

BEIJING REVIEW

SHANGHAI SURPRISES Page 10

China's biggest city shines
in the Expo

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18>

AMERICA EVOLVES IN THE ATOMIC AGE Page 28

REBUILDING QUAKE-HIT YUSHU BRICK BY BRICK Page 26

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EDITOR'S DESK

- 2 Shanghai on the World Expo Stage

PEOPLE AND POINTS

WEEKLY WATCH

NATION

- 10 Expo Venue
12 A Committed City
Shanghai goes above and beyond for the Expo
14 The Expo Comes to Life
16 Destination Shanghai
Exploring the city day and night
21 Shanghai Keeps Its Cool
A stylish city stays with it
22 Country Pavilions You Should Not Miss
Nations, cultures and histories in their glory

- 26 Reconstruction Setting Out
Rebuilding is underway after Yushu's earthquake

WORLD

- 28 Nuclear Assessment
A future for nuclear energy in America

BUSINESS

- 32 Bigger Voice, Bigger Responsibility
Greater Chinese representation in the World Bank
34 Taming the Real Estate Market
Government intervention needed
36 Local Debts on a National Scale
Borrowing by local governments can spell disaster
38 Tapping the HR Market
A U.S. outsourcing firm moves into China

- 39 Crisis Focus:
Prescribing Economic Remedies

- 40 Market Watch

LIFESTYLE

- 44 The Glory and the Dream
The World Expo on the big screen

FORUM

- 46 What Next for Chinese Football?
47 What Can China Learn From Vancouver?

EXPAT'S EYE

- 48 Xinjiang on My Mind
The "Wild West" beckons



10 Cover Story

Shanghai fascinates the world

Shanghai on the World Expo Stage

By ZHANG ZHIPING

This year, China has been hit by abnormal weather—spring seems reluctant to arrive as north China is plagued by low temperatures and strong winds and the south is drenched in lasting rainfall. In spite of the climate, the pulse of spring is vibrant at the Expo site.

Before the opening ceremony, Shanghai Mayor Han Zheng said the six trial runs for the Expo had achieved their expected results with flying colors.

Various facilities and services at the 5.28-square-km Expo site underwent all kinds of tests. Problems exposed during the trials, of safety inspection, check-in procedures, visitor guidance, catering supplies and price regulation, were all swiftly resolved thanks to the joint work of relevant departments.

From China's successful bid for the Expo to its opening this year, with strong support from the Central Government and from all over the country, Shanghai has put in a great deal of preparation. In January, President Hu Jintao said the Expo was to be staged based on the whole country's efforts and the wisdom and knowledge of the whole world.

The Expo has attracted 246 countries and international organizations to participate, the largest number in the event's history. With "Better City, Better Life" as the theme, the Expo is a pageant where the world can come together to learn about the future of urban life. It also offers a platform for thoughtful dialogue about progress of mankind.

The Expo also gives Shanghai, and China, a chance for exposure to the rest of the world and provides a broad stage for all its participants. Shanghai is China's most prosperous metropolis and an important international port on the western bank of the Pacific.

Shanghai is a historical and also modern city. It combines both Eastern and Western characteristics. Modern features are interspersed with Chinese tradition. There are old-style Western buildings on the Bund in the older Puxi area and also modern skyscrapers in the Pudong New Area on the other side of the Huangpu River. Maybe visitors will be fortunate enough to travel through normal Shanghai residential alleys after traversing prosperous business districts, viewing lively scenarios of the people's urban lives.

With Shanghai at the center, small and medium-sized cities are scattered in an area in radius of 300 km around. These cities are famous for their beautiful landscapes and delicate food, and their efficient transport to the hub of Shanghai is an added attraction. They are the not-so-well-known areas of the overall Shanghai picture.

It's our hope that, while experiencing the delights of the Expo, travelers from all over the world will also be able to explore fully the natural and cultural wonders of Shanghai. Your trip to China will indeed prove to be a worthwhile experience! ■

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Xinjiang Party Chief Changed

Zhang Chunxian has been appointed as Party chief of northwest China's Xinjiang Uygur Autonomous Region, the Communist Party of China (CPC) Central Committee announced. Wang Lequan, former Secretary of the CPC Xinjiang regional committee, has been appointed

deputy secretary of the Political and Legislative Affairs Committee of the CPC Central Committee.

Before the move, Zhang, 57, had been secretary of the CPC Hunan provincial committee since December 2005. He had also served as minister of communications between 2002 and 2005. Zhang is known for his open-mindedness and eagerness to communicate with people via the Internet.

Wang, 65, had assumed several leading posts in Xinjiang since 1991. He was named Xinjiang's Party chief in December 1995.



Zhang Chunxian



Wang Lequan

Generous Philanthropist

Yu Pang-lin, an 88-year-old Hong Kong hotelier, became the first Chinese to donate more than \$1 billion for public welfare after he announced to have donated his remaining fortune worth \$470 million to a foundation bearing his name on April 22.

With Yu's latest donation, the worth of the Hong Kong-registered foundation has hit \$1.2 billion.

Yu's foundation, which has a mandate to make donations to health, education and disaster relief, has funded more than 150,000 cataract removal operations across China since 2003 and established a number of schools in poverty-stricken areas in west China.

Yu, who moved from the Chinese mainland to Hong Kong in 1958, made his fortune from scratch. His huge philanthropic donations over the past two decades have earned him the title of "China's Andrew Carnegie."

In 2009 alone, Yu donated \$910 million to charity, said the latest Hurun Philanthropy List released by Shanghai-based Hurun Report Inc. The generosity put Yu on the top list for the fifth consecutive year since 2006.



Tycoon in Court

Huang Guangyu, once the richest person on the Chinese mainland, appeared in court on April 22 on charges of illegal business dealings, insider trading and bribery.

In an open trial at the Beijing No. 2 Intermediate People's Court, Huang, former chairman of Hong Kong-listed electronics retailer giant Gome, was charged with illegally trading HK\$822 million (\$106) from September to November 2007.

Prosecutors also accused Huang of insider trading of stocks of a Shenzhen-listed company, worth more than 1.415 billion yuan (\$207 million), from April to September 2007 and bribing five government officials with 4.56 million yuan (\$667,643) in cash and properties from 2006 to 2008 in exchange for illegal benefits for two of his companies.

Huang, 41, founded Gome in Beijing in 1986. He topped the Hurun China Rich List in 2004, 2005 and 2008.



"We're trying our best to avoid saying 'I don't know' to visitors."

Xia Kejia, Director of the World Expo site volunteer department

"Taking the theme 'Better City, Better Life,' you have chosen to make the 2010 Shanghai Expo an event resolutely focused toward the future."

French President Nicolas Sarkozy, in an interview with Xinhua News Agency on April 27

"Today, there are few traces of the war in Okinawa. But U.S. bases still remain in front of us. This is so unfair."

Hirokazu Nakaima, Governor of Okinawa, speaking at a rally on April 25 to demonstrate against U.S. military presence on the Japanese island

"A free market was never meant to be a free license to take whatever you can get, however you can get it. That is what happened too often in the years leading up to the crisis."

U.S. President Barack Obama, calling for new rules governing the financial industry before a legislation to rein in Wall Street was blocked in Senate on April 26

"We inherited a ship that was ready to sink."

George Papandreou, Greek Prime Minister, blaming the previous administration for the country's economic crisis. Greece has asked for the activation of a joint EU-IMF bailout

"We only have to look at ourselves to see how intelligent life might develop into something we wouldn't want to meet."

Stephen Hawking, British astrophysicist, claiming in an upcoming series for the Discovery Channel that aliens probably exist and that humans should avoid making contact with them

"I've done enough science fiction to know that our Earth will survive through various nightmare scenarios. But that's entertainment. This is real and as citizens we have to act now."

U.S. actress Sigourney Weaver, at a Senate hearing on ocean acidification on Earth Day on April 22

OPINION

Hidden Risks

Recently, a safety probe into school buses was launched in Shenzhen, in south China's Guangdong Province. It found 1,060 of the 3,540 examined buses had potential safety risks.

In 2008, 4,423 middle and primary school students died in traffic accidents, mostly involving malfunctioning school buses. Who is responsible for this tragedy?

Although there are several regulations about school buses with requirements such as the vehicles being specially marked and painted certain colors, they are not compulsory. When school buses are put on routes without strict legal regulations, how can we expect them to run safely?

School buses are an important part of public transportation in developed countries. In the United States for example, federal laws explicitly define specifications and rollover protection standards. Besides, school buses are produced by designated manufacturers.

Children are the nation's future and their safety concerns whole families' fates. To ensure the safety of school buses, strict legal regulations and adequate budget allocation are necessary. It's hoped someday all our school buses will run safely on roads.

The Beijing News

Safe Milk Necessary

From April 19 to 24, four campus food poisoning accidents occurred in northwest China's Shaanxi Province. Preliminary investigations showed more than 200 students fell ill on April 19 after drinking poison milk. Worse still, the problematic food was provided by designated suppliers of a government-funded "Milk and Egg Project." The project was launched to improve the nutrition of 860,000 boarding students in the province during the period of their compulsory education.

The poison milk indicates loopholes in food safety regulation. It is reported from the moment milk left the producer until it was delivered to students, no examination was undertaken to find out if there were problems.

How were the designated suppliers selected? Is there a strict bidding procedure? Is it possible these suppliers deliberately cut production and management costs to enable bigger profit margins? Without explicit accountability and strict supervision, accidents can only

be a matter of time.

The "Milk and Egg Project" should not be regarded as a handout to children from impoverished families. The bottom line is to ensure food safety, or the project will endanger its recipients and lose the public's trust.

Beijing Times

Public Interests First

Recently, people.com.cn, a Beijing-based news portal, published a list ranking local authorities' responses to public opinion on the Internet.

Online discussion of public affairs has provided powerful supervision of local authorities. Quick and effective reactions to online criticism help build up administrative credibility. Passive replies, however skilful they might be, are ineffective in solving problems. The arrogant attitude of some local officials often triggers these actions, but the basic reason is the unfettered violation of public interest by the abuse of power. Conflicts cannot be resolved unless root causes are uncovered.

It is better to take precautions against these problems rather than shut the gate after the horse has bolted. If public interest is their

top priority, local governments can expect their being distrusted to be gradually eradicated. Positive attitudes from administrators, rather than passivity, can better resolve crises of credibility exposed on the Internet.

The Beijing News

No Outside Food

An unspoken rule in the catering sector that customers are not being allowed to drink their own alcohol in restaurants has long been criticized by the public. But it very nearly became an official ban in Wuhan, central China's Hubei Province. In early April, the local association of consumers, together with the chambers of restaurant operators and private businesses, jointly issued a notice recognizing restaurants' right to deny food being brought in from outside.

This news has triggered strong criticism since it was reported by the media. Under public pressure, the Wuhan Consumers' Association later admitted the provision was inconsiderate and pledged to revise it as soon as possible.

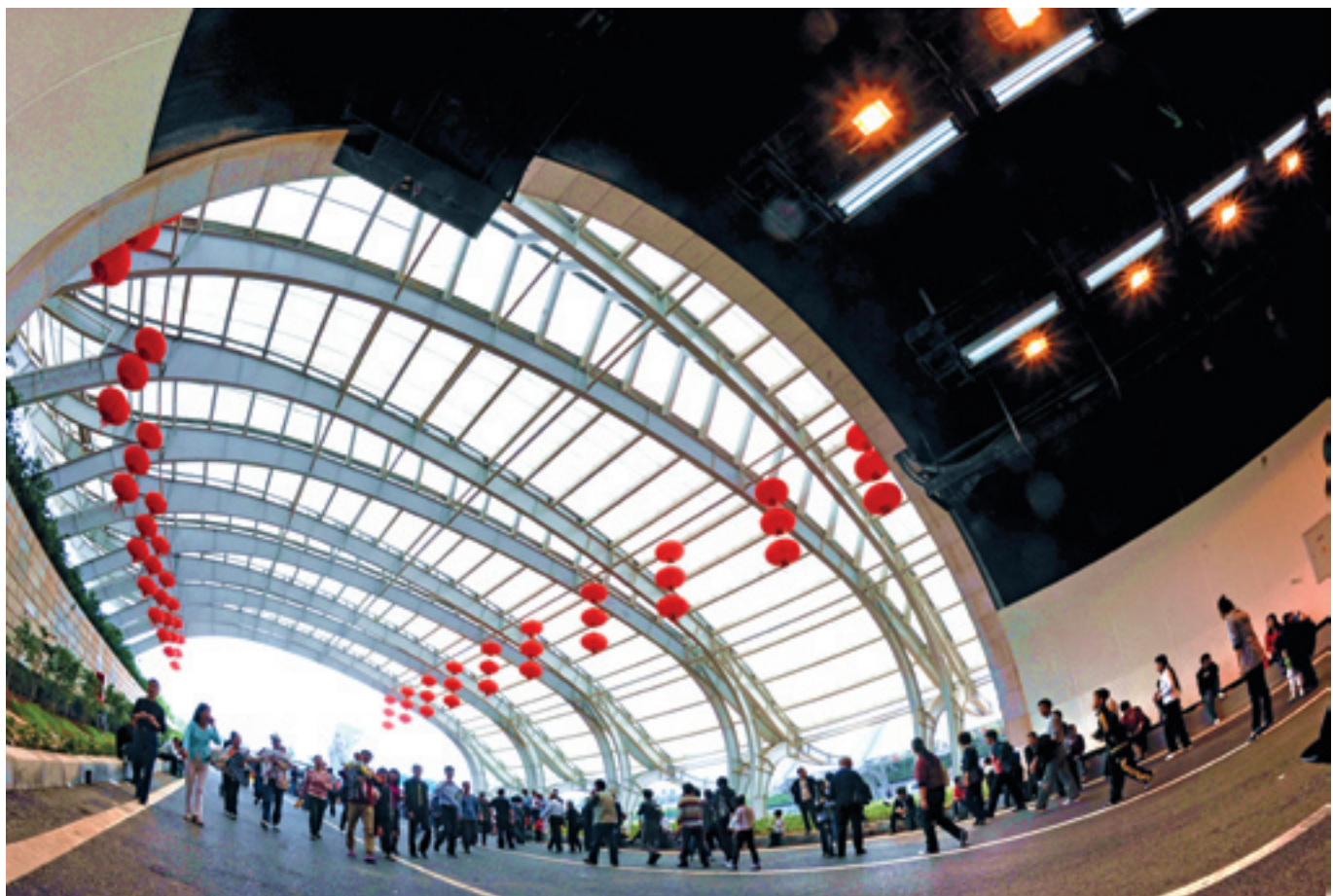
Although those working on the document explained the stipulation was made to ensure food safety and restaurant operators had always argued they had the right to deny outside food, from the consumers' perspective, giving discretionary power on this issue to restaurateurs is undoubtedly unfair, because alcohol and soft drinks in restaurants sometimes sell at up to four times normal retail prices.

