan, about \$438,000, in the commercial bribery portion of the case, according to Mr. Tao.

Although better known for his civil cases, Mr. Tao has handled high-profile criminal trials. He represented a billionaire property magnate, Zhou Zhengyi, who was charged as part of a massive corruption crackdown in Shanghai. More recently, Mr. Tao represented a Shanghai dairy company executive charged with producing milk tainted with the industrial chemical melamine. But in China, a lawyer's reputation in criminal defense has little connection with the verdicts he gets for his clients. Mr. Zhou and the dairy executive were both sentenced to years in prison.

Zhai Jian, who represented Mr. Ge this week, rose to national prominence in 2008 when he represented an accused cop-killer named Yang Jia in his appeal against the death penalty. Mr. Zhai sought to have Mr. Yang, who was reported to have been a victim of police brutality, declared mentally unfit to stand trial. The strategy failed, and Mr. Yang was executed later that year. Mr. Zhai has also represented officials embroiled in a massive corruption scandal, a dentist charged with murdering his girlfriend's Taiwanese lover, and an American who was criminally charged with selling pirated DVDs.

Lawyers are sometimes reluctant to speak publicly about sensitive cases. In the Rio Tinto case, though, what little public information there has been has come from the lawyers—as well as Australian consular officials, who were allowed to observe the bribery portion but not the commercial secrets part. The entire trial has been closed to foreign media.

Lawyers can find themselves on the wrong side of the law, too. In 2008, when a group of lawyers publicly offered their pro bono services to Tibetan defendants who had been charged in connection with rioting in Tibet, a number of them said they faced delays in having their licenses renewed.

Another recent case connected to a major mafia crackdown in southwest China also exposed the plight of China's criminal defense lawyers. In December, Li Zhuang, a lawyer at a well-connected Beijing firm, was arrested, tried and sentenced within weeks on charges that he encouraged his client, an accused gang boss, to commit perjury. Mr. Li initially pleaded not guilty and was sentenced to two-and-half years in prison. He appealed and at the second hearing entered a surprise guilty plea. But when the judge returned the second verdict, reduced to one-and-half years, a dissatisfied Mr. Li immediately recanted his guilty plea, claiming he had been promised a suspended sentence with no prison time.

The charges faced by Mr. Li were the subject of much criticism from China's defense bar. Mr. Li was charged under article 306 of the criminal law, dubbed the "lawyer killer" in Chinese, which targets lawyers by making it a crime to "destroy or forge evidence, help any parties destroy or forge evidence, or coerce or entice witnesses into changing their testimony in defiance of the facts or giving false testimony." While the language sounds reasonable on its face, critics have long contended that it is unfairly used to intimidate and harass defense lawyers, and in practice it isn't used against prosecutors.

http://online.wsj.com/article/SB10001424052748704266504575141751153067806.html?mod=WSJ_business_LeftSecondHighlights

- China's chief justice calls for "civilized law enforcement" (24th March)
(Xinhua) -- China's Chief Justice Wang Shengjun on Tuesday told an opening session of a training course of presidents of the country's middle and grassroots level courts that efforts should be made to enhance "civilized law enforcement."
He said cases concerning people's livelihood should be properly handled.
The courts should make it more convenient for the public to file lawsuits, enhance the work of handling complaints, promote the circuit trial system and improve judicial reparation system to help parties in financial difficulties, he said.

- Chinese prosecutors told to be self-disciplined (24th March)
(Xinhua) -- A Chinese official said Wednesday that prosecutors should be self-disciplined and not infringe upon the public interests.
Mo Wenxiu, a disciplinary official at the Supreme People's Procuratorate, said dinner invitations or gifts offered to prosecutors should be strictly prohibited.
Management of official vehicles should be improved so as to prevent traffic accidents caused by prosecutors who break road rules, Mo said.
"Private coffer" was banned and prosecutors were not allowed to act beyond their authority to handle cases, Mo said.
China's judicial authorities have vowed to clean up the departments at all levels after Huang Songyou, former vice president of the Supreme People's Court, was sentenced on Jan. 19 to life imprisonment for taking bribes and embezzlement.
Huang was convicted of taking more than 3.9 million yuan (about 574,000 U.S. dollars) of bribes from 2005 to 2008.
Last year, nearly 800 court officials were punished for violating laws.
Prosecutor-General Cao Jianming said earlier this month that prosecutors investigated more than 2,700 judiciary workers suspected of graft and malpractice for personal gains last year.
Cao said the authority would "never relax its efforts" in crack down on judicial corruption.

- Chinese President meets, commends model police officers (26th March)
(Xinhua) -- Chinese President Hu Jintao met with model police officers Friday in Beijing to commend them for their dedicated service.
Chinese police officers have made great contributions to the country's harmony and stability, and have safeguarded peace and the well-being of the Chinese people, Hu said.

Extending his warm regards to police officers across the country, Hu urged them to learn from the model officers, to contribute to the cause of socialism with Chinese characteristics and the building of a well-off society, and to be loyal guards of the Party and the people forever.

Senior Chinese leaders Wen Jiabao, Li Changchun and Zhou Yongkang also attended the meeting held in the Great Hall of the People in Beijing, which was followed by an awarding ceremony for 100 model police units and 200 model police officers.

Public Security Minister Meng Jianzhu, who attended the ceremony, urged police officers across the country to step up efforts to properly resolve social disputes, lest they develop into criminal activities or mass incidents which could hamper social stability and the public's relations with the Party and government officials.

They should focus on land seizing, education, health care, environmental protection, work safety and other aspects which were prone to generate "unstable factors," Meng said.

He stressed that problems and disputes that might affect social stability should be solved at local grassroots levels.

- UN reports rapid urbanization in China (26th March)

(Xinhua) -- The United Nations on Thursday reported rapid urbanization in China, which is undergoing a major transformation of its urban structure and witnesses a "rapid increase in the number of cities with sizable population."

The report was contained in the 2009 Revision of World Urbanization Prospects, which was issued here on Thursday. It says the urban surge in China reflects economic growth and internal labor movements.

"China alone has 25 percent of the cities with at least half a million inhabitants," said the UN report, compiled by the Population Division of the UN Department of Economic and Social Affairs (DESA). DESA is a vital interface between global policies in the economies, social and environmental spheres and national action.