Consumers' associations are set up to protect consumers' legitimate rights and interests. That is to say, they must not take the side of businesses against consumers. They need to think from the perspective of consumers and, in this way, will be able to help protect consumers' rights and interests. If they speak for businesses, will consumers still have faith in them?

Changjiang Daily



EASY RIDE: Light yellow and unified mark have been applied to school buses in Shanghai since September 2007 as part of the efforts to improve their safety



ZHANG GUOLUN

A Passage Under Water

The Chinese mainland's first undersea tunnel opened to traffic in Fujian Province on April 26.

The 8.7-km highway tunnel, 6 km of it under the sea with a maximum depth of 70 meters, links Xiamen Island to Xiang'an on the mainland. Designed for an average driving speed of 80 km an hour, the tunnel cuts travel time between the two areas from the previous one-and-a-half hours to eight minutes.

The tunnel boasts the world's largest cross-section with a maximum area of 170 square meters. The thoroughfare was independently designed and built in China. Costing 3.2 billion yuan (\$468 million), the project took four years and eight months to build.

SOCIETY

Fewer Entry Limitations

The Chinese Government announced the lifting of the 20-year-old ban on entry for foreigners with HIV/AIDS, sexually transmitted diseases and leprosy on April 27.

According to a statement released by the State Council, after gaining more knowledge about the diseases, the government has realized that such ban has a very limited effect in preventing and controlling diseases in the country. It has instead caused inconvenience for the country when hosting various international activities.

The revision comes days ahead of the opening of the Shanghai World Expo. The government temporarily lifted the ban for various large-scale events, including the 1990 Beijing Asian Games, the Fourth World Conference on Women in 1995 and the 2008 Beijing Olympics.

Deadly Landslide

Rescuers in Taiwan had found four bodies and the wrecks of three cars as of 7 a.m. April 28, after a massive landslide struck the freeway between Taipei and Keelung on April 25. The landslide crushed an overpass and clogged traffic on the freeway between Taipei and Keelung.

The Taiwan Freeway Administration announced on April 28 morning that the bodies of two men and two women had been identified.

Rescuers are still searching for the buried. According to reports from relatives, at least one car and one person are still under the debris.

Abnormal April

China has experienced its coldest April for half a century due to abnormal atmospheric circulation at high latitudes of the Northern Hemisphere, according to meteorological experts of the China Meteorological

Administration (CMA).

The nationwide average temperature in April hit its lowest benchmark since 1961 at 8.7 degrees Celsius, approximately 1.3 degrees below a normal year, according to the latest figures from the CMA.

The national average precipitation in April was 54.1 mm, 13.9 mm more than a normal year, making this April the most humid since 1974.

Effective Crackdown

Chinese police cracked 234 money counterfeiting cases and seized approximately 42.54 million yuan (\$6.25 million) in fake bills in the first quarter of 2010, the Ministry of Public Security said on April 27.

The ministry's vice minister Liu Jinguo said the amount of fake money seized at bank counters dropped 55 percent from a year ago thanks to a campaign against money counterfeiting last year.

Liu pledged that the ministry will fully implement the policies for rewarding citizen reports of counterfeiting.

Additive Rules

China's top food safety authority issued new regulations on April 22, setting more stringent requirements on the use and the approval of food additives.

The Ministry of Health's Regulations of New Food Additives, published on its website, set six new restrictions on the use of food additives.

The new regulations forbid the use of food additives to mislead consumers about the content and quality of food or fake food content.

Under the new regulations, food producers are required to use the minimum amount of necessary food additives, and are not allowed to use those that would reduce the nutritional content of food.



PROMISE An activity to collect the fingerprints of 10,000 people, who promise to never use pirated products in the future, is launched in Beijing on April 26, the 10th World Intellectual Property Day



CARTOON CARNIVAL

The Sixth China International Cartoon and Animation Festival starts in Hangzhou, Zhejiang Province, with an evening gala on April 28. The annual event attracts more than 300 exhibiting companies from 20 countries and regions



DISASTROUS STORM

A farmer in Minqin County, Gansu Province, repairs a vegetable greenhouse damaged by a sandstorm on April 24, the worst in this area for nine years

ECONOMY

Trade Friction

China's Ministry of Commerce on April 28 ruled broiler chicken products imported from the United States were subsidized, and would be levied from 3.8 percent to 31.4 percent in anti-subsidy duties.

U.S. companies exporting broiler chicken products which had responded to the Chinese investigation would face duties of 3.8-11.2 percent, while those that had not would be subject to a 31.4-percent tariff, said the ministry in an online statement.

The investigation results showed U.S. broiler chicken exporters had received government subsidies, which had caused substantial losses to Chinese companies, the statement said.

Supporting Employment

China's urban unemployment rate fell by 0.1 percentage point to 4.2 percent by the end of March, compared with the end of last year, said the Ministry of Human Resources and Social Security (MOHRSS) at a recent press conference.

A total of 2.89 million new jobs were created in urban areas in the first quarter of 2010, accounting for 32 percent of the full-year job creation target of 9 million, said Yin Chengji, spokesman for the MOHRSS.

Strong economic growth and recovering corporate financial health are shoring up the job market this year, said Yin.

Nuclear-Powered Hainan

China kicked off construction of a large nuclear power plant in south China's Hainan Province on April 25.

The project, with an estimated investment of 19 billion yuan (\$2.78 billion), is located in Changjiang, a county in the north-western part of Hainan.



LIU HANXIN

EXPORT RECOVERY The second phase of the 107th China Import and Export Fair (April 23-27) witnessed export deals worth \$8.46 billion. The biannual fair, known as the Canton Fair and held each April and October, is considered a barometer for the country's import and export

It will consist of two pressurized water reactors, each with a capacity of 650,000 kw. The first reactor will be completed and connected to the grid by the end of 2014.

China National Nuclear Corp. and China Huaneng Group, will jointly finance and develop the project.

VW's China Plan

Europe's biggest automaker Volkswagen AG (VW) will build two plants in China as part of a 1.6-billion-euro (\$2.2 billion) plan to expand in the country.

The German carmaker, which currently operates in China through two joint ventures, is geared up to sell 2 million vehicles a year in the world's biggest car market.

"Growth in China has surpassed all expectations," said Martin Winterkorn, CEO of VW on April 26.

The 1.6-billion-euro plan brings Volkswagen's total China investment for

the next three years to 6 billion euros (\$8.25 billion).

Eco-Tech Forum

The 2010 China-Pacific Island Countries Forum on Eco-Tech Cooperation convened for its two-day forum on April 22-23 in Beijing.

With a theme of "promoting new energy and addressing climate change," the forum brought together more than 180 government officials and entrepreneurs from China and Pacific island countries. More importantly, it provided a valuable platform for communication and cooperation. A number of deals between companies from both sides in terms of new energy, trade, tourism and fishing took place at the forum.

It is important for countries in the Pacific region to join efforts in tackling climate change and promoting the economies, said Jusuf Wanad, President of the Pacific Economic Cooperation Council.



CHEN JIANLI

CHARITY ON EDUCATION

Doug Jackson, President of Coca-Cola China, communicates with students in one of the schools rebuilt in earthquake-affected Guangyuan City, Sichuan Province, with donations from his company. Four of the Coca-Cola sponsored schools were officially completed on April 26



JUE GUO

SPRING TO LIFE

Young volunteers form the logo of the Shanghai Expo on a square in front of the Potala Palace in Lhasa, Tibet Autonomous Region, on April 28, to show their support for the Expo

1. CHINA

Serge Abou, the EU's Ambassador to China, attends the inauguration ceremony of the Beijing campus of the China-Europe International Business School on April 24



JIANG XIAOYING

2. RUSSIA

Soldiers in St. Petersburg rehearse for the May 9 military parade to mark the 65th anniversary of the Soviet Union's victory over Nazi Germany on April 28



LU JINBO

3. NORWAY

The world's tallest Lego brick tower is completed in front of Oslo City Hall on April 24. The tower measures 30.22 meters



SONG ZONGLI

4. JAPAN

Protesters rally in Yomitan, Okinawa, on April 25 to demand that a U.S. Marine Corps base be moved



XINHUA/AF

5. UKRAINE

A memorial service is held in Kiev on April 26 to commemorate the 24th anniversary of the Chernobyl tragedy. The meltdown of a nuclear reactor at the Chernobyl Nuclear Power Plant in 1986 caused the worst nuclear power plant disaster in history



4

XINHUA/AF

6. SPAIN

An officer adjusts a military vehicle during NATO exercises "Minex-10" off the coast of Palma de Mallorca on April 26



6

XINHUA/AF



An aerial photograph of the Shanghai skyline, showing a dense cluster of skyscrapers and older buildings along the waterfront. A large ship with a red and white hull is visible in the foreground on the left, sailing on the water. The text 'EXPO VENUE' is overlaid in large white letters across the middle of the image.

EXPO VENUE

Shanghai is located on the western coast of the Pacific Ocean and at the central point of China's eastern coast, where the Yangtze River empties into the sea.

The city covers an area of 6,000 square km, and has a population of almost 20 million. With a humid subtropical monsoon climate, Shanghai has four distinct seasons.

Shanghai is China's largest city, and a financial and shipping hub. It's also one of the country's major bases of shipbuilding and other manufacturing industries.

The 2010 World Expo in Shanghai runs from May 1 to October 31.

A Committed City

Shanghai has gone all out to prepare for the largest ever gathering in Expo history

By LI LI

Shanghai, one of the most populated cities in the world's most populous nation, knew it had the largest ever World Exposition to prepare for more than two years prior to its opening, when a record number of countries and international organizations confirmed their participation.

A total of 246 countries and international organizations take part in World Expo 2010, far exceeding the record of 172 participants created by Expo 2000 in Hannover. The organizers of the Shanghai Expo had long expected the event to attract around 70 million visitors, or more than 400,000 per day, during its 184-day run.

The opportunities and challenges of Shanghai's grand, international fair have kept urban planners busy for years in the lead-up to the Expo, upgrading the city's amenities and traffic facilities to ensure the Expo is a success.

Logistical upgrades

The 2010 Expo site is located in the heartland of Shanghai, on the waterfront area between the Nanpu Bridge and Lupu Bridge, along both sides of the Huangpu River. Covering a total area of 5.28 square km, the site encompasses 3.93 square km on the east side of the river and 1.35 square km on the west side.

Since 2007, Shanghai has been engaged in a series of projects to improve its traffic infrastructure as part of preparation efforts.

Shanghai's airports, which will be able to handle 260,000 passengers per day, as well as the railway system and long-distance buses, are fully prepared to handle all Expo tourist flows from other parts of China and abroad, said Shen Xiaosu, Deputy Director of the Shanghai Urban Construction and Communications Commission, at a press conference on April 15.

A 360,000-square-meter new airport terminal in the Shanghai Hongqiao International Airport commenced operation on March 16, and will eventually handle more than 90 percent of all flights to the airport.

On the first day of its operation, a total of 11 domestic carriers moved their operations to the new terminal. The terminal is part of the 26-square-km Hongqiao traffic hub, which includes a railway station and a long-distance bus terminal.

The extension of Shanghai's subway

Line 2, which connects to the new terminal, also commenced operation on March 16.

As Shanghai's 11th subway line started trial operation on April 10, the city had more than 420 km of metro routes in service, the longest among all Chinese cities. According to Shen, metro routes in Shanghai are expected to facilitate more than 6 million trips per day during the Expo, and more than half of Shanghai residents choose metro lines as their first choice of daily transportation.

Shen said the city now has 145 km of high-speed roads in its central districts—a 25-percent increase compared to 2008. Shanghai also has eight highways that link it to neighboring cities, with a total length of 776 km.

According to a detailed traffic management plan for dealing with crowds during the Expo released by the Shanghai authorities in January, visitors can reach the Expo site within 90 minutes from Shanghai's farthest suburbs via buses and subways. Visitors can travel to the Expo by metro lines, regular buses, special Expo coaches, and boats or taxis. The plan estimates that 90 percent of attendees will travel to the site via public transportation.

"We invested a total of 169.3 billion yuan (\$24.9 billion) into major infrastructure projects to prepare Shanghai for the Expo in 2009, achieving a substantial annual increase. This year investment in the area will reach a total of 100 billion yuan (\$14.7 billion)," said Shen.

Enjoying Shanghai

Cheng Meihong, Deputy Director of the Shanghai Municipal Tourism Administration, said at a press conference on April 16 that the effects of the Expo tourism boom were felt as early as the first quarter of 2010. In the first three months, the average occupancy rate of hotel rooms in the Pudong District, where the majority of the Expo site is located, registered 56.3 percent, the highest amongst all of Shanghai's central districts, and a rise of 12.9 percent year on year.

According to the local tourism administration, Shanghai has a total of 334,000 hotel rooms with 557,000 beds, including 98,000 beds in star-rated hotels. Expo tourists can also stay at one of 100,000 hotel rooms in Shanghai's neighboring cities, which are a two-hour drive from Shanghai. To meet the demand for accommodation, the city has



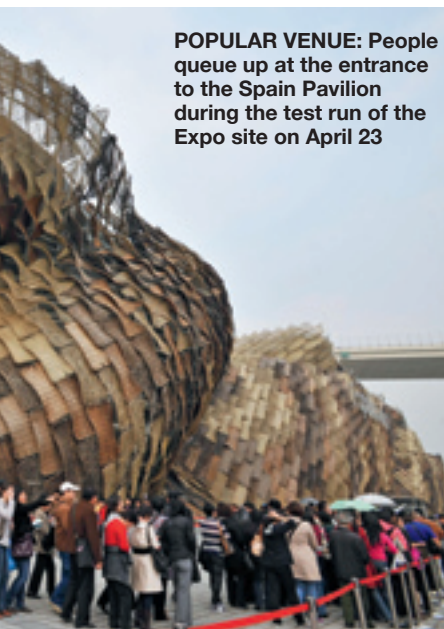
launched a home-stay program, which has registered 700 families.

Cheng said that in order to best serve tourists, her administration has renovated the 44 tourist information centers in all of Shanghai's 18 districts and counties, where videos and photos on display will present local tourist attractions. In these centers, receptionists can answer questions, distribute pamphlets and record tourists' complaints.

Cheng said tourists can also call a 962020 tourist hotline to ask travel-related questions around the clock, which will be answered by operators that can speak both Chinese and English. The tourism administration has also installed touch screen monitors at a number of hotels, where guests can check for information on Shanghai.

To promote Expo tours, Shanghai Municipal Tourism Administration has cooperated with financial institutions to launch an Expo-themed China Unionpay credit card in August of last year, which people can apply for at 32 different financial institutions. During the half-year gala, tickets bought with this card for eight major tourist attractions in Shanghai are entitled to a 50-percent discount. Shanghai Tourism Card holders, which have reached more than 1 million, can also receive emergency aid in case of injury, theft or missed flights during their Expo tours from the cooperating organizations of card issuers.

At a press conference on April 13, Xie Minqiang, Deputy Director of the Shanghai Food and Drug Administration, suggested that tourists to Shanghai should choose to dine at



POPULAR VENUE: People queue up at the entrance to the Spain Pavilion during the test run of the Expo site on April 23

XIAO YONG



GUARDING THE WATERS: A patrolling boat is anchored at a dock on the Bund. The boat conducts security checks on ships traveling on the Huangpu River during the Expo

CHEN FEI

restaurants with food hygiene certificates.

Xie said that radio frequency identification technology will be used to trace and monitor all production processes of food consumed at the Expo site. Three quick-response food testing labs have also been established at the Expo site, where samples of food sold at the Expo will be continually tested.

The five medical stations at the Expo site, one in each functional zone, started operating on April 15. Each medical station is equipped with a patrol vehicle that can provide first aid to Expo visitors. The medical team on the Expo site also includes 10 ambulances, which can transfer patients to eight nearby designated hospitals.

The Shanghai Municipal Health Bureau has compiled 10 medical emergency plans for accidents such as the outbreaks of plague,

heat stroke and drinking water pollution accidents during the Expo.

Going green

Intended as a platform for an exchange of ideas on how to deal with urban problems such as traffic, environmental protection, energy, garbage and waste water, as well as provide models of sustainable urban development, the Shanghai Expo has made low-carbon consumption a key guiding principle for its organization from the outset of preparations.

During an interview in April, Yang Xiong, Vice Mayor of Shanghai and Deputy Director of the Executive Committee for the Expo, said that the Expo organizers had been committed to the ideas of ecological, environmentally-friendly and green urban development since the beginning of their

work. He said five initiatives reflected the efforts of organizers.

First, the Expo site was previously the site of a steel factory, a source of heavy pollution, and surrounding residential communities. "After this area was selected as the Expo site, the steel works were relocated and the Expo became a catalyst for the rebirth of this area, which now has far lower carbon-dioxide emissions and an improved ecological environment," said Yang.

Second, the ecological and low-carbon concept has been taken into consideration during Expo site construction planning, including appropriate walking distances, energy conservation, ecological effects and sustainable utilization.

Third, the Expo organizers and the UN Environment Program joined hands to launch the green guidelines for the Expo. Energy conservation and green technologies have been adopted on a massive scale during the construction and operation of the Expo, including solar photovoltaic power generation, LED lighting, hydrogen-powered vehicles and electric vehicles.

Fourth, the Urban Best Practices Area on the Expo site provides a platform for displaying the best and latest energy-saving ecological buildings in different cities, which will promote the large-scale adoption of green, environmentally-friendly and energy-conserving technology in urban development in the future.

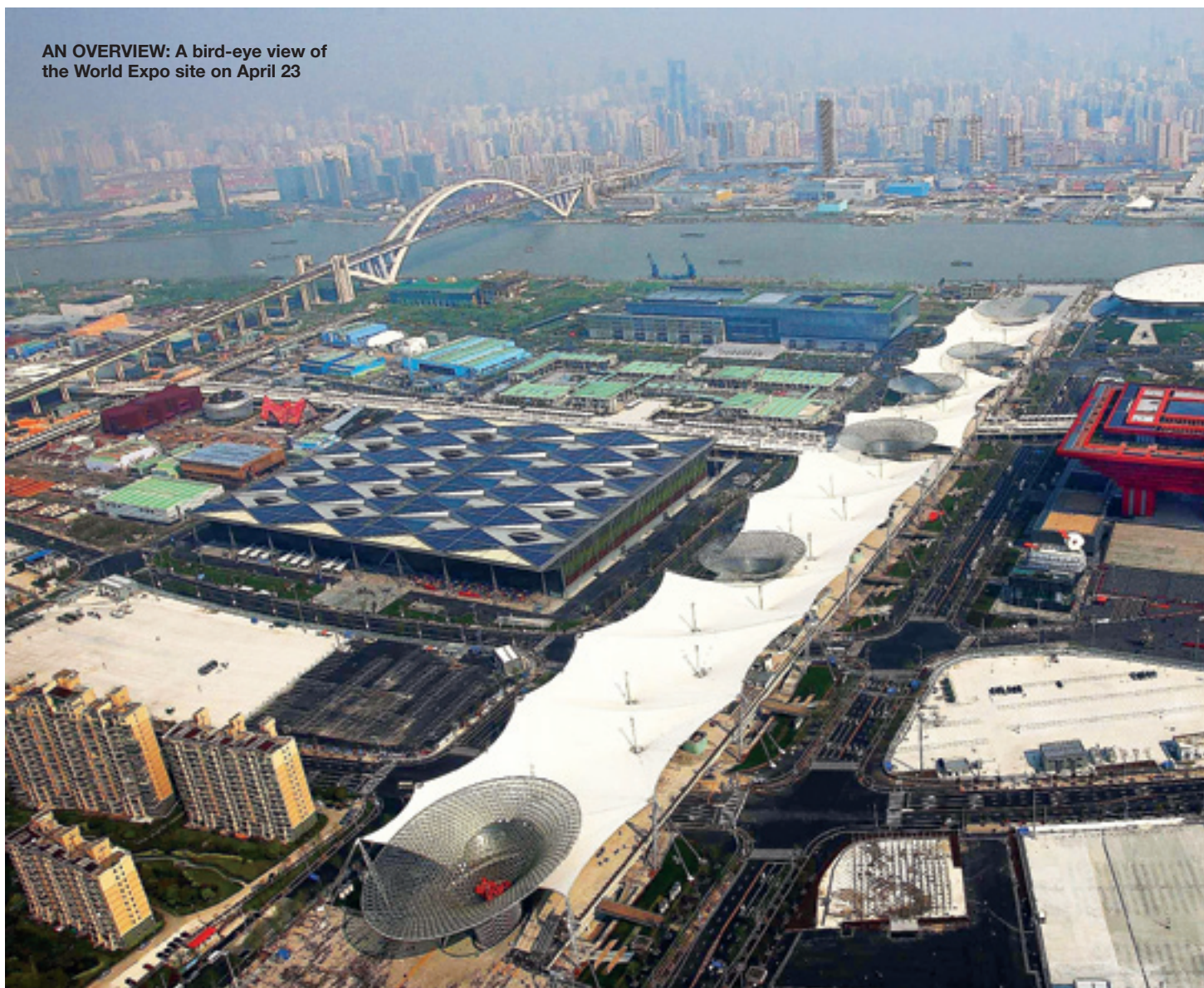
Fifth, large green area of the Expo site ensures that the area will have low carbon emissions throughout the Expo and become carbon neutral within a few years after the Expo's completion. ■



CHP

READY TO CATER: A cafe on the World Expo site is about to complete its preparation for opening on April 19

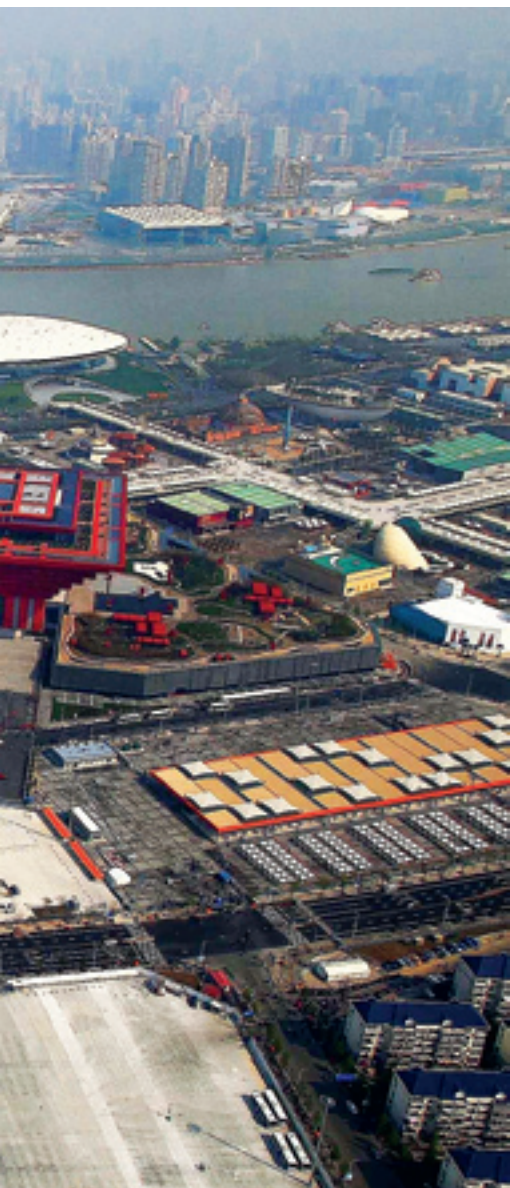
AN OVERVIEW: A bird-eye view of the World Expo site on April 23



WU XIAOLING

WARMING UP: Volunteers help visitors to book the visit time at a booking machine during the World Expo's test run on April 23





FAN JUN

The Expo Comes to Life



YANG HUAMIN

ROAD TO HISTORY: North Shaanxi Road has been renovated to welcome visitors to the World Expo. First built in 1914, the road is lined with historical buildings



REN LONG

JOY RIDE: Visitors to the Denmark Pavilion enjoy a free bike ride along a 300-metre spiral bike path on April 25



YANG LEI

LET'S GO GREEN: A fleet of sight-seeing cars powered by hydrogen fuel carry tourists around the World Expo site on April 23

By CHEN YUNHUI & BRANDON TAYLOR

Although a young city at 700 years old—in its fancy compared with Chinese civilization as a whole—Shanghai has become one of the most recognized and dynamic cities in China.

Shanghai serves as a window providing the rest of the world with a glimpse of China's development. The past three decades witnessed China's opening up to the outside world—and Shanghai has played a vanguard role in this process.

Apart from its special economic position, particularly in terms of finance, Shanghai is a major entertainment hub—the birthplace of the country's first symphony orchestra and movie industry and the place where Western oil paintings and ballet first entered China. The innovative and open-minded acceptance of overseas culture is deeply rooted in Shanghai's history and has since become a fundamental part of the city.

Shanghai's visage is evidence of the city's global connections—various foreign and Chinese architectural styles stand side-by-side, proudly displaying Shanghai's past and present, and providing visitors with a look into the city's promising future.

Short-storied and colossal buildings, historic and modern designs, as well as Oriental and Western influences endow the city with a unique charm seldom seen elsewhere in the world. Travelers to Shanghai will find it easy to fill their day with visits to historic landmarks, trendy shopping spots and enchanting entertainment venues.

History along Huangpu River

A good place to start any day of sight-seeing in Shanghai is **Waibaidu Bridge**—a river overpass still in use today that has witnessed Shanghai's development from a small commerce hub into a modern financial center.

For much of Shanghai's history, people relied on boats to reach the north and south banks of the Suzhou River, which runs from west to east into the Huangpu River. In 1856, British businessman Charles Wills formed the Suzhou River Bridge Building Co. to construct a wooden bridge—named Wills' Bridge—over the river. To offset construction costs, a toll was required for the bridge's use, causing an uproar among local residents.

The Shanghai Municipal Council took action, building another wooden bridge to the east of Wills' Bridge. The council eventually purchased and removed the outdated Wills' Bridge, and replaced its wooden structure with a steel truss composite bridge in 1907. Since passersby no longer needed to pay a toll, the bridge was

renamed Baidu Bridge, which means “free for passersby,” and later acquired the name Waibaidu Bridge.

But more than just a river crossing, the bridge is a significant symbol of Shanghai. For 40 years after its construction, the bridge required very little maintenance—a testament to its ingenuity.

After the founding of New China in 1949, the bridge was structurally reinforced. In April 2008, Waibaidu Bridge was removed for renovation work. On the principle of “repairing the old as it used

to be,” the framework of the bridge was restored and the bridge's piers were rebuilt. A year later, after maintenance and reinforcing efforts were complete, Waibaidu Bridge once again graced the Suzhou River.