"The country is undergoing a major transformation of its urban structure," the report said, adding that starting in the 1990s, the number of cities in China with at least half a million inhabitants has increased markedly.

"In 1980, China has only 51 cities of that size," the report said. "Between 1980 and 1995, another 51 were added to the group and, between 1995 and 2010, 134 additional cities in China crossed the half a million threshold."

By 2025, China is expected to add another 107 cities to that group, the report said. "This rapid increase in the number of cities with sizable population reflects the rapid urbanization of China, whose proportion urban more than doubled from 1980 to 2010 (rising from 19 percent to 47 percent) and is expected to reach 59 percent in 2025," the report said.

- Arrest over China-Japan 'poisoned dumplings' row (27th March)

A man has been arrested in China accused of poisoning dumplings in a case which led to a diplomatic rift with Japan, state media reports.

Temporary factory worker Lu Yueting, 36, allegedly put insecticide in some frozen dumplings because he was unhappy with his pay and colleagues.

The food was exported to Japan, where 10 people became ill, sparking a scare over Chinese food. China had denied that the contamination occurred on its territory.

Chinese police have found injectors used to poison the dumplings, according to a Ministry of Public Security statement reported by the Xinhua news agency.

Traces of methamidophos, a highly toxic insecticide were found in the dumplings.

Japanese Prime Minister Yukio Hatoyama issued a statement praising China's efforts to clear up the matter.

Chinese food exports to Japan fell sharply after the incident, reports the AP news agency.

The incident followed other scares over the safety of Chinese-made products, including poisoned pet food and concerns over dangerous toys.

<http://news.bbc.co.uk/2/hi/asia-pacific/8590579.stm>

- China has "sufficient labor pool for next 40 years" (27th March)

Although facing an aging population, China will be able to maintain its development thanks to a sufficient labor supply for at least the next 40 years, a counselor to China's Cabinet on population issues has assured.

Relaxing the one-child rule in cities is not necessary to maintain the country's economic growth, he said.

But still, many experts are suggesting that the government should rethink and adjust its family-planning policy to ease the aging trend.

China is an aging society, with some 180 million people older than 60 by 2009, accounting for 14 percent of the total population, Ma Li, former director of China Population and Development Research Center and now a counselor to the State Council, told China Daily.

The aging population is expected to peak in the 2040s, when one out of every three is older than 60, she said.

"But the shortage of the labor force would not appear in the foreseeable long term," Ma added.

China will see two peaks of labor supply, in 2016 and 2026, with 1 billion working-age people, up from 909 million in 2009, according to calculations and estimations by the inspector of the migrant population management division under the National Population and Family Planning Commission.

"By 2050, the number of labor force will be equal to the level of 2020, higher than that of 2009," she said, without giving the detailed number.

But she admitted that the "demographic dividend" is expected to diminish by 2030s. The "demographic dividend" has long been thought an important source of China's remarkable economic performance.

Over the past decades, China enjoyed a productive population age structure, with working-age people making up a large part of its population while retired and pre-working-age people were a relatively small fraction. As a result, the country enjoyed an endless supply of labor and also carried a comparatively light pension burden.

Such a productive population age structure, characterized by abundant labor forces and a high savings ratio, proved to be a dynamic source of economic growth for China, and consequently took the country into a long "golden period" of economic and social development.

Wang Ming, professor at Tsinghua University, said that the government should rethink and adjust its family planning policy and permit each couple to have two children, in order to increase labor supply and extend the "demographic dividend" period.

"Social and economic conditions for each family to have two children are mature now. The scale of the possible birth peak as a result of the policy relaxing will also be controllable," Wang said.

The current one-child rule restricts only part of the population, mostly in large and medium-sized cities. Policies have been relaxed in the past few years to allow urban couples who are both the only children of the family to have two children, too, just like rural couples.

Liu Dajun, a Shandong University professor, said allowing couples to have more than one child would also help ease many social problems brought by the one-child rule in cities.

The rule has prevented the birth of an additional 1.3 billion people since its implementation in 1980, but it also caused problems such as the advanced arrival of an aging society and the unbalanced gender proportion, Liu said.

"By 2020, men at marriageable age will outnumber women by 50 million, which means one out of every four men will not be able to find a wife," he said.

(Source: China Daily)

- China's health ministry stresses ban of hepatitis B tests (27th March)

(Xinhua) -- China's health authorities stressed Friday a ban of hepatitis B tests for college admission and employment, saying checks, if necessary due to occupational requirements, are subjected to the Health Ministry's approval.

A notice of the ministry reiterated that health institutions are not allowed to give hepatitis B virus (HBV) tests in health checks carried out for college admission and job recruitment, a policy introduced in February to prevent discrimination on HBV carriers.

If candidates' liver functions must be tested to qualify special job posts, the checks must get approval from the Health Ministry, the notice said.

The notice also said health institutions cannot provide HBV tests in regular health checks unless at the request of testers, in which case reports must be sealed and handed directly to testers or someone they entrust.

Clinical tests must seek consent from patients and their privacy should be respected, according to the notice.

Previously, an HBV test was a must on the health check list for college admission and job recruitment, and carriers were usually denied the opportunities, which caused complaints of discrimination and calls for a ban of such tests.

The World Health Organization says HBV is transmitted from mother to child, through unsafe injections practices, blood transfusions or sexual contacts, and it cannot be transmitted through casual contact.

Ethnic issues

Environmental front

- China furthers low carbon efforts after Copenhagen (21st March)

(Xinhuanet) -- For a great part, the Copenhagen summit was a very important platform for the world to go forward where China played a big role in putting it together, according to Nicholas Stern, world's top climate economist.

Speaking to Xinhuanet on the sideline of China development forum 2010 Sunday, Stern, however, also expressed his disappointment with the summit for not achieving significant agreement among the major world nations.

Stern believed China will make a big difference for its pledge to cut emissions and develop green energy in the coming years.

This will make the others see what China is doing for world environment and sustainable development, he added, meaning China is actively reacting to the worsening climate changes. But the China story is not well understood by the world, he noticed, "not enough at the moment." On the exploration of the new energy market, Stern said, China has a big opportunity. "Low carbon emission growth is a growth story in the future," he added, "and China is recognizing that."

He went on to say that since China's further growth through exports would be limited by the growth of rich countries' markets, the low carbon products, low carbon engineering and low carbon techniques will have a big market that China can grasp.