Today, Waibaidu Bridge still serves as a vital artery for traffic along the two sides of the Suzhou River and the Bund area.

The Bund—the most renowned Shanghai landmark—is home to a variety of architectural styles that add to the landscape along the Huangpu River.



Destination

Endless opportunities to experience rich culture and modern marvels await visitors to Shanghai



XINHUA

Shanghai

BUSTLING PUDONG: Pudong, located on the east bank of the Huangpu River, has become Shanghai's financial hub

In the late 19th century, a number of foreign and Chinese banks set up branch offices and headquarters along the west bank of the Huangpu River. The area, which was named the Bund, became Shanghai's financial street and later earned the name the "Oriental Wall Street." Owning a piece of land on the Bund was regarded as a symbol of wealth and honor. After acquiring land, the commercial and financial firms began massive, intricate construction projects. More than 20 buildings in different architectural styles, most of which have been built or rebuilt three or

more times, stand proudly on the relatively small Bund area.

The Bund is home to the headquarters of the China Pacific Insurance Co. Ltd., located in what was originally called the Asia Building. Built in 1913 by the Asiatic Petroleum Co., the Asia Building was once the tallest building on the Bund and is the oldest high rise in Shanghai.

The Bund was also once home to the most luxurious club in the city—the Shanghai Club. Now, the East Wind Hotel stands on the former entertainment venue's

location, and although not exclusively a club, the hotel boasts a 110-foot-long bar—once the longest in the Far East.

The English-language newspaper *North China Daily News*, established by British residents in Shanghai in 1850, once had offices on the Bund. The newspaper was the largest in Shanghai and continued publication until 1951.

The classically designed former Shanghai headquarters of the Standard Chartered Bank, built in 1923, has been preserved by the Shanghai Government as an architectural relic. When people walk into the restored building today, they can still see the four original marble columns taken from a 200-year-old Italian church.

The Peace Hotel, one of Shanghai's earliest hotels established more than 100 years ago, also stands proudly along the Bund stretch. With a classical Western style, it was once known as the No. 1 Mansion in the Far East.

But two buildings that particularly stand out are the Customs House and former headquarters of the Hong Kong and Shanghai Banking Corp. (HSBC), now called the HSBC Building.

Built in 1927, the Customs House was a sister construction of the HSBC Building. The clock on the building's facade, known as Big Ching, is the biggest in Asia—its clock and bell mechanism were made according to the design of Big Ben in London. Tourists and residents who frequent the Bund can hear it play *The East Is Red* every quarter hour.

The HSBC Building is also a truly unique structure. Its three bronze doors and bronze lions were specially cast in Britain. The cast mold was destroyed after the lions were completed, making the two proud bronze beasts a rare find. The building's spacious business hall ceiling is adorned with eight colorful mosaic murals depicting architectural landscapes from eight world metropolises from the early 20th century, including Shanghai, Hong Kong, London, Paris, New York, Tokyo, Bangkok and Calcutta. The building was widely considered the most elegant from the Suez Canal in Egypt to the Bering Strait in eastern Russia.

Not far from the magnificent buildings of the Bund is **Shiliupu Dock**. With a history of 150 years, Shiliupu Dock used to be the largest in Asia. It also served as Shanghai's door to the outside world.

The name Shiliupu dates to 1860 during the late Qing Dynasty (1644-1911). In order to resist attacks from Taiping rebel troops, local officials organized 16 (*shiliu*) stores (*pu*) and commercial companies to help support public security and local affairs. The Shiliupu eventually grew into an important ►►



TAKING IT EASY: Xintiandi—with its rich historical and cultural attractions and relaxing atmosphere—is a hotspot among travelers and local residents

WANG PAN



commercial dock.

Today, an observation platform overlooking large clusters of trees, and steel and glass structures are spread across Shiliupu, earning it the name “Cloud on the Huangpu River.”

A curved waterfront terrace was also completed here, to fully present the Bund and all its features and fulfill citizens’ wishes to “approach Huangpu River, approach the mother river.”

When lunchtime rolls around, there’s no better place to eat than Chenghuang Temple near Yu Garden—and there’s no better snack to indulge in than small steamed buns.

Yu Garden is located in the northeastern section of old Shanghai, with Fuyou Road to its north, Anren Street to the east, and old Chenghuang Temple to the southwest. Widely considered the most beautiful garden south of the Yangtze River, Yu Garden was built more than 400 years ago, in 1559, as a private garden. The garden—a legacy of the Ming Dynasty (1368-1644)—is the only one remaining in the old section of the city.

The garden has more than 40 scenic spots, including pavilions, terraces, stone fixtures and steles, and ponds, all in the architectural style from the Ming and Qing dynasties (1368-1911).

After New China was founded, the Shanghai Municipal Government launched a large-scale renovation of the garden. In February 1982, the State Council listed Yu Garden as a key cultural relic.

And just as important as the architecture

and sights of Yu Garden is the food—specifically Nanxiang small steamed buns served in the garden. The steamed buns are made of white flour and filled with chopped meat. The fillings are mixed with liquid from chicken and pork soup instead of artificial flavoring, with a small amount of grinded sesame seed sprinkling and crab roes, spring bamboo or shelled shrimp according to the season.

A great way to spend the afternoon after a hearty lunch is a stroll through Tianzifang, an art street rebuilt in a labyrinth of narrow passages and old stone houses.

Tianzifang is located on Lane 210, Taikang Road. While once a cluster of street factories, dilapidated warehouses and ordinary people’s homes, the area has been transformed into a SOHO style district.

Artists from all over the world have set up their studios, cafés, bars and restaurants here giving the area an international feel. With an area of 20,000 square meters and more than 100 visual art, industrial art and interior design houses, the former 1930s street factories have become studios for American, Japanese, Belgian and French designers and have earned the name “Shanghai SOHO.”

In the 1930s, many people took refuge in the foreign concession areas—including what would become Tianzifang—and built houses combining Western and local architectural styles. Since the gates of the houses are ringed and fixed in stone, they became known as stone gates, or *Shikumen*.

Visitors looking for a panoramic view

of Shanghai, as opposed to the up-close streets of Tianzifang, typically flocked to the Oriental Pearl TV Tower and Jin Mao Tower in the Lujiazui area on the east bank of the Huangpu River.

Now, in Lujiazui, stands the tallest tower on the Chinese mainland—the Shanghai World Financial Center.

Completed in 2008, the Shanghai World Financial Center stands 492 meters tall. The center has observation platforms

About Shanghai

Shanghai is one of China’s most prosperous cities and a popular tourist destination. It is located in the middle of China’s eastern coast on the Yangtze River Delta. The city borders the sea in the east, and the two affluent provinces of Jiangsu and Zhejiang to the west. Favorable geographic location makes Shanghai both a great river port and sea port.

Shanghai has mild and humid subtropical monsoon climate and four distinct seasons. Rainfall is abundant, and the average annual temperature is 16 degrees Celsius. The climate is suitable for travel all year round, while spring and summer are the best seasons for sightseeing.

The city has a history of more than 700 years. It started as a fishing village

SHOPPERS' PARADISE: Nanjing Road is the epicenter of Shanghai's shopping experience



YU XIANGJUN

FOREIGN INFLUENCE: Buildings along Hengshan Road, in the former French Concession area, remind people of the road's foreign style.

ZHANG MAO



on the 94th through 100th floors. A suspended observation corridor at a height of 474 meters allows viewers to see the tip of the Oriental Pearl TV Tower, look down on the neighboring Jin Mao Tower and see all the sights along both sides of the Huangpu River. And of course Expo Park can be seen in the distance.

In the 1920s and 30s, Shanghai was a favorite destination among China's northern neighbors, the Russians. The Russian influ-

ence on the city can be seen in structures such as the Russian Consulate on the bank of the Huangpu River and the stone sculpture of the great poet Alexander Pushkin on Yueyang Road.

The **bust of Alexander Pushkin** was first erected on February 10, 1937 by Russian nationals in memory of the 100th anniversary of the poet's death. The sculpture was destroyed in November 1944 during the War of Resistance Against Japanese Aggression

(1937-45) and rebuilt in 1947. But in 1966, the bust was destroyed once more during the "cultural revolution" (1966-76). The reform and opening up beginning in 1978 brought a new era of sculpting to the city. A large sum of money was appropriated to promote local sculptural constructions across China, with Shanghai receiving the largest sum. After some deliberation, it was decided the Pushkin monument would be rebuilt. In August 1987, the 150th anniversary of ►►

and became a national center for the textile and handcraft industries during the Ming Dynasty (1368-1644). In 1843, Shanghai opened up to foreign trade, and foreign commodities and investment poured into Shanghai. Foreigners built docks and established concessions and banks. Shanghai gradually became an international trade center.

Today, the Shanghai Port is an important international port in the west Pacific. Its cargo handling capacity accounts for about one third of China's total. Shanghai is also a large industrial and science and technology base. It has more than 800 scientific research institutes, 550,000 research staff and more than 50 full-time institutes of higher learning.

Shanghai has grown into a "sleepless"

cosmopolitan city, as well as the "Pearl of the Orient." With a mix of Chinese and Western cultures, Shanghai is one of the most open cities in China and a major trend setter. Shanghai residents are known for their business acumen, and its products are famous for their excellent quality.

Fans of Shanghai opera and other traditional arts often enjoy themselves in neighborhood theaters, and people who are fond of Western music and performances such as symphony or ballet go to the Shanghai Grand Theater. People who love local cuisine or French food can all find something to their taste in Shanghai.

Shanghai's skyline has been constantly modified by its landmark buildings. The Bund was previously Shanghai's signature landmark. Recently, however, new land-

marks have mushroomed, such as the Oriental Pearl TV Tower, the Shanghai International Convention Center, Shanghai Museum, the Shanghai Grand Theater, the Xintiandi pedestrian street and of course the Shanghai World Expo site.

For visitors, Shanghai is more than just a major metropolis. A network of highways connects Shanghai to adjacent cities and towns. Cities such as Wuxi, Suzhou and Yangzhou in Jiangsu Province, as well as the cities of Hangzhou, Jiaxing and Shaoxing in Zhejiang Province, are located less than 300 km from Shanghai. These cities are famous for their pleasant scenery, historical sites and exquisite delicacies. Tourists to Shanghai often include these neighboring cities in their schedule.

Pushkin's death, the statue was erected for the third time in its original location.

Shanghai by night

The magnificent urban architecture and tourist attractions seen during the day are just one side of the city. Once the sun sets, Shanghai becomes an even more special and attractive place.

Located in the prosperous Lujiazui area, **Riverside Avenue** is just opposite the Bund along the Huangpu River. The modern avenue compliments the classic architecture of the Bund area. Riverside Avenue is 2,500 meters long and features numerous sight-seeing opportunities and abundant green space. It consists of a waterfront terrace and a broad walkway dotted with kiosks that resemble a slightly smaller, yet modern Bund.

The Shanghai International Convention Center, Pudong Shangri-La, Oriental Pearl Cruise Dock and Shanghai Ocean Aquarium can also be found along the avenue.

The Huangpu River is characterized by these two distinct riverbank sceneries—one a collection of classic architecture from various countries built decades ago; the other touted as an oriental financial center.

Entertainment and culture come together nicely in **Xintiandi**, an area of Eastern and Western design, to form a tourist hot spot as well as a relaxing place for local residents.

Time seems to travel backward to the 1920s with a leisurely walk through Xintiandi, but the building interiors and shop inventories remind visitors of the current date. International galleries, fashion boutiques, themed restaurants, coffee houses and so much more can be found in Xintiandi. Handicrafts sold at the China Cultural Store are unique to Shanghai, and the rich cultural performances in the open square attract and encourage tourist participation. The *Shikumen* Museum vividly portrays the lifestyle of a Shanghai family in the early 20th century, enabling tourists to get a glimpse of life in Shanghai from a historic perspective.

Hengshan Road offers travelers an alternative to the upscale Xintiandi. The road and adjacent streets are full of stylish entertainment establishments, like bars, teahouses, hotels, entertainment centers, beauty saloons and

galleries. The Shanghai people are especially proud of the road's Chinese parasol tree shade. Hengshan Road is home to the most bars in Shanghai and at night, with its spectrum of colored lights, provides a calming atmosphere after a tiring day of work or travel.

The size and style of the bars on Hengshan Road vary, but each bar—the passionate American style Bourbon Street, British style Sasha's, and modern-classic

zling array of beautiful exhibits.

The impressive **Nanjing Road** is magnified by the colorful neon lights of a large number of high-rise buildings, like the Shanghai Silk Mall, Shanghai New World City, and Shanghai No.1 Department Store, dazzling every inch of the street.

South Maoming Road is located in the former French Concession area. Differing from the crowded Huaihai Road, South Maoming Road is more suitable for enjoying the time-honored architecture, listening to jazz music and enjoying a peaceful dinner.

Before Hengshan Road and Xintiandi became popular, South Maoming Road was the best choice for those looking to go out for a night on the town. The famous Maoming bar complex can be found between Fuxing and Yongjia roads.

1931 Café Pub is the very reason Maoming Road became the heart of the city in terms of relaxing. The cafe is small—it only admits 10 guests at a time—but its nostalgic atmosphere has become legendary among foreign and domestic visitors. 1931 Café Pub is now a favorite restaurant for people wanting to truly experience and immerse themselves in life of the 1920s and 30s.

Located at No. 207 South Maoming Road, Blue Frog is relatively tranquil compared with the other Shanghai bars. It is a classic American pub with no dance floor or loud music, but is ever popular among first-time foreign visitors to Shanghai. The high wooden tables, chairs and bar counter distinguish Blue Frog from other bars, and the cocktails come highly recommended.

Starting from Guotai Cinema and making its way south along South Maoming Road, the sceneries along the street have changed significantly over the years—the section between the Middle Huaihai Road and Nanchang Road has become an area dedicated to cheongsam and Chinese style dresses. The clothes displayed in shop windows are indicators of the fashion trends currently in style in Shanghai. Famous cheongsam boutiques include Jinzhuyue Cheongsam Shop and Shanghai Tang.

Shanghai Tang is the only cheongsam shop to boldly alter the traditional cheongsam into a modern dress. The fashion design, classic style, and elegant and embroidered patterns make the altered cheongsam a hot item among travelers. ■

(Visit www.bjreview.com for a video of this report)



GLOBAL ART: The art street Tianzifang is home to artists from around the world who have set up studios, cafés, bars and restaurants in the area

Chinese style Lapis Lazuli, for example—has its own atmosphere.

While Hengshan Road and Xintiandi are known as entertainment centers, Nanjing Road and Huaihai Road are by far the city's focal points for shopping.

Starting from the Bund in the east to the intersection of Jing'an Temple and West Yan'an Road in the west, the two streets are 5.5 km long with skyscrapers and more than 600 stores on both sides. The department stores in Nanjing Road are filled with a daz-

Shanghai Keeps Its Cool

The city maintains a low-key ambience for the World Expo



THE BUND: Visitors enjoy themselves at the Bund, which was newly renovated before the Shanghai Expo, on April 22

By KATE WESTGARTH

For a city about to receive an estimated 70 million visitors, Shanghai is remarkably composed as it nears the opening of the World Expo. Walking along the Bund and strolling through the former French Concession on a Saturday afternoon in spring, it would be easy for a foreign visitor not to realize what is going on. There are notices in hotels apologizing in advance to guests for any inconvenience caused by enhanced security measures. Taxis advertise hotlines for visitors having trouble in communicating with their drivers in English. But the air of suppressed hysteria which characterized Beijing in the run-up to the Olympics is absent. Shanghai is looking forward to a party, but is far too sophisticated for any display of overexcitement.

The theme of the Expo is, of course, cities and urbanization. Chatting to people along the Bund and in the cafes of Xintiandi, I was struck by the complete contrast in the attitudes of Chinese and visitors from overseas. For the latter, the attraction of Shanghai is predominantly the past—or a romanticized version of it. Shanghai conjures up for them images of Art Deco architecture, 1920s hotels, cocktails, jazz bars, sepia photographs, silk pajamas, Noel Coward writing *Private*

Lives and the film sets for *Lust, Caution* and *Empire of the Sun*. A Norwegian couple I met were navigating their way round the streets with the aid of a 1930s guidebook, and told me that they had only got lost once. For the Chinese, though, Shanghai is a Mecca of modernization, “more modern now than Hong Kong” as one young man proudly told me. “And we’re spending more on the Expo than Beijing did on the Olympics!” his girlfriend said.

There’s certainly money being spent on infrastructure projects. On the subway, Line 7 opened recently, and construction workers are still racing to finish some of the new building projects round the Expo site. A new station on Line 13—now known as the “Expo line”—opens in May. Areas such as *Shiliupu*, or the 16th Dock, where river cruises and ferries to the Expo site will start, are being developed as tourism, shopping and eating venues. Expo officials are being modest about the scale of the opening ceremony, saying of course it will not compare to the Beijing Olympics. Nevertheless, plans for April 30 are said to include fireworks, laser displays and water fountains along both sides of the Huangpu River.

Naturally, the pavilions are a major focus of attention and the cause of pride and rivalry. The scale of the Expo site is daunting, and the theme of cities and urban life has led to some eerie futuristic similarities

tacky souvenirs, guidebooks, histories and T-shirts. It is possible to buy soft toy versions of Haibao, the Expo’s blue mascot, but he’s certainly not everywhere. Instead, Shanghai goes about its business: the shops are crowded, development continues, the restaurants (at least on a Saturday) are busy, and the people continue to live the urban life the Expo celebrates. The Bund is crowded with all sorts of people—foreign tourists, local tour groups, schoolchildren, seniors in wheelchairs, businessmen going to appointments, ice cream vendors, and ordinary Shanghai folk. The Pudong skyline celebrates the future—and the clock tower still plays *The East Is Red*.

So, back to the past. Shanghai has a fascinating museum in the building where the first Party Congress was held, full of historical artifacts and documents telling of the early days of the Chinese Communist Party. One room holds waxwork models of the 13 men (including Mao Zedong) who founded the Party in 1921. I talked to another visitor, an elderly man from Anhui Province, who told me he was visiting Shanghai for the first time and was planning to visit the Expo the day after the opening. “What do you think they’d have made of it all?” I asked him, gesturing at the models. He looked serious for a moment. “People say, of course,” he began, “they wouldn’t recognize the place. Or they’d disapprove. But I think that they’d be rather proud!” ■

WANG SONG

among the pavilions, like walking through the set of a science fiction movie. But national characteristics are there in abundance, too. The Korean pavilion is based on Korean characters, the New Zealand takes its inspiration from Maori legend and the Moroccan from traditional architecture. The British pavilion is possibly the strangest and most futuristic, composed of many rods, each containing a seed, which both move and illuminate at night. And reports say the Japanese Corporate Pavilion boasts “the world’s most comfortable and cleanest toilets,” said to be akin to “a comfortable living room.”

Shanghai is quietly confident. I was surprised by the lack of

Country Pavilions You Should N

The 2010 World Expo site is home to numerous dazzling pavilions. The pavilions can be grouped into several categories, including theme pavilions, foreign country pavilions and international organization pavilions, China Pavilion, pavilions for China's mainland provinces and Hong Kong, Macao and Taiwan, corporate pavilions and pavilions in Urban Best Practice Areas. A total of 246 countries and international organizations have brought their distinct culture and cutting-edge technologies to this grand event. Below are some of the country pavilions you should strive not to miss.



OP



▲ Saudi Arabia Pavilion: A Moon Boat to China

Instead of building an oil tanker for the pavilion as many might have expected, the oil-rich Saudi Arabia decided to instead build a moon-shaped boat "loaded with dreams and friendship."

The Saudi Arabia Pavilion is entitled the "Arabian City" and features the theme of "the Vitality of Life." Its primary purpose is to demonstrate how to realize "better city, better life" in the harsh desert climate.

Four types of cities are highlighted at exhibitions in the pavilion: the City of Energy, the City of Oasis, the Ancient City With Rich Cultural Heritage and the City of the Fast-growing Economy. The exhibitions demonstrate that water, petroleum and knowledge are the lifeblood of Saudi cities.

Date palm trees are planted both on the rooftop garden and the ground-floor garden of the pavilion, making the pavilion like an oasis in desert. For thousands of years, Saudi Arabians have harvested date palms as food.

A gigantic 3D IMAX screen and other hi-tech facilities are installed at the pavilion. Colorful art performances are staged there.



ot Miss



YU XIANGJUN

XINHUA

◀Angola Pavilion: A 'Better Life'

The design of the Angola Pavilion is inspired by the *welwitschia mirabilis*, a flower unique to Angola. The brightly-colored dangling straps on the pavilion's exterior walls resemble the leaves of the flower that lives between 300 to 1,000 years.

The graceful, modern and attractive pavilion has the theme of "Angola Ensures a Better Life." It is divided into seven exhibition areas. Angola's diversified landscapes and beautiful scenery, history and culture are exhibited. Angola is rich in petroleum and diamonds.

The second floor of the pavilion houses a business center, which is a platform for cooperation and exchanges between Angola and investors from different parts of the world.

▲Poland Pavilion: A Symphony of Paper-Cuts and Piano

The Poland Pavilion bears the theme of "Humanity, Creativity and the City." It has an exterior featuring paper-cut patterns to reflect this Polish folk art. The pavilion is built of wooden planks with patterned hollow areas in the shape of paper-cuts, through which sunlight can filter into the building.

Poland and China both have legendary stories about dragons and dragon dances. During the World Expo, dragon dancers from China and Poland perform in front of the Poland Pavilion each morning. In the evening, visitors are invited to dance, sing and have fun at the pavilion.

The year 2010 marks the 200th anniversary of the birth of Frederic Chopin. To commemorate this great musician, a concert will be held at the Poland Pavilion. During the concert, 100 musicians will play Chopin's works on 100 pianos at the same time, to create a new Guinness World Record.

A piano concert is held at the pavilion each day, where visitors can listen to Chopin's works played in modern and popular styles. Rock-and-roll adaptations of Chopin's works are expected to draw young people to the concerts.

◀New Zealand Pavilion: An Oceanic Legend

The New Zealand Pavilion has the theme of "Cities of Nature: Living Between the Land and Sky." Today, 86 percent of New Zealanders live in cities.

The pavilion looks like a wedge between a plaza at the ground level and a white canopy. The plaza represents the earth, and the white canopy stands for the sky. The white poles supporting the canopy symbolize forests.

The pavilion's design is inspired by a Maori myth about the origin of the world. The legend says that at the world's inception, Rangi, the sky father, and Papa, the earth mother, embraced each other so tightly that no light could shine into the world. Their children, the gods, tried to separate their parents so that they could let light through. Only Tane, the God of Forests and All Living Creatures succeeded. He laid on his back and pushed his parents apart with his strong legs. Tane brought light into the world that we live in today. Tane's statue is at the pavilion's entrance, and visitors walk between Tane's arms to enter the pavilion.

Inside the pavilion, visitors can experience a day in the life of a New Zealand family, presented with modern film technology. The day starts with a girl's dream of Rangi and Papa at her home in Auckland. The girl then goes to school and draws her dream on paper, and then returns home to show the drawing to her parents and grandparents.

The special effects team for the film *The Lord of the Rings* shows the vibrant life of New Zealand to visitors in the pavilion.



AP

▼ Finland Pavilion: Inspiration From the Ice Age

The Finland Pavilion is called “Kirnu,” or “the Giant’s Kettle.” It draws inspiration from cavities naturally formed in bedrock during the Ice Age as a result of the heavy ice drilling stones through the bedrock.

The pavilion has three spiraling floors. The first floor houses restaurants and souvenir shops, where visitors can enjoy Finnish treats. All foods are pre-made.

The second floor, the heart of the Finland Pavilion, features the themes of sustainable development and environmental protection, human well-being, as well as science and technology. A large screen on the wall showcases Finland’s art and culture. A virtual guide (in the shape of a spirit from Finnish folklore) created by means of animation technology interacts with visitors in Chinese and other languages.

The pavilion’s scaled surface is covered with a recyclable composite material made from plastics and paper. The material is strong, waterproof and environmentally friendly. In Finland, this material has already been used as a form of pavement. This is the first time that Finland has displayed this new environment friendly material to the world. After the World Expo, the pavilion will be dismantled and reassembled at a new location.

Sauna is very popular in Finland. Although Finland has a population of only 5.3 million, it has 500,000 sauna rooms—almost one for each family. The pavilion has a 100-square-meter sauna room, which can simultaneously accommodate 10-15 people.

The exterior wall of the exhibition hall has a 360-degree projection screen, where a virtual guide helps visitors to learn about the exhibitions. Approximately 200 cellphones installed on the wall greet visitors by changing the colors of their screens. Visitors can also take pictures of themselves, and add their pictures to the displayed art works.



XINHUA



► Cuba Pavilion: World Expo Debut

The theme of the Cuba Pavilion is “A City for Everyone.” The pavilion structures include an information bureau, shop and bar.

Handicrafts with Cuban flavor and CDs of Cuban music are available at the shop inside the pavilion. The Havana Cigar House displays classical Cuban cigars as well as information on the culture and history of cigars. Cuban cocktails are served at the Havana Club Bar inside the pavilion.

Walking through these buildings, visitors will feel like they are at the center of a Cuban town. The multi-functional public square not only represents the core spirit of Cuban cities, but also demonstrates the theme of the pavilion—providing equal opportunities for all residents and involving them in urban construction and transformation.



Correction

Beijing Review made an error in its No.17 issue published on April 29, 2010. It appears in the top right of page 29: Guangdong Pavilion undergoes a lighting effect trial... The correct version should be: China Pavilion undergoes a lighting effect trial on April 17. The error is regretted.



XINHUA

◀ Mexico Pavilion: An Underground Journey

On a plaza covered with green grass stands a forest of poles, and attached to the top of the poles are colorful “kites.” A total of 135 huge “kites” are affixed to the poles. The kites are in five different colors: red, yellow, purple, blue or green, and measure between 2.4 and 13 meters long. The “kites” are made of environment friendly plastic and shield visitors from the sun and the rain.

Beneath the plaza is the three-story Mexico Pavilion, which is situated completely underground. The pavilion is the only building at the World Expo site whose main structure lies underground.

The large roof covering the main body of the pavilion is a slope, whose uppermost part rises above the ground. The 4,000-square-meter roof is built into an open plaza covered with green grass.

The pavilion showcases the past, present and future of Mexican cities, including Mexican treasures, cultural heritages, and rich and unique ecological resources. The relics of Mayan civilization, such as snake-shaped decorations, totems and masks, are especially eye-opening.

YU XIANGJUN



YU XIANGJUN

◀ Singapore Pavilion: A ‘Music Box’

The Singapore Pavilion has the appearance of a music box, and bears the theme of “Urban Symphony.” Various parts of the pavilion, including musical fountains and a rooftop garden, are in harmony with each other, and delight visitors with a “synchronized melody.”

The pavilion is also environment friendly. It is equipped with natural temperature control system and is built with recyclable building materials.

Reconstruction Setting Out

The earthquake-hit Yushu shifts its focus from rescuing survivors to post-quake reconstruction

By YIN PUMIN

The first phase of earthquake relief, in which rescuing lives was the priority, finished 12 days after a 7.1-magnitude earthquake struck the Tibetan Autonomous Prefecture of Yushu in northwest China's Qinghai Province on April 14, and reconstruction of the area is now ready to begin.

"The focus should now shift from searching for earthquake victims, treating the injured and building temporary shelters, to resettling survivors, restoring social order and carrying out reconstruction," said Chinese Vice Premier Hui Liangyu at a meeting held on April 23.