Nicholas Stern is a professor of London School of Economics and Political Science. He is also a former World Bank economist, former head of the Government Economic Service, who led the UK's landmark "Stern Review" on the Economics of Climate Change.

- 56 more water parks listed (22nd March)

Up to 56 new scenic spots featuring unique natural beauty or artificial landscapes surrounding China's major water conservancy projects have been listed as the national water parks this week, bringing the total up to 370 throughout the country, a leading water official announced this week. Chen Lei, minister of water resources, said, most of the water parks or water recreation areas have taken shape with the help of the country's water projects including water supply or flood-control reservoirs along rivers, lakes and the State key irrigation canals or the well rehabilitated water and soil eroded hills.

"Besides the national ones, more than 1,000 other province-level water recreation areas of the like have also been opened to the public all over the country for residents to enjoy the natural beauty and share the achievements of our well developed water projects," he said.

Addressing a meeting on the administration of the water scenic zones, the minister was confident that, today, quit a few of the water parks have become the most popular holiday resorts for local sightseeing or regional tourism.

In this way, he said he hops that the scenic areas based on a large number of various water resources facilities including over 80,000 reservoirs scattered all over the country the authorities have built can play a much better role in improving people's livelihood, promoting local ecotourism and stimulating other related industries for local economy with more job opportunities offered for residents.

While making the best of the country's water scenic spots, he urged water authorities to turn such water parks into ecologic parks with their water resources and quality well protected to prevent random exploration from being caused to threat the safe operation of the water projects or the rehabilitation of rivers and lakes they depend on for survival.

- Chinese envoy urges EU to raise its emission cut target (23rd March)

(Xinhua) -- China welcomes the latest document issued by the European Union (EU) on climate change, but insists that the EU should raise its emission cut target to 30 percent by 2020, a visiting Chinese official said on Monday.

Su Wei, chief negotiator of China for climate change talks in Copenhagen, told a press briefing here that China welcomed the communication the EU issued in earlier March, which elaborated the bloc's standpoints on climate change for the first time following the Copenhagen talks in December.

"China welcomed in general the EU's latest positions," which among others reaffirmed the principle of "common but differentiated responsibilities" undertaken by developing and developed countries in dealing with climate change, the Chinese official said.

In the communication issued on March 9, the EU expresses its willingness to continue to play a leading role in fighting against climate change and reaffirms its commitment to reduce its greenhouse gases emissions by 20 percent by 2020 and to increase this reduction to 30 percent if "the conditions are right."

However, Su told reporters that EU should and could raise its emission cut target to 30 percent by 2020 on the basis of 1990 if the bloc wanted to play a leading role in dealing with climate change.

The move would put more pressure on the United States to put forward ambitious goals, the chief negotiator said.

Su said he was visiting the EU headquarters with a Chinese delegation led by Xie Zhenhua, vice minister of the National Development and Reform Commission, to exchange views with his EU counterparts on climate change.

China and the EU shared many common goals and interests, the two sides should work together to boost international negotiations on climate change, he said.

World leaders are scheduled to meet later this year in the Mexican resort town of Cancun for another go at inking a legally-binding global accord on emission reductions after 2012.

Su said that China hoped the meeting in Cancun can achieve positive and meaningful results and make further progress on the basis of the Copenhagen talks.

- China's low-carbon initiatives in full swing ahead of Earth Hour (25th March)

(Xinhua) -- The Forbidden City in Beijing will go dark for the "Earth Hour" on Saturday night, together with other world-famous landmarks like the Eiffel Tower in Paris and the Empire State Building in New York.

China has for the second year joined the annual global environment campaign "Earth Hour" initiated by the World Wild Fund for Nature (WWF). The campaign calls on families and buildings to turn off the lights for one hour on the last Saturday night of March.

"It is a global show and the largest-scale action art to raise the public awareness of climate change. We hope the one-hour darkness can light up people's minds," said the Chinese Children's Environmental Education Programme (CCEEP) on its official blog Wednesday as it urged schools and children to join the movement.

Also posted on the blog were pictures drawn by children on the theme of environmental protection.

"A candle-light weekend can be energy-saving and romantic," said one slogan in shaky handwriting on one of the pictures.

The CCEEP, backed by United Nations Environment Programme and sponsored by Luo Hong, CEO of the country's largest bakery chain, Holiland.

The "Earth Hour" campaign has attracted more than 2,500 cities across the world.

Chengdu, capital of southwest China's Sichuan Province, was the first city to announce its participation in the 2010 "Earth Hour", with the giant panda Mei Lan appointed as a special ambassador for the movement.

Some 16 Chinese city governments have pledged to take part in the event that promotes a low-carbon lifestyle to citizens.

Major online portals, including sina.com and ifeng.com, launched special web pages to attract the interest of China's 384 million Internet users. The domestic search leader Baidu even invited users to locate themselves on its map.

"China has the largest population of Internet users in the world. The coverage of its Web sites and online media will help the 'Earth Hour' become the world's largest-scale environmental activity," said Dermot O'Gorman, WWF's China Country Representative.

China's younger generation, especially college students born in the 1980's, are seen as a force promoting environmental protection and low-carbon lifestyles in China.

About 15 universities and colleges in central China's Hunan Province will participate in the event. A dozen university student societies stressed the urgency of turning to a low-carbon lifestyle via various symbolic acts, including packing themselves with plastic bags and other trash.

The WWF launched an extended program in China this year. One campaign sets a goal for each weekday, from saving a liter of water on Monday to saving a kilowatt-hour of electricity on Friday.

Some student societies came up with corresponding plans to meet those targets and circulated their ideas on the Internet.

Multinational corporations in China including KFC and McDonald's have also got on board.

Coca Cola's branch office in southwest China's Guangxi Zhuang Autonomous Region plans to co-organize a light doodle art event on Saturday among college students with local environment associations and colleges.

Entertainment celebrities are also doing their part. Crowned "Earth Hour" Global Ambassador, Chinese actress Li Bingbing has tirelessly called on the public and other celebrities to take part in the event. Li's advertisement on behalf of the WWF can be found in most subway stations in the nation's capital, Beijing.

Yu Hai, a sociology professor with the Shanghai-based Fudan University, said the "Earth Hour" and other public service advertising can be "eye-catching and influential" as the public are mostly surrounded by commercial advertising and promotion.