The devastating earthquake had left 2,220 dead with 70 people still missing, according to the rescue and relief headquarters.

A new phase

During his visits to two severely-hit towns on April 23-24, Hui said that quake-relief work had been remarkably successful, particularly with respect to the search for those buried, the treatment and transfer of the injured and the delivery of basic necessities to survivors.

He also commended efforts to help the resumption of school classes, restore traffic and communications, as well as water and electricity supplies, the assessment of earthquake damage and post-quake reconstruction.

April 24 was the final day for rescuers to comb the quake-hit Yushu region in a bid to find survivors buried under the rubble, while the upcoming new phase would focus on reconstruction, according to Hui.

The timetable and other details for reconstruction projects would be outlined as soon as possible, he said.

Before the release of a comprehensive reconstruction plan, pilot reconstruction is expected to commence in the villages of Trangu and Ganda, near the epicenter of Gyegu Town on May 4, according to the res-

cue and relief headquarters.

The headquarters also set a target of May 14, a month after the earthquake, to clear the ruins of major buildings such as government offices, schools and hospitals.

"The rescue and relief work has entered a new phase. We have to set clear new targets," Qiang Wei, Secretary of the Qinghai Provincial Committee of the Communist Party of China, was quoted as saying by the Xinhua News Agency.

On April 16, Qinghai Provincial Development and Reform Commission sent related officials and experts to Sichuan Province, where the devastating Wenchuan earthquake occurred two years ago, to learn from their post-quake reconstruction experiences.

During the next two days, experts sent by the relevant government departments and institutions arrived at the earthquake zone, starting the assessment of quake-damage and the geological environment.

A draft reconstruction plan for quake-hit Yushu is currently being formulated, Qiang said.

Luo Huining, Governor of Qinghai, said that all quake-hit regions would be covered by the reconstruction plan, with residential housing, public-service facilities and infrastructure as the main priorities.

The reconstruction would be scientific, fully taking into account the geological, climatic and demographic characteristics of the earthquake zone, Luo said.

The protection of the ecological environment would be given priority in the reconstruction of Yushu, which is the source of China's three major rivers—the Yangtze River, the Yellow River and Lancang River, said Zhao Haoming, Director of the Qinghai Environmental Protection Bureau.

"Yushu is an important natural conservation area in China. During the reconstruction, we will give full consideration to the ecology of the source of the three rivers and its surrounding areas," he said.

Luo said that the quake-devastated Gyegu Town would be rebuilt into a plateau ecological tourist city.

Facing difficulties

The reconstruction of Yushu also faces major challenges due to its unique geographic conditions, said Zhang Guangrong, Vice Governor of Qinghai, at a press conference in Beijing on April 26.

He said that there were four major difficulties—limited construction time due to extreme weather, which is a characteristic of the area's latitude and altitude; inadequate transport capacity; high construction costs

TAO MING



PREPARING FOR RECONSTRUCTION:
Staff with the Qinghai Provincial Bureau of Surveying and Mapping survey circumstances in Trangu Village on April 27 to prepare for its reconstruction

brought about by the need to protect the local environment and unstable power supply.

Yushu lies on the Qinghai-Tibet Plateau with seven to eight months of winter each year, limiting reconstruction time to about four to five months a year, Zhang said.

"If we have to finish the reconstruction in three years, then the effective construction time is only 14 to 15 months, posing a great challenge to post-quake reconstruction," he said.

In addition to the urgent schedule, transportation is also a source of difficulty, because the prefecture only has two roads connecting it with the outside, Zhang said.

In order to protect the environment in Yushu, few factories of brick and cement were built there, raising construction costs by at least 2 yuan (\$0.3) for every brick transported from the outside, Zhang said.

All the adobe houses in Gyegu Town of Yushu were flattened and 80 percent of brick-concrete structures collapsed, according to rescue and relief headquarters.

In addition, Yushu's power supply relies heavily on small hydropower stations, which were badly damaged during the earthquake.

"All these difficulties must be considered in the post-quake reconstruction plan," Zhang said.

"However, with donations from all walks of life and the country's support, as well as the efforts of people in Qinghai, we're confident a new Yushu will be built," he said.

As of April 25, the quake-hit zone had received donations of 3.5 billion yuan (\$512.5 million) in cash, plus relief materials valued at 4 billion yuan (\$585.6 million), the latest official statistics have shown.

A total of 59,093 tents and 207,959 quilts had been distributed to survivors,

in addition to more than 110,000 padded coats, 1,670 tons of food and drinking water, 13,000 stoves and 1,520 tons of coal.

Meanwhile, Vice Premier Hui said that the orderly distribution and supervision of earthquake donations must be strengthened, adding that hygiene and disease control must be improved and that the prevention and control of plague and rabies were a priority.

Epidemic prevention

The Ministry of Health called for measures to be stepped up in the earthquake zone on April 25 to prevent an outbreak of marmot plague after Himalayan marmots were detected in the area.

The marmots were found in the Horse Racing Ground, a temporary settlement for earthquake survivors in Gyegu Town, the ministry said.

So far no outbreak of major epidemics, including the plague, have been reported, but epidemiological experts said the challenges in averting and controlling an outbreak of marmot plague in the earthquake-hit area were considerable.

Marmots, a type of ground squirrel indigenous to the region, has woken from hibernation, increasing the possibility of an outbreak of the fatal disease amongst earthquake survivors, the ministry said on April 26.

The plague is particularly virulent because it can be passed to other people via coughing. If left untreated, mortality rates range from 50 to 90 percent, according to the World Health Organization.

The ministry has been closely monitoring marmot activity in a 600-hectare area in the earthquake zone, which has a history of plague outbreaks.

During the past five decades, Yushu has seen 20 outbreaks of human-to-human transmission of the plague, the latest in 2004 claiming six lives, according to Yu Dongzheng, a researcher specializing in epidemic prevention with the Chinese Center for Disease Control and Prevention (China CDC).

To help raise public awareness, China CDC has so far delivered 80,000 bilingual disease prevention brochures in Chinese and Tibetan, and 10,000 plague prevention leaflets to the earthquake zone.

More than 3,000 people, including medical experts and monks, were trained on how to control and prevent marmot plague.

Ni also warned of other epidemic hazards in the earthquake zone, including rabies, anthrax and other contagious diseases capable of animal-to-human transfer.

Although Yushu has reported no rabies outbreaks in recent years, many dogs are wandering the streets and some dog bites have been reported, said Deng Ershou, Deputy Director of Qinghai CDC.

Currently, a total of 308 disease control professionals, divided into 19 teams, were conducting disinfections in the tents of earthquake survivors, monitoring water quality and disease, and spreading health information among the earthquake survivors, Liang Wannian, Director of the Emergency Office of the Ministry of Health, told a press conference held by the State Council Information Office on April 23.

He said that more than 6,600 tents in the earthquake area had been disinfected, and food and water quality secured in most parts of the earthquake zone.

Ren Jie, Director of the Monitoring Department with the Qinghai Provincial Bureau of Environmental Protection, said on April 26 that organic pollutants, nitrogen, toxic elements and electrical conductivity in the water were at safe levels.

Water conductivity is an important test for heavy metal, which is generally harmful to health, Ren said.

Ren also said that due to the low temperatures and level of industrialization, the possibility of an outbreak of infectious disease was small.

From April 15 to 21, an 11-person team sampled six water sources twice a day, and after April 22 the check was performed once a day, Ren said.

The team would continue to monitor water quality and garbage in the earthquake zone to ensure residents' safety, he said. ■

HELPING HANDS: Soldiers install satellite TV receivers for earthquake victims in Yushu, Qinghai Province, on April 26



Nuclear Assessment

The United States needs a comprehensive policy and market-based solutions to address the challenges and demands of energy provision

COURTESY OF CHARLES K. EBINGER



By **CHARLES K. EBINGER & JOHN P. BANKS**

In President Barack Obama's State of the Union address in January 2009, he called for the building of "a new generation of safe, clean nuclear power plants." This was followed by his high-profile speech in Prague in April 2009, in which he noted the need "to harness the power of nuclear energy on behalf of our efforts to combat climate change."

COURTESY OF JOHN P. BANKS



In December 2009 in Copenhagen, he pledged the United States will reduce carbon dioxide (CO₂) emissions 17 percent from 2005 levels by 2020.

Building on these statements, the administration has made several decisions suggesting a new direction for the long moribund nuclear power industry. To accelerate the expansion of nuclear generation capacity, the president has increased loan guarantees for new nuclear reactors to \$54 billion from the \$18.5 billion authorized under the Energy Policy Act of 2005. In June 2009, the Department of Energy announced the first four companies eligible for the guarantees, and in February 2010 Southern Company received the first conditional commitment of \$8.3 billion to build two 1,100-megawatt units by 2018.

On nuclear spent fuel disposal, the president's proposed 2011 budget cut funding for the long-term waste repository at Yucca Mountain in Nevada, after the government had spent 20 years planning and studying the site at an estimated cost of \$9 billion. On March 25, 2010, Secretary of Energy Steven Chu appointed a "Blue Ribbon Commission on America's Nuclear Future" to study new

policy options for spent fuel.

Are these steps in the right direction to address America's energy challenges? Are they enough, and portend a nuclear "renaissance"? The answers to these questions revolve around addressing four major challenges to significantly expanding nuclear power capacity: cost, safety and security, waste, and proliferation. These issues are rooted in the industry's experience in the 1970s and form the backdrop to what the future holds.

The first commercial reactor became operational in 1957, coinciding with what is referred to as the "Golden Era" of the U.S. electric utility industry—a robust economy, rising electricity demand, declining costs and prices and growth in large generating units. Through the early 1970s, orders for nuclear reactors increased dramatically; by 1970 the U.S. industry had 4.2 gigawatts operating and 72 gigawatts planned.

By the mid to late 1970s, however, several factors converged that would throw the U.S. nuclear industry into reverse. First, a dramatically worsening macroeconomic landscape created financial havoc in the industry. The increase in energy prices as a result of the 1973-1974 oil shock reduced economic activity and savaged energy demand. With stagflation and interest rates at 20 percent, utilities cut back on ordering

With the electricity sector accounting for 40 percent of total U.S. energy-related CO₂ emissions and coal-fired power plants representing 50 percent of total capacity, there is increasing concern over how simultaneously to meet electricity needs while reducing CO₂ emissions

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new capacity, especially large, expensive nuclear units. New nuclear capacity cost an average of \$161/kw in the period 1968 to 1971, but costs increased to \$1,373/kw from 1979 to 1984. Orders for new units plummeted after 1974 and none were ordered after 1978. In the 1980s, declining gas and coal prices and the introduction of independent power producers further reduced the attractiveness and competitiveness of nuclear power. Operable reactor units peaked in 1990 at 112 and, by 2000, a total of 124 units had been canceled, 48 percent of all ordered units. Eventually the industry was forced to write off nearly \$100 billion in stranded assets.

Specific safety events such as the fire at the Brown's Ferry plant in March 1975, and culminating in the accident at Three Mile Island in 1979, also fueled public skepticism of nuclear power and led environmental groups to campaign against the industry across the country. Opposition to nuclear power was spurred further by proliferation concerns emanating from India's explosion of a nuclear device in 1974, using uranium fuel derived from a research reactor.

In September 2007, NRG Energy Inc. submitted the first nuclear license application since 1979, and others followed. The U.S. Nuclear Regulatory Commission indicates that as of the end of 2009, it had received 17 license applications (for a total of 26 new nuclear units).

There are several factors driving this renewed interest. First, U.S. electricity demand is expected to increase 27 percent by 2030, according to the U.S. Energy Information Administration. Second, there is growing concern over global climate change, especially energy-related CO₂ emissions. With the electricity sector accounting for 40 percent of total U.S. energy-related CO₂ emissions and coal-fired power plants repre-



The Palo Verde Nuclear Generating Station in Arizona, the United States

XINHUA/AFIP



XINHUA

The Three Mile Island Nuclear Plant in Pennsylvania, the United States

senting 50 percent of total capacity, there is increasing concern over how simultaneously to meet electricity needs while reducing CO₂ emissions. Since there are no CO₂ emissions from nuclear power generation—and it is a proven, baseload source of power, accounting for 20 percent of total U.S. electricity production—nuclear energy is seen as one of the most viable alternatives to address both climate concerns and increasing demand. Moreover, given the recent economic downturn, reinvigorating the nuclear power industry is seen as a way to generate high-paying jobs.

Nonetheless, the lingering historical challenges described above remain and could stall, or at least, reduce the role that nuclear energy plays in the future U.S. energy mix. First, nuclear plants are expensive to build and capital costs in construction are continuing to rise. Recent estimates by Paul Joskow

at the Massachusetts Institute of Technology conservatively place the overnight capital cost for construction of a new nuclear plant at \$4,000 per kw in 2007 dollars (some estimates are higher, including from Moody's in 2007 putting the cost between \$5,000-\$6,000/kw). This compares with \$2,300/kw for a coal plant, and \$850/kw for a combined cycle gas turbine plant.

Loan guarantees can provide some help in addressing up front capital costs, but given the high cost of each plant, this approach has its limitations. A better policy would be the establishment of a price on carbon. In Joskow's analysis, carbon prices in the range of \$25-50/metric ton of CO₂ will be required to make nuclear cost competitive with coal and natural gas, with competitiveness varying with the different fossil price scenarios in addition to any CO₂ charge.

Second, with the decision not to use Yucca Mountain the United States needs a long-term nuclear waste strategy. The de-facto policy will continue to be the once-through fuel cycle and to store spent fuel in dry casks on-site where it is produced. But if there is an expansion in nuclear power generation and, correspondingly in volumes of spent fuel, this solution will not suffice. One solution is to expand the New Mexico Waste Isolation Pilot Plant for military waste to accept civilian nuclear spent fuel. This repository is capable of handling the waste and has been geologically stable for 250 million years. Moreover, in abandoning Yucca Mountain, the U.S. Government's legal obligation to take possession of the waste, as well as what will happen to the \$22 billion levied on nuclear energy ratepayers to help pay for the cost of the repository, needs to be addressed.

Security issues will also have an impact on the degree to which a nuclear renaissance occurs. In a scenario with expanded nuclear

power capacity, there will be increased production, movement, and storage of nuclear materials, and thus a corresponding need to ensure the safety and security of facilities, equipment, and modes of transportation from sabotage, theft, and terrorism. The first Nuclear Security Summit convened by President Obama last month in Washington D.C. was important in taking the first small but necessary steps to address the security of nuclear materials.

Recent developments highlight how safety concerns continue to pose major challenges for the U.S. nuclear industry. In February, the Vermont State Senate voted to block a license extension for the Vermont Yankee nuclear plant, citing a tritium leak, incorrect testimony from plant owners, and the 2007 collapse of a cooling tower as major reasons for the decision. This was followed in early April by a New York state decision that the water cooling system at two units at the Indian Point nuclear plant violates the federal Clean Water Act and rectification of these issues will be a condition for the relicensing of both units in 2013 and 2016, respectively.

While the licensing and regulatory process for building nuclear plants has been streamlined since the 1970s and 1980s in an effort to reduce costs and delays, as well as to improve safety—for example, with the implementation of combined construction and operating licenses, issuance of early site permits, and certifications of standard reactor designs—challenges still remain. The decline in nuclear construction in the United States since the late 1970s has led to current shortages in suppliers, some material inputs, and skilled personnel.

Finally, in a world of expanding nuclear power capacity there are increasing concerns over nuclear proliferation—the acquisition, production or diversion of nuclear material for weapons purposes. The examples of North Korea and Iran remind everyone of the continued and enhanced vigilance required to ensure nuclear non-proliferation.

All of this illustrates the question of nuclear energy policy is being re-framed—correctly in our view—as part of a larger picture. Nuclear power's role has to be viewed as part of a comprehensive policy approach that addresses the main challenges of nuclear energy—cost, waste, safety and security, and proliferation—as well as meeting energy demand and climate change goals—and all this while relying on market-based solutions to the greatest extent possible. This is a formidable challenge, but the only way that a nuclear “renaissance” can occur. ■

(The viewpoints in this article do not necessarily represent those of *Beijing Review*)

Minzu Hotel

As a high-end business hotel, Minzu Hotel makes every effort to offer a casual and convenient business experience for every guest. Starting April 1, 2010, Minzu Hotel began providing free wireless Internet access services for its distinguished guests. In every room, guests can surf the Web. Executive Lounge, Coffee Mill and Tea House welcome all guests to feel free to link to the online world.

Located on Chang'an Avenue and adjacent to the Financial Street and Xidan shopping zone, Minzu Hotel boasts 516 comfortable and delicate business rooms

and suites. Its specialty restaurants such as Tian Xia Yi Pin and Four Seasons are well known in the capital city. To perfect the guests' business trip, several modern conference rooms are also available with well-established facilities and caring services.

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Certified ISO9001 Certified ISO14001
Certified ISO22000

The hotel has formally become a green hotel at Gold-leaf level.



InterContinental Beijing Financial Street

Steven Liang was recently appointed Director of Sales and Marketing for InterContinental Beijing Financial Street. With this appointment, Liang will overlook room sales and reservations, event sales and marketing communications.



A native of Beijing, Liang joined IHG (InterContinental Hotels Group) in 2005 as Director of Events of InterContinental Beijing Financial Street and was subsequently promoted to the director of sales in 2007. His previous hospitality experience includes various management positions with The Presidential Plaza Beijing and The Great Wall Sheraton Hotel.



Legendale Hotel Beijing

Legendale Hotel Beijing management and staff held three minutes of silence at 10 a.m. on April 21, 2010 to mourn the victims of the earthquake in northwest China.

The 7.1-magnitude earthquake that struck Yushu, northwest China's Qinghai Province, on April 14 left more than 2,000 dead. The quake also left more than 12,000 injured.

Gloria Plaza Hotel Beijing

Famous billiards player Ding Junhui recently attended his birthday party held by Sohu.com at Gloria Plaza Hotel Beijing. Recognized as the first Chinese to win the world billiards championship, Ding is also the youngest billiards champion in Asia. He was awarded a silver medal in the 2010 Snooker China Open not long ago. Pictured is Hotel Executive Assistant Manager Steven Sheng (right) and Ding Junhui at the party.

Marco Polo Parkside, Beijing

Marco Polo Parkside, Beijing welcomed famous volleyball coach Lang Ping on April 10, 2010. The hotel's general manager Stanley Lau greeted Lang in the hotel lobby upon her arrival. Lang presented Lau with a volleyball with her signature on it as a gift to the hotel.



For the coming Mother's Day, let Marco Polo Parkside, Beijing take care of your well-deserving mother with a FREE hearty Sunday brunch on May 9, 2010.

Treat your mom to a delicious meal at Café Marco to express your gratitude. Explore the seemingly endless live cooking stations. Feast among the fresh seafood station, Italian pizza and pasta station, Japanese sashimi and sushi station, European carving station, Chinese noodle and dim sum station, and ladies' favorite dessert station.

The Mother's Day buffet brunch, which is

free of charge to all mothers, is priced at 158 yuan per person with a 15-percent service charge, inclusive of free flow of house wine, beers, juice and soft drinks. Every mother will receive a special Mother's Day door gift.

There will also be a "Wheel of Fortune" game for those who spend more than 500 yuan with prizes that include hotel fitness center memberships and meal vouchers.

The Westin Beijing Chaoyang

Spoil your mom this Mother's day with a hearty and lavish Pink Bubblicious Brunch!

The award-winning Bubblicious Sunday Brunch will host the special day in collaboration with Pink Ribbon Foundation to enhance the "care for women" spirit. All earnings and partial brunch revenue will be donated to support relevant projects by the foundation. Feast on the indulgent pink treats added to the scrumptious buffet selections, pink Veuve Clicquot champagne and unexpected lucky draw for all ladies, which will certainly make for a very memorable family gathering.

The buffet will be offered on May 9 from 11:30 a.m. to 3 p.m. at Seasonal Tastes of The Westin Beijing Chaoyang. The prices are 428 yuan, 398 yuan or 368 yuan per person with a 15-percent service charge.



Marriott International

Marriott International, Inc. (NYSE:MAR) recently signed an agreement to be an exclusive sponsor of the United States Pavilion at the Shanghai World Expo 2010 in the hotels, travel, lodging and serviced apartments category, joining a prominent group of more than 35 corporate partners and sponsors representing some of the biggest names in American business.

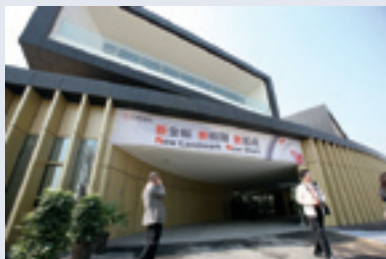
Under the agreement, Marriott is providing accommodations in Shanghai in 14 of its hotels and serviced apartments in the city for use by Expo organizers, fellow sponsors and guests. In exchange, Marriott's portfolio of hotel brands and its vision of the future will be prominently featured within the pavilion, on its exterior digital signboard and on its website. In addition, Marriott will have access to the Expo and the pavilion's VIP facility for various company activities and events.

The Lakeview Hotel

The Lake View Hotel was recently approved for five-star hotel rating by the national star-rating committee.

Located in Zhongguancun, known as the "Silicon Valley of China," the Lakeview Hotel has 336 luxury guest rooms and suites of all kinds, a high-end international business area, complete entertainment and recreational facilities and a 6,000-square-meter Courtyard Garden. With a modern outlook, the hotel has integrated the profound cultural heritage of Peking University with modern luxury business facilities.





The Grand Opening Of CEIBS's Beijing Campus

The China Europe International Business School (CEIBS), China's first, largest and most highly ranked business school, hosted a grand opening for its new Beijing campus on April 24. More than 700 officials, executives, educators, students and journalists gathered at the gleaming new facility located within Beijing's Zhongguancun Software Park. Designed by renowned Spanish architectural firm IDOM, the impressive new campus made an excellent first impression upon guests. The full day of opening events included congratulatory addresses from China and EU government officials, lectures by several of CEIBS' most famous professors, and a panel discussion featuring six of China's best known and most entrepreneurial business leaders.

With this new campus, CEIBS acquires greater high-profile presence within China. The new campus doubles the school's total number of classroom seats. CEIBS already operates the largest Executive MBA Program in the world, with 700 students enrolling each year. The Beijing campus will initially focus on its EMBA and Executive Education programs.

CEIBS Helps Yushu Earthquake Victims

On April 21, the CEIBS Community mourned the victims of the recent Yushu earthquake. All flags at the school's main gate flew at half-mast. Faculty, staff and students made donations to those affected by the disaster. Those who were unable to make pledges in person gave them by phone or email. At the same time, the CEIBS alumni charity association has already formulated a plan to help the people of disaster-stricken Yushu.

The outpouring of support for the victims of the Yushu earthquake is in

consonance with CEIBS' strong emphasis on social responsibility. After the Wenchuan earthquake, the school and faculty raised 3.8 million yuan (\$559,000) in aid.

Forbes Rates Cheung Kong EMBA "Most Valuable in China"

The Cheung Kong Executive MBA program was ranked first in a recent survey of Chinese mainland business schools by *Forbes* China, which rated EMBA programs on the basis of their short- and long-term effects on student career advancement.

Forbes investigated and spoke to alumni from the 2005 and 2009 classes at 45 leading business schools in China. It judged the Cheung Kong Executive MBA program to be the country's best buy based on the program's impact on student salaries both immediately after graduation and several years after completion of the program.

The program's top ranking reflects significant salary increases reported by the school's alumni. Both the 2005 and 2009 graduates of the Cheung Kong Executive MBA Program had the highest salaries one year after graduation when compared to their counterparts at other schools. Students from the 2009 class enjoyed a salary boost of 53.6 percent from the time they enrolled to one year after graduation—the biggest jump of any of the schools ranked in the top 10.

AACSB re-accreditation for Rutgers Business School

Rutgers Business School has recently been re-accredited by the AACSB, the Association to Advance Collegiate Schools of Business. AACSB International Accreditation represents the highest standard of achievement for business schools worldwide.

In China, Rutgers' International Executive MBA classes are offered in Beijing and Shanghai. The program allows a student to earn a fully-accredited American MBA degree in approximately 14 months. The program's 18 courses are taught in English by Rutgers Business School's distinguished faculty from the United States. In Shanghai, the 10th round of enrolments will start on July 3, while in Beijing, the 13th round of enrolments will start on September 4.

Beijing Mandarin School

Beijing Mandarin School (BMS), founded in 1998, is a professional institution providing Chinese language instruction and consulting service to individuals, businesses and governments.

The school has successfully trained expatriates from companies such as Volkswagen, the Canadian Automobile Association, ?lectricité de France (EDF) and PricewaterhouseCoopers. It also has long-term training contracts with the British and U.S. embassies.

With over 60 experienced, university-educated teachers who majored in teaching Chinese as a second language, the school offers quality instruction to students and strives to make studying a personally rewarding and fulfilling experience.

YCIS Sweeps the World Scholar's Cup

During March 20-21, the Yew Chung International School (YCIS) Beijing teams participated in the World Scholar's Cup China Regional Tournament, competing with 150 students from six international schools. The World Scholar's Cup is a team academic tournament with participants from over 30 countries. YCIS Beijing stood out as the clear winner of the Scholar's Cup with a long list of achievements.

All of the 13 YCIS Beijing participants were in the top 10 in at least one subject area. Additionally, seven out of 13 students won a place in the top five in the divisions they competed in. YCIS Beijing teams were champions in both the junior and senior divisions, and won a host of titles such as Best Debate team (Juniors), Best Essay Challenge team (Seniors), Best Scholars' Challenge team (Juniors) and Best Scholars' Bowl team (Juniors and Seniors).

In the words of Jennifer Chun, a student in Grade 12, "It was a once-in-a-lifetime experience to participate in such an event with top students from many schools in China competing against each other."

YCIS Beijing is located within the scenic Honglingjin Park, only minutes away from Beijing's CBD. The school has been in operation since 1995. It is part of the Yew Chung Education Foundation that also runs schools in Hong Kong, Shanghai, Chongqing, Qinghai and Silicon Valley.

Bigger Voice, Bigger Responsibility

China gains clout in the World Bank following voting reform

By HU YUE

The World Bank granted greater voting power to China and other developing countries, marking a significant milestone in its structural reform.

At the joint Development Committee meeting of the World Bank and International Monetary Fund (IMF) held April 24-25 in Washington, D.C., a plan was endorsed to increase the developing and transition countries' voting power in the International Bank for Reconstruction and Development (IBRD) by 3.13 percentage points to 47.19 percent. The IBRD is the original institution of the World Bank Group and normally represents the group.

This increase fulfills the bank's Development Committee commitment in Istanbul in October 2009 to generate a significant increase of at least 3 percentage points in developing and transition countries' voting power.

Under the plan, China's voting power will be increased to 4.42 percent from 2.77 percent, the third largest in the 186-nation anti-poverty lender. Brazil's voting power also increased from 2.06 percent to 2.24 percent, and India from 2.77 to 2.91 percent.

The United States, the world's largest economy, remains the major stakeholder at 15.85 percent, effectively giving it veto power, followed by Japan at 6.84 percent.

The change in voting power better reflects the realities of a new multi-polar global economy where developing countries are becoming key global players. In a period when multilateral agreements between developed and developing countries have proved elusive, this accord is all the more significant, said World Bank Group President Robert Zoellick.