With the efforts of all low-carbon and energy-saving initiatives, the idea is going deep in the hearts of the people in the country. And furthermore, the government and social organizations are encouraging the public to make some real changes.

Earlier this week, the All-China Women's Federation (ACWF) and two other central government departments launched a nationwide campaign to promote low-carbon family life. The campaign included the recycling of water and the growing of plants at home.

"China has about 370 million households. Each household saving one kilowatt-hour of electricity can reduce carbon emissions by 290 million kilograms in total," said Song Xiuyan, vice president of the ACWF.

Prof. Yu said the public should be encouraged to abandon high-carbon and wasteful habits.

"The 'Earth Hour' is fashionable and pioneering, but it's not enough. People need more initiative for the detailed and continuous practice of a low-carbon life," Yu said.

Regional report

North

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Social front

Economic front

- High-speed railways to drive economic integration around Beijing (21st March)
(Xinhua) -- The construction of a new express railway section between two cities near Beijing was kicked off Sunday, which, when completed, is expected to further speed up economic integration around the Chinese capital.

The 158-km-long railway linking coastal Tianjin and Baoding in Hebei Province will shorten the journey between the two cities to less than an hour.

The project is part of the railway network that covers Beijing, Tianjin and cities in Hebei.

"The network will serve as an important impetus for the integration of the cities around Beijing," said Wang Ailan, a researcher with the Tianjin Academy of Social Sciences.

An express railway between Beijing and Tianjin was put into operation in August 2008, shortening the 120-km journey between the two municipalities to only 30 minutes from the previous 74 minutes at least.

The intercity railway network is centered at Beijing and Tianjin, and all the cities covered by the network, including Hebei provincial capital Shijiazhuang and coastal Qinhuangdao, can reach each other within two hours' rail ride, according to the plan .

With an investment of 24 billion yuan (about 3.5 billion U.S. dollars) and a designed speed of 250 km per hour, the section between Tianjin and Baoding will serve both passenger and freight trains.

The railway between Tianjin and Qinhuangdao, which is under construction, boasts a designed speed of 350 km per hour and will cut the trip between the two cities to 50 minutes when completed. Currently, the fastest train journey between the two port cities is about two hours.

A high-speed passenger rail between Beijing and Shijiazhuang is also under construction. By 2012, 11 cities in Hebei will be covered by high-speed rails, and by 2020, the intercity railways between Beijing, Tianjin and cities in Hebei will reach 710 kilometers.

- Chinese vice premier stresses transformation of economic growth pattern (21st March) (Xinhua) -- China would step up efforts to accelerate the transformation of its economic development pattern to achieve sound and fast growth, said Vice Premier Li Keqiang Sunday.

Li made the remarks when delivering a speech to the China Development Forum 2010 held in Beijing. The two-day forum started on Sunday with a theme of "China and the World Economy: Growth, Restructuring and Cooperation."

Li said China has achieved remarkable results in combating the global economic downturn and the trend of recovery has been consolidated.

Expanding domestic demand would be the prime and long-term strategy for transforming the economic development mode, Li said, adding that continuous efforts to optimize the investment structure and adjust income distribution would help fuel the demand.

Li said industrial restructuring is a very crucial part of the economic mode transformation, which could be achieved through promoting technology innovations, green economy and the service industry.

Northwest **Politics**

- Cambodian party leaders meet secretary of CPC Shaanxi Provincial Committee (26th March)

(Xinhua) -- China and Cambodia on Friday agreed to further strengthen comprehensive partnership of cooperation as well as party exchanges.

This was reached when Say Chhum, member of the Permanent Committee of the Central Committee of Cambodian People's Party (CPP) and Nhiek Bun Chhay, secretary general of FUNCINPEC party held separate meetings with Zhao Leji, secretary of Communist Party of China (CPC) Shaanxi Provincial Committee.

During the meetings, they briefed each other on economic and social development, and had an in-depth exchange on further strengthening the cooperation between the two countries on various fields.

Say Chhum and Nhiek Bun Chhay, on behalf of their political parties, thanked Chinese government's long-term assistance and supports to Cambodia's social and economic development, and spoke highly of the achievements made by Chinese government.

Moreover, they reiterated that Cambodia would adhere to the one- China policy, and continue to support Chinese government's stance on its most important issues such as the stance on Taiwan and Tibet.

Zhao Leji, also member of CPC Central Committee, said he was glad to see that Cambodia has undergone enormous economic and social changes, and also played active role in the regional and international affairs.

Zhao said China and Cambodia share long-time friendship. The two countries are strengthening political trust and cooperation, benefiting the two peoples. China wishes to work together with Cambodia to push forward Sino-Cambodian relations to a new high.

Zhao and his delegation arrived here Friday to pay a three-day goodwill visit to Cambodia at the invitation of the Cambodia People's Party.

Social front

- Chinese vice premier stresses livelihood, stability in Xinjiang (24th March)

(Xinhua) -- Chinese Vice Premier Li Keqiang has stressed that economic growth should serve the improvement of people's livelihood so as to promote ethnic unity and social stability in the country's far west Xinjiang region.

Li made the remarks during his inspection tour to the Xinjiang Uygur Autonomous Region from Sunday to Tuesday.

He urged the region to follow the decisions and policies of the central authorities to seek synchro progress between economic development and improvement of people's livelihood and promote prosperity, ethnic harmony and social stability.

When visiting a low-rent housing community, he called for efforts to build welfare houses for low income groups in a faster pace so that the fruits of social, economic progress can be shared by all.

Li also stressed the improvement of public services and the building of a social security net for people from all ethnic groups.

He said the government will support labor-intensive companies and small and medium enterprises to create more jobs.

The vice premier also visited people affected by sleet and snow disasters in winter. He urged local cadres to secure adequate supply of life necessities for them.

- China to improve social welfare in the west: Chinese Premier (26th March)

(Xinhua) -- Chinese Premier Wen Jiabao said Friday that the government should improve the welfare system in the country's less developed western regions.

In a conference with Vice Premier Li Keqiang and National Development and Reform Commission officials about the "Western Development" drive in 2010, he said education should be the priority of social development in west China.

The government should at the same time attract more human resources from coastal areas to the west, he said.

It was agreed the pension and medical insurance systems would be extended to cover more people.

The government should support the animal husbandry, tourism and mining industries, which were pillar sectors of west China economies, and encourage college graduates and farmers to start their own businesses.

Economic front

Northeast

Politics

Social front

Economic front

Southwest

Politics

- Tibetan official hails 51st anniversary of serf emancipation. (27th March)

(Xinhua) -- The democratic reform in Tibet aimed at emancipating serfs 51 years ago under the leadership of the Communist Party of China is lofty and righteous, said Padma Choling, chairman of southwest China's Tibet Autonomous Regional Government, Saturday.

The Tibetans have achieved remarkable development since 1951. No reactionary force could block the powerful current of Tibet's progress, he said while delivering a speech via TV on the eve of the Serfs Emancipation Day.

China designated March 28 as an annual Serfs Emancipation Day last year to mark the date on which about one million serfs in the region, accounting for 90 percent of the Tibetan population, were freed in 1951.

The move was intended to have people understand and remember the misery of serfdom and cherish the life they enjoy now.

"The Tibetans cherish the hard-won happy and stable life and will steadfastly safeguard social stability, ethnic unity and national unification. Any attempts to separate Tibet from China are doomed to fail," Padma Choling said.

The regional gross domestic product reached 44.1 billion yuan (6.5 billion U.S. dollars) in 2009, up 12.4 percent against 2008. The net income per capita of farmers and herdsmen saw a year-on-year growth of 11.2 percent to reach 3,532 yuan.

Fine traditional culture has been inherited and developed. The preservation of cultural relics is going well. Tibetan opera and the Gesar epic have been listed as the world's intangible cultural heritage, he said.

The policy of protecting the freedom of religious belief is fully implemented and the ecological environment of the plateau is under sound protection, he said.

Social front

- Artificial rain to ease drought ravaging SW China province

(Xinhua) -- Meteorological authorities of southwestern Yunnan Province are gearing up to induce more artificial rain as light to moderate rain was forecast to sweep the drought-stricken province from west to east for three days from Saturday.

The light to moderate rain would increase humidity in the air, providing a good chance for inducing artificial rain to ease the worst drought in 100 years, said a weatherman with the provincial observatory.

But the limited rainfall will hardly break the drought, and the local governments also plan to dig 1,100 wells in the two months through to mid-May to ease the water shortages of 1 million residents.

The drought has ravaged southwest China for months, affecting 61.3 million residents and 5 million hectares of crops in Guizhou, Yunnan, Sichuan, Chongqing, and Guangxi, the Ministry of Civil Affairs said Wednesday.

The drought has affected 18 million residents and 11.7 million heads of livestock in the region and caused direct economic losses of 23.7 billion yuan (3.5 billion U.S. dollars), the ministry said in a statement.

In hardest-hit Yunnan province, direct agricultural economic losses are estimated at 17 billion yuan.

Lingering dry weather has affected over 80 percent of all planting areas in Yunnan, a region producing fresh flowers, rapeseed, sugar cane, tobacco and tea. In addition, 8.2 million residents are short of food.

Prices of fresh flowers in many cities have risen by up to 50 percent.

- China's grain output target challenged as drought persists: Premier (25th March) (Xinhua) -- Chinese Premier Wen Jiabao has warned that meeting this year's grain output goal of 500 billion kilograms would be "a test for sure" as severe drought in the southwest is likely to continue.

In addition to the persistent drought in the southwestern regions, a long and cold winter in north China would lead to a decline in wheat output, said the premier during a three-day trip to the drought-plagued Yunnan Province from March 19 to 21.

On his trip, Wen went to drought-hit villages, farmlands and reservoirs to learn about the impact that the drought had on local life and farm production.

The drought has resulted in a direct economic loss of 23.66 billion yuan and left more than 18 million locals short of drinking water as of Tuesday, according to latest figures from the Ministry of Civil Affairs.

Despite all those adverse conditions, Wen said China "should strive for a good harvest this year". The premier said priority should be given to the preparations for spring farming, urging local governments to make utmost efforts to combat the drought, prevent plant diseases, and ensure a good supply of fertilizer, pesticide and seeds.

He also called for local governments' efforts to encourage farmers to expand the area of spring farming.

The Chinese government set a goal in February, targeting grain output to exceed 500 billion kg this year.

The country's grain output reached 530.8 billion kg in 2009, representing the sixth straight year of increase in output and exceeding 500 billion kg for the third consecutive year.

- Drought-stricken China province encourages migrants to work outside (27th March) (Xinhua) -- Southwest China's Yunnan Province intends to send more migrants to work outside the province as severe drought worsens.

Bai Enpei, chief of the Yunnan Provincial Committee of the Communist Party of China, said the government will try to increase the number of migrant workers from Yunnan by 500,000 to 800,000 this year.

Bai said the authorities will organize more migrants to work in other parts of the country rather than let them wait at home for water. This will help not only to tackle the drinking water shortages, but also to increase their income, he said.

The government will offer free skills training and organize job fairs, the official said.

The drought, the worst in 100 years in many parts of Yunnan, has affected 3.15 million hectares of crops.

The dry spell has ravaged southwest China for months, affecting 61.3 million residents and 5 million hectares of crops in Guizhou, Yunnan, Sichuan, Chongqing, and Guangxi, the Ministry of Civil Affairs said Wednesday.

The drought has left 18 million residents and 11.7 million heads of livestock in the region with drinking water shortages and caused direct economic losses of 23.7 billion yuan (3.5 billion U.S. dollars), the ministry said.

In Yunnan, direct agricultural economic losses are estimated at 17 billion yuan.

The provincial health authorities in Yunnan have sent out 16 medical teams to prevent outbreaks of infectious diseases.

In Guangxi, authorities are sending more fire fighters to guard against forest fires before the Qingming Festival when many people burn paper money to pay respect to their ancestors.

Economic front

- Construction starts on southwest China high-speed rail link (22nd March)

(Xinhua) -- Construction began Monday on a high-speed railway linking southwest China's Chongqing Municipality and Chengdu, capital of Sichuan Province, said Wu Yong, director of Chengdu Railway Bureau.

The project was scheduled to take four years, and the 308 km high-speed link would halve the two-hour travel time between the two cities.

The line would incorporate 12 stations and 66 percent of the track would go over bridges and through tunnels due to the mountainous terrain, Wu said.

Chengdu and Chongqing are two major cities in China's west, and the high-speed railway was expect to promote development, Wu said.

By the end of 2012, China is expected to have more than 110,000 km of operational railways, including 13,000 km of high-speed rail.

China already has about 3,300 km of operational high-speed rail, according to the Ministry of Railways.

- Chinese delegation introduces Tibetan development to New Zealanders (25th March)

(Xinhua) -- A Chinese National People's Congress delegation has updated New Zealand on the development of China's Tibet Autonomous Region during a visit to the Pacific island nation.

The delegation, led by Qiangba Puncog, chairman of the Standing Committee of the People's Congress of China's Tibet Autonomous Region, wrapped up their three-day visit in New Zealand on Thursday, after holding talks with Parliament Speaker Lockwood Smith, Deputy Secretary of the Ministry of Foreign Affairs and Trade John McArthur, and opposition Labor Party's spokesperson on Foreign Affairs and Ethnic Affairs Chris Carter on issues concerning the autonomous region's latest development.

Qiangba Puncog outlined the spirit of the Fifth Forum on Tibet Work, saying the Central Committee of the Communist Party of China (CPC) had attached unprecedented importance to the forum.

The scale, standards and effectiveness of the meeting were unparalleled, Qiangba Puncog said.

The delegation said people from all ethnic groups in Tibet were now working to outline "The 12th Five-Year Plan" in line with the CPC Central Committee's requirements.

The goal of the plan was to drive a quantum leap in social and economic development, and guarantee national security and lasting political stability in Tibet. It also sought to improve the life of people from all ethnic groups and protect the region's environment.

Qiangba Puncog said the Dalai Lama group had over time engaged itself in organizing separatist activities, creating rumors and defaming the Chinese government and the Tibetan people.

However, the fact was the autonomous region's economy had kept double-digit growth for 17 years in a row, making it the most beneficial period for local residents, he said.

People's religious freedom was respected and places of religious worship and cultural activities were under a level of protection never seen before, he said, adding ethnic solidarity and harmony and common development had been achieved in Tibet.

Qiangba Puncog said he wanted New Zealand to have a clear view of the essence of the Dalai Lama group and provide no space for their separatist acts.

Smith and McArthur spoke highly of the Chinese central government's policy on Tibet and hailed the great achievements made in the autonomous region.

They said New Zealand, from government to parliament, adhered to the one-China policy, and agreed that Tibet was a part of China and Tibet-related issues were China's internal affairs.

During the visit, Qiangba Puncog was also interviewed by local media and attended an overseas Chinese forum.

- Drought-stricken southwest China moves to curb food price hikes (26th March)
(Xinhua) -- Local authorities in southwest China are moving to clamp down on food price hikes as the worst drought in decades shows no sign of easing.
Authorities in Guiyang, capital of the poverty-stricken mountainous Guizhou province, have indicated they would step up price monitoring and crack down on price gouging.
Vegetable vendors will be fined up to 100,000 yuan (14,650 U.S. dollars) if they are found involved in jacking up vegetable prices. The maximum fine for businesses is 1 million yuan.
In Kunming, capital of the hardest-hit Yunnan province, the local government is monitoring food prices and supply on a daily basis. Local price control and industry and commerce authorities have launched campaigns to crack down on food hoarding and price gouging.

Local governments in their neighboring regions have taken similar measures to prevent huge rises in prices of grain, edible oil, and vegetables.

The dry weather has been ravaging southwest China for months, affecting 61.3 million residents and 5 million hectares of crops in Guizhou, Yunnan, Sichuan, Chongqing, and Guangxi.

The worsening drought has damaged wide swathes of vegetables and sparked sharp price hikes. Many vegetable prices have more than doubled.

Hou Junfa, a purchasing manager in a hotel in Nanning, capital of Guangxi, said vegetable prices continued to surge even after the Chinese Lunar New Year when prices usually fall.

Wang Wenyong, a wholesaler in Nanning, said that prices of onion and potato continued to rise because of output declines in Yunnan, a main vegetable producing region.

The price hikes have resulted in increases in household expending.

A local resident in Nanning, surnamed Yang, said he spent five yuan more on vegetables than a month ago.

Some residents choose to buy cheaper vegetables to cut household expending.

Amid other efforts to curb huge price rises, the local governments have also started importing vegetables from non-drought-stricken regions to increase supply.

Authorities in Kunming earlier in the week bought 250 tonnes of wax gourd, pumpkin, and eggplant from other regions to ease supply shortage in local markets.

Prices of grain, including the staple food rice, has recorded relatively moderate gains of about 10 percent.

Some sellers, taking advantage of the lingering drought, have started increasing their rice prices in some cities.

The drought has caused speculation of further inflation rises as it has damaged hundreds of millions hectares of crops and disrupted spring planting as well.

But prices are expected to stabilize as grain is being sent to the drought-stricken regions. China has sufficient grain stock after six years of bumper harvests.

"The drought has limited impact on China's grain output as the five regions account for a small portion of the country's total output," according to a research note of Dongxing Securities.

In addition, the main grain production base in the Northeast is seeing better weather conditions than this time last year.

The disaster, however, is set to reduce production of fresh flowers and sugar cane as Yunnan and Guangxi are the main producers of the crops.

Retail prices of fresh flowers, as a result, have risen by about 50 percent in many Chinese cities.

The decline in sugar cane production would cause China's white sugar output to decline to 11 million tonnes this year, 9 percent lower than the projection in November, the China Sugar Association said.

The drought, the worst in 100 years in Yunnan and parts of Guizhou, would likely to continue till May as no substantial rainfall was expected ahead of the raining season, according to meteorological agencies.

It has left 18 million residents and 11.7 million head of livestock in the region with drinking water shortages and caused direct economic losses of 23.7 billion yuan, the Ministry of Civil Affairs said Wednesday in a statement.

South central **Politics**

- Officials' kids in graft supervision in S.China's Guangdong (26th March)

(Xinhua) -- Top officials of the Party and government organizations in Guangdong province will be required to disclose their personal assets, sources close to a provincial government work meeting have said.

Guangdong governor Huang Huahua recently said the provincial government would implement the asset declaration system this year in an effort to enhance the supervision of the Party and government chiefs.

Top officials of the Party and government organizations will also be required to reveal other personal information such as housing, marriage and children who are abroad.

Officials whose sons and daughters have gone abroad for residence will be specially targeted for supervision, according to Huang.

The provincial discipline inspection authorities received 65,358 reports related to officials' corruption and abuse of power last year, with 4,852 officials being put on file for investigation and prosecution, Huang was quoted as saying by Friday's China Daily.

The southern province was in the spotlight of the public and the media last year when Chen Shaoji, former top political advisor of Guangdong, and Xu Zongheng, former mayor of Shenzhen, were investigated for alleged violations of disciplinary regulations.

Social front

- Senior Chinese official stresses integration of tourism, culture (22nd February)

(Xinhua) -- A senior Chinese official said here Sunday more efforts should be made to further integrate tourism and culture so as to achieve greater development of the industries.

Liu Yunshan, a member of the Political Bureau of the Communist Party of China Central Committee, made the remarks at the 2010 Boao International Tourism Forum in Sanya, a tourist resort in south China's Hainan Province.

Global tourism was experiencing drastic adjustment along with the world economy's profound changes, while connections between tourism and culture had been increasing, he said.

Integrated development of the two industries was an inevitable demand of the times when economic development came to a certain level, which offered huge potential for the tourism industry, said Liu.

It was important to stick to opening-up and cooperation in promoting the tourism and culture industries, Liu said.

"The Chinese government has made the decision to build Hainan into an international tourism island, which demands more efforts to further expand opening-up and explore integration of tourism and culture, making Hainan a key platform for economic cooperation and cultural exchanges between China and foreign countries," Liu said.

The two-day forum, under the theme of "transformation of tourism and cultural industries in the aftermath of the global economic crisis," attracted delegates from more than 50 countries and regions, as well as executives of world tourism organizations such as the United Nations World Tourism Organization and the World Travel and Tourism Council.

- Malta vice PM says to boost tourism cooperation with China island resort (26th March)

(Xinhua) -- Malta will step up cooperation with China's Hainan Province in tourism, visiting Malta Vice Prime Minister and Foreign Minister Tonio Borg said Thursday.

Borg arrived in this South China's island on Thursday as part of his five-day visit to China.

He met with Wang Yong, mayor of the province's southernmost resort city of Sanya Thursday afternoon, and pledged to promote cooperation in personnel training and language education so to boost the two sides' tourism industry.

China has decided to build Hainan into an international tourism island.

Economic front

East

Politics

Social front

- No timetable yet for Shanghai-Hangzhou maglev line: official (23rd March) (Xinhua) -- There has been no timetable for the construction of a maglev line project between Hangzhou and Shanghai, a spokesman of the Shanghai municipal government said Monday. The project is still undergoing feasibility studies, the official said when responding to media reports last week which said the construction is expected to start this year. The proposal of the ultra-high-speed maglev line, with an estimated cost of 22 billion yuan (3.22 billion U.S. dollars), was approved by the National Development and Reform Commission in 2006. When completed, the line is expected to cut the travel time between Shanghai and Hangzhou, capital of the neighboring Zhejiang Province, to half an hour from the current 2.5 hours.

Economic front

- Toyota talks with east China province on recall (23rd March) (Xinhua) -- Toyota started talks with authorities of east China's Zhejiang Province Monday on the recalls and compensations over potential accelerator pedal problems of the RAV4 sport-utility vehicles. The delegation led by the general manager of the FAW Toyota Motor Sales Co. Ltd., a Sino-Japanese joint venture, held close-door talks with the Zhejiang Provincial Administration for Industry and Commerce, which was China's first local bureau to ask Toyota to improve its post-sale service. The administration demanded Toyota to step up recalling the RAV4 vehicles and compensate the Chinese customers, said Zheng Yu, the administration head. Affected owners have complained Toyota was slow in repairing the recalled vehicles. The company has not met the demands for compensation or canceling the purchase contracts, said Xu Jianming, secretary general of the provincial committee of consumer rights protection. "We will fully support the customers to safeguard their interests," Xu said. Toyota would recall about 75,000 RAV4 vehicles in China, nearly 10 percent of which were in Zhejiang.

- China's non-state automaker produces 2 mln cars (26th March)

(Xinhua) -- Chery Auto, one of China's major non-state automakers, had its 2 millionth car roll off the line Friday morning. It was the nation's first self-owned auto brand with output hitting the 2-million mark.

Based in Wuhu of eastern China's Anhui Province, Chery Auto produced its first car on Dec.18,1999. It took the company more than seven years to produce 1 million vehicles, but only two and a half years to double the production.

The company has joined the "two million club" in China, following Shanghai Volkswagen, FAW Volkswagen, Shanghai GM and Guangzhou Honda.

Chery Auto sold 500,000 motor vehicles in 2009, and 70,000 in January 2010.

It sells products to 80-plus countries and regions all over the world.

- Interview: Zimbabwe small, medium enterprises to participate at Shanghai Expo (26th March)

(Xinhua) -- Zimbabwe will send about 60 small and medium enterprises to exhibit at the Shanghai World Expo that runs from May 1 to October 31 this year, a cabinet minister said on Thursday.

Small and Medium Enterprises Development Minister Sithembiso Nyoni told Xinhua in an interview that the companies will go in batches of 10 per month starting from May.

She said her ministry has started training the companies on how to market their goods, quality improvement and the type of goods required by the Chinese market.

"We are giving them training and we are still negotiating to see if we can chip in financially because they will have to take care of their own air tickets and accommodation," she said when asked about any support the government is giving to the companies.

Small and medium enterprises (SMEs) involved in crafts ware, home décor, embroidery, stone work and engineering are among those attending, the minister said.

She added that the exposition presents a huge opportunity for Zimbabwean SMEs that have tottered under 10 straight years of economic decline to sharpen their entrepreneurial skills, market their wares to the world and boost sales.

"The expo will enable our SMEs to see what other SMEs are doing in Asia, Africa and the global world," she said.

More than 200 countries and up to 80 million visitors will descend on Shanghai for the exposition, and Zimbabwe will get a chance on August 11 to showcase its economic, tourism and business potential to the world.

The country will mount a pavilion and commercial bazaar where visitors will obtain information about Zimbabwe while at the bazaar companies would be able to sell and market their wares.

The Shanghai World Expo will run under the theme "Better City, Better Life" from where Zimbabwe has adapted its theme "Transforming our Communities for A better Life".

Nyoni said cooperation between Zimbabwe and China's SMEs is very small, and called for increased collaboration in the future.

She noted that some Zimbabwean SMEs have developed individual relationships with Chinese SMEs but indicated that this is not the same with the government to government ties on SMEs.

"We are not doing much as we would want to do," she said but expressed willingness to work with the Chinese government to enhance SME ties between the two countries.

Coordinator of Zimbabwe's participation at the Expo ZimTrade has said the huge event could provide quick wins for the country's tourism sector.

The event will also be an occasion for Zimbabwe to showcase its vast business potential and investment opportunities in mining, agriculture, manufacturing, service sectors and infrastructure development, it added.

HONGKONG AND MACAU

Politics

Social front

- Google Spat Brings Attention to Hong Kong's Freedoms (24th March)

Google Inc.'s decision to redirect Chinese searches to its Hong Kong site highlights the freedoms enjoyed by this Chinese special administrative region while underscoring the political challenges the city faces as it grows closer to Beijing.

Hong Kong, a former British colony that reverted to Chinese sovereignty in 1997 and operates its own system of laws under a policy dubbed "one country, two systems," is an oasis of free speech within China. It has a freewheeling press and an uncensored Internet that made it a natural choice for Google as part of its withdrawal from mainland China.

- KMT honorary chairman concerned about mainland's drought-hit areas (24th March)

(Xinhua) -- The Kuomintang (KMT) honorary chairman Wu Poh-hsiung said Wednesday the island was willing to discuss with the mainland about sending relief to the mainland's drought-stricken southwestern regions.

Wu told Xinhua Wednesday that he was deeply concerned about the drought and expressed his sympathies to disaster-affected people.

"The mainland offered us their sympathies and support during the island's flood last year. Now watching the southwestern regions suffering from drought, we pray that rain will soon come so

our friends in Guizhou can live normally again," said Wu at the opening ceremony of a cultural festival titled "Feeling the Colorful Guizhou."

The festival, scheduled from March 24 to 28, will include a series of performances and activities at the Taipei 101 building to showcase the local cultures of Guizhou for Taiwan people.

The event is jointly held by Guizhou's international culture association and the island's Eastern Television.

- Macao offers 60 mln yuan for relief in drought affected provinces (26th March)

(Xinhua) -- The government of Macao Special Administrative Region (SAR) announced on Friday that it has offered 60 million RMB for relief in the three most seriously drought affected provinces in the Mainland.

The SAR government said in a statement that it is highly concerned with the gravity of the situation in drought affected provinces of Guizhou, Yunnan and Guangxi.

After having been given update information on the situation by the central government, the SAR government approved 2 million RMB each for the three provinces in Southwest China, according to the statement.

The SAR government said it would maintain close contact with the central government and would fully support drought relief efforts.

- HK offers 1.5 bln HKD aid to drought victims in Chinese Mainland (26th March)

(Xinhua) -- The Hong Kong government said Friday it would ask the Legislative Council Finance Committee for a grant of 150 million HK dollars to be allocated to the Disaster Relief Fund to provide relief to the drought victims in Chinese Mainland.

A government spokesman said that the government proposed a direct allocation of 120 million HK dollars to the three provinces/ regions suffering severe drought, namely Yunnan and Guizhou Provinces and the Guangxi Zhuang Autonomous Region, granting 40 million HK dollars each.

The remaining 30 million HK dollars will be reserved for application by non-governmental organizations for relief work.

The Finance Committee has decided to convene a special meeting on April 1 to examine the application, the spokesman said.

The spokesman said the government will promptly consult the Disaster Relief Fund Advisory Committee once the funding application was approved so as to extend timely relief to the victims.

The committee will also adopt a special mechanism to enable the government to respond quickly to applications from relief organizations with a view to providing relief to the victims speedily.

(7.8 HK dollars = 1 U.S. dollar)

Economic front

- Macao's forex reserves reach 18.73 bln USD in February (22nd March)

(Xinhua) -- Macao's foreign exchange reserves amounted to 18.73 billion U.S. dollars at the end of February 2010, according to the preliminarily-estimated figures released on Monday by the Monetary Authority of Macao Special Administrative Region (SAR).

The reserves rose 1.5 percent from the revised value for the previous month and when compared with the same period last year, the reserves increased 13.8 percent, the Monetary Authority said.

Macao SAR's foreign exchange reserves at the end of February 2010 represented 30 times the currency in circulation.

Meanwhile, the trade-weighted effective exchange rate index for the pataca, a gauge of the domestic currency's exchange rates against the currencies of Macao's major trading partners, fell 2.97 points year on year to 90.28 in February 2010.

- Macao's CPI up 2.57% in February (22nd March)

(Xinhua) -- Macao's composite CPI (consumer price index) for February 2010 increased notably by 2.57 percent year-on-year to 103.27, according to figures released on Monday by the city's Statistics and Census Service (DSEC).

Price indices of Recreation and culture, Transport, Clothing and footwear, Miscellaneous goods and services, and Food and non- alcoholic beverages rose by 8.64 percent, 7.87 percent, 7.84 percent, 7.33 percent and 4.82 percent year-on-year respectively in the period, the DSEC said.

Compared with January, the Composite CPI for February increased by 1.11 percent, the figure also showed. For the 12 months ended February 2010, the average composite CPI rose by 0.78 percent over the preceding period, according to the DSEC.

- HK's consumer prices up 2.8% (22nd March)

(Xinhua) -- Hong Kong's consumer prices rose 2.8 percent in February over the same month last year, up on the 1 percent rise in January, the Census and Statistics Department said on Monday.

Netting out the effects of the government's one-off relief measures, the underlying inflation rate was 1.6 percent. The increase on January was due to the difference in the timing of the Chinese New Year, resulting in a surge in prices for package tours, fresh vegetables, meals bought away from home and poultry.

The department said overall price pressures have inched up but were still tame in early 2010. Import prices in overall terms are likely to stay soft in the near term, in the face of the excess capacity in the global economy.

Locally, the expansion in production capacity brought about by productivity growth and rising investment in recent quarters should help alleviate the pressure on local business costs. The inflation rate, whilst likely to climb up further as the economic revival takes hold, is likely to remain relatively modest in the near term.