"This shift has been agreed by our shareholders. They try to recognize the change in the world economy and include the contribution to the development in the methods, which can encourage develop-



PASSING REFORM: Robert Zoellick (middle), World Bank Group President, and Dominique Strauss-Kahn (right), IMF Managing Director, talk during a joint meeting of the two organizations in Washington, D.C. on April 25

ing countries in transition," Zoellick told Xinhua News Agency. "We were just pleased that we are getting close to reflecting China's increasing share in the world economy."

U.S. Treasury Secretary Timothy Geithner also welcomed the shift. "The new formula will better reflect the weight of the developing and transition countries in the global economy, while protecting the voice of the smallest and poorest countries," he said. "Because we believe this overall outcome merits our strong endorsement, the United States agreed not to take up its full shareholding in this new arrangement."

In addition, member countries also agreed to a capital boost—the first time in 20 years—of \$86.2 billion for the IBRD to make up for the lending spree by the bank in the midst of the financial crisis.

By increasing its legitimacy through voice reform and rebuilding its capacity through the capital increase, the World Bank will strengthen its efficiency, effectiveness and accountability, said the bank in a communiqué issued at the end of the meeting.

China's role

Developing countries have long pushed for an end to the dominance of the United

States and Europe in the World Bank decision-making process. Since its founding in 1945, America has monopolized the World Bank presidency, while Europe has led the IMF.

But the dynamics are obviously set to change. While developed countries continue to buckle under the strains of recessions, many emerging economies have already effectively restarted their growth engines. China, in particular, has steered a steady course through the financial crisis.

Meanwhile, Chinese voices are increasingly being heard at international financial institutions. In February 2008 Justin Yifu Lin, former Director of the China Center for Economic Research at Peking University, was appointed chief economist of the World Bank. In another move, Zhu Min, former Vice Governor of the People's Bank of China, the central bank, will take office as special advisor of the IMF in May.

But more power means greater responsibility, said Sun Lijian, an economics professor at the Shanghai-based Fudan University.

In return for World Bank representation, China will be required to play a bigger role in world economic affairs and may face heavier pressure from the West



Voting Power Changes

	Before the reform	After the reform	Rank
United States	15.85%	15.85%	1
Japan	7.62%	6.84%	2
China	2.77%	4.42%	3
Germany	4.35%	4%	4
France	4.17%	3.75%	5
United Kingdom	4.17%	3.75%	6
India	2.77%	2.91%	7
Russia	2.77%	2.77%	8
Saudi Arabia	2.77%	2.77%	9
Italy	2.71%	2.64%	10

(Source: World Bank)

on global issues like trade imbalances, said Sun.

Li Kui-wai, Director of the Hong Kong APEC Study Center, agreed. It is not enough for China to focus on only the domestic economy—the country will be more obliged to help others through the World Bank, he said.

In past decades, the World Bank committed enormous financing to infrastructure construction in China. Now, it is time for China to show its gratitude and help other nations, Li said.

Minister of Finance Xie Xuren said on the sidelines of the meeting that China would strengthen its efforts in global economic development and poverty reduction in a closer tie-up with the World Bank.

The shift in voice and voting power puts

governance of the bank on a more reasonable and fairer footing, and allows the developing world to have a bigger say in World Bank policy-making, said Xie.

It also lays a solid groundwork for deeper reform of the bank that aims to achieve the ultimate goal of equitable voting power between developing and developed members, Xie said. Besides this, it sets a good example for other institutions, like the IMF, to proceed with voting reform, he added.

“The severe under-representation of developing countries in the IMF seriously affects the fund’s legitimacy and effectiveness, and there is an urgent need to address the problem,” said central bank governor Zhou Xiaochuan at the meeting.

At the G20 Pittsburgh Summit in September 2009, members agreed to a 5-percent IMF quota share transfer to developing countries. But so far the quota realignment process is far from finish.

Zhou said the quota adjustment and reform is not a zero-sum game. “The IMF with a more reasonable governance structure will be better able to protect global economic and financial stability which will benefit all member countries,” Zhou said.

China currently ranks sixth with a 3.72-percent quota share in the IMF. The United States has a 17.4-percent share. Developed countries as a whole control a majority 57 percent. ■



MILESTONE MEETING: IMF and World Bank members at a joint meeting on April 25 in Washington, D.C.

Main Components of the WB's Reform Package

1. Financial Resources:

- an increase of \$86.2 billion in capital for the International Bank for Reconstruction and Development (IBRD), and

- a \$200-million increase in the capital of the International Finance Corp. (IFC), the World Bank Group's private sector arm.

2. Voting Power:

- a 3.13-percentage point increase in the voting power of Developing and Transition countries (DTCs) at the IBRD, bringing the total to 47.19 percent;

- the IBRD 2010 realignment that will result from a selective capital increase of \$27.8 billion;

- an increase in the voting power of DTCs at IFC to 39.48 percent;

- the IFC 2010 realignment that will result from a selective capital increase of \$200 million and increase in the basic votes for all members; and

- an agreement to review IBRD and IFC shareholdings every five years with a commitment to equitable voting power between developed countries and DTCs over time.

3. Post-Crisis Strategy:

- targeting the poor and vulnerable, especially in Sub-Saharan Africa;

- creating opportunities for growth with a special focus on agriculture and infrastructure;

- promoting global collective action on issues from climate change and trade to agriculture, food security, energy, water and health;

- strengthening governance and anti-corruption efforts; and

- preparing for crises.

4. Operational Reforms:

- a new Access to Information Policy that makes the bank a world leader among multilateral institutions on information disclosure.

- the bank's Open Data Initiative that puts it at the forefront of giving free and easy access to information on developing countries;

- investment lending reform; and

- strengthened governance and anti-corruption efforts.

(Source: World Bank)

Taming the Real Estate Market

Curbing housing prices will rely on the effectiveness of the latest government measures

By LAN XINZHEN

Sales offices for housing projects are no longer enjoying the overcrowded showrooms of prospective buyers. Agents of second-hand houses have resorted to canvassing clients by making repeated phone calls, only to see transaction volumes drop further, while Chinese home buyers wait with money in hand to see how the current housing situation plays out.

This turn of events in China's housing market began on April 17 after the State Council issued a circular to curb the excessively fast growth in real estate prices in some cities.

The circular contains just 10 articles, but the regulations are harsh in terms of government supervision, financial policies, transaction taxes and fees, land transactions and housing supply. The circular has been deemed the harshest effort of regulating the real estate market in China to date.

China's real estate market might be the hottest in the world. Since 1998 when the country reformed its mechanism of house supplies, house prices in China have surged. Particularly after the outbreak of the global financial crisis, the Chinese real estate market still maintained a high growth rate despite the worldwide economic recession and sluggish Chinese economy.

The prices that some houses have reached are now far beyond the affordability of common people. In cities such as Beijing and Shanghai, to buy a basic home, people need to spend their salaries and life savings of more than 30 years. Economists say there are extremely large "bubbles" in the real estate market—and once the bubbles break, the Chinese economy will suffer.

In March 2010, the Chinese Government issued a series of regulations on the real estate market, such as abolishing interest rate discounts for housing loans, banning reluctant sales and requiring non-estate state-owned enterprises to withdraw from the real estate market. But these measures failed to address the problem, with real estate prices continuing their upward trend.

Unprecedented measures

Investors and speculators are the major force pushing up house prices in China. Therefore, curbing the "purchasing demand for investment and speculation" has become the primary purpose of the government's

current regulation.

According to the circular, for families buying a second home, the minimum down payment must not be lower than 50 percent and banks must also charge a 110-percent interest rate over the standard interest rate for second home purchases. For families owning more than two homes, the down payment and interest rate are raised substantially.

In regions plagued by markedly high real estate prices, limited housing supply or abnormal price hikes, the circular requires commercial banks to suspend loans to people who are looking to buy a third home. In these regions, non-local residents who can't provide tax returns or proof of social security contributions in the related city for at least

one year will not be granted housing loans by commercial banks.

Zhu Zhongyi, Vice Chairman of the China Real Estate Association, thinks the new policy focusing on regulating irrational demand and beating speculation in the real estate market has a clear aim.

The State Council instructed land resource authorities to investigate and punish land hoarders and speculators, and restrict companies breaking the regulations from purchasing new pieces of land. It requires commercial banks to adopt strict pre-examination and post-management measures for loans to real estate developers. It also requires improved supervision over real estate transactions. Developers must disclose to the public all apartments available and their



prices, and start selling within 10 days after getting pre-sale approval. The houses must be sold at the disclosed prices.

The Ministry of Housing and Urban-Rural Development will severely punish developers that fail to start selling within the required time, price homes at “abnormally high” levels, or “artificially” create supply shortages by faking sale contracts.

Local governments or departments that fail to curb the rapidly growing property prices or offer enough low-cost houses will be held responsible, said the State Council.

Besides the regulating measures, the Chinese Government also increased land for housing development. The Ministry of Land and Resources (MLR) published on April 15 its housing land supply plan for 2010. During this year, the country will supply 180,000 hectares of land for housing, 1.36 times the figure in 2009.

Among the land supplies, 77 percent will be used for low-cost homes and small or medium-sized homes, said Liao Yonglin, Director of the MLR’s Department of Land Use and Administration.

This is the most severe regulation implemented in the past few years, and if effective, it will produce positive results, said Mou Zengbin, Deputy Director of Beijing Real Estate Institute of E-House (China) Holdings Ltd.

Market response

Beijing Centaline Property Agency Ltd. released a survey on April 18 from 5,000 prospective house buyers taken since mid-March. Of the participants, 67 percent clearly stated they would not consider buying homes any time soon.

According to the company’s figures, four days after the State Council’s policy was issued, second-hand housing prices in Beijing surged 40 percent, but the number of new clients dropped by 80 percent.

Figures from Beijing Real Estate Information Network showed on April 15, 483 newly built homes were transacted in Beijing, but after that, the transaction volume had decreased steadily. On April 20, the figure dropped to 291, a decline of nearly 40 percent within six days.

Zhang Dawei, head of the tertiary market research department of Beijing Centaline Property Agency Ltd., thinks each article of the April 17 policy is a deathblow to high real estate prices.

“These measures show that real estate regulation is no longer an ineffective solution, and the high property prices will not continue,” he said.

Signs of the policy’s effectiveness have already begun to show—a report released by the tertiary market research department of Beijing Centaline Property Agency Ltd. showed a halt to price hikes or even a decrease in prices in Beijing and some suburban areas. Half of house speculators will likely sell their homes in large quantities within three months, as more than 60 percent of house buyers are anticipating the price drops, which could be by as much as 20-30 percent in 2010.

Centaline statistics also showed within days after the State Council released the regulation, broken contracts by house buyers accounted for 70 percent of total housing-related disputes. The proportion had been less than 20 percent before the regulation

was issued. The real estate market is likely to change from an obvious sellers’ market to a buyers’ market in the coming months.

Uncertain tendencies

Qi Fan, an analyst with Century 21 China Real Estate, thinks the release of the new regulation is a turning point for the real estate market.

Qi said that judging from the present situation, buyers will maintain their wait-and-see attitude for some time and the transaction volume will certainly drop. But it will still take time before any substantial price decreases are seen. Most real estate developers can withstand the first three months after the regulation’s adoption without losing too much money. However, due to some developers’ strained cash flows and project turnover speed, discounted houses haven’t been totally ruled out. A few weak developers will take the lead in lowering prices and more discounts will follow.

Hu Jinghui, Deputy General Manager of 5i5j, a Beijing-based real estate agency, said the transaction volume of second-hand homes has already started to decline, but prices have not changed.

“Price adjustments in the second-hand home market will be decided by the primary home market. People are just now finding out which way the wind will blow home prices,” Hu said.

In 2005, the government launched a series of policies to curb the fast growing house prices, Hu said. While the policies were powerful, the effect was poor and house prices continued to rise. The failure of the 2005 control measures was attributed to the ineffectiveness of local governments to implement the policies. It is difficult to tell how the policy will be implemented this time.

Feng Ke, Director of the Research Center of Financial Properties of Peking University, said the policy may produce some immediate effects, but the long-term effects will be limited. The measures will mainly focus on curbing house purchases for investment and speculation, but as for supplies, the amount of newly built houses will remain inadequate—and house prices will continue to rise despite government regulation.

In interviews with *Beijing Review*, many house buyers were pessimistic about the new regulation, since they will curb house purchases overall, including those for personal use. More people hope the government will curb speculative house purchases by raising the transaction taxes on second-hand houses, instead of curbing all house purchases. If no money can be made from selling houses, many agree that no one will speculate. ■



COOL DOWN THE FEVER: Construction progresses on a real estate project in Zhengzhou, central China’s Henan Province. New regulations on real estate may be a turning point for the market

Local Debts on a National Scale

Local governments' reliance on borrowed money to spur economic development ignites worries

By LAN XINZHEN

Recently proposed Ministry of Finance measures to supervise the financing platforms of local governments and to regulate and avert risks in managing local debts have met with protests from many of the local authorities.

Local governments are left largely unchecked when borrowing money from the capital market, an issue the ministry wants to address.

In order to raise money from the market, local governments tend to set up investment and financing firms, backed by land and local revenue, which in turn acquire money from banks or by issuing local debt. The money raised is then used in large-scale investment projects—local infrastructure construction, transportation, power, chemical engineering and machinery upgrades to name a few.

Against the backdrop of global financial crisis last year, the Central Government encouraged local governments to raise money through local financing channels, like the firms mentioned above. As a result, many cities, towns and even villages set up their own local financing firms. Figures from the Ministry of Finance showed the establishment of more than 3,800 above-county-level local financing institutions to date—the number would amount to more than 8,000 if financial channels below the county level were included in the total.

A research report from China International Capital Corp. (CICC) issued in early March showed the total outstanding loans in all local government financing institutions (excluding bank notes) at the end of 2009 stood at 7.2 trillion yuan (\$1.05 trillion).

China Economic Weekly reported that many of the local governments have already reached the largest amount they can sustain.

The debt ratio of many local governments has surpassed 150 percent, with that of some even exceeding 400 percent.

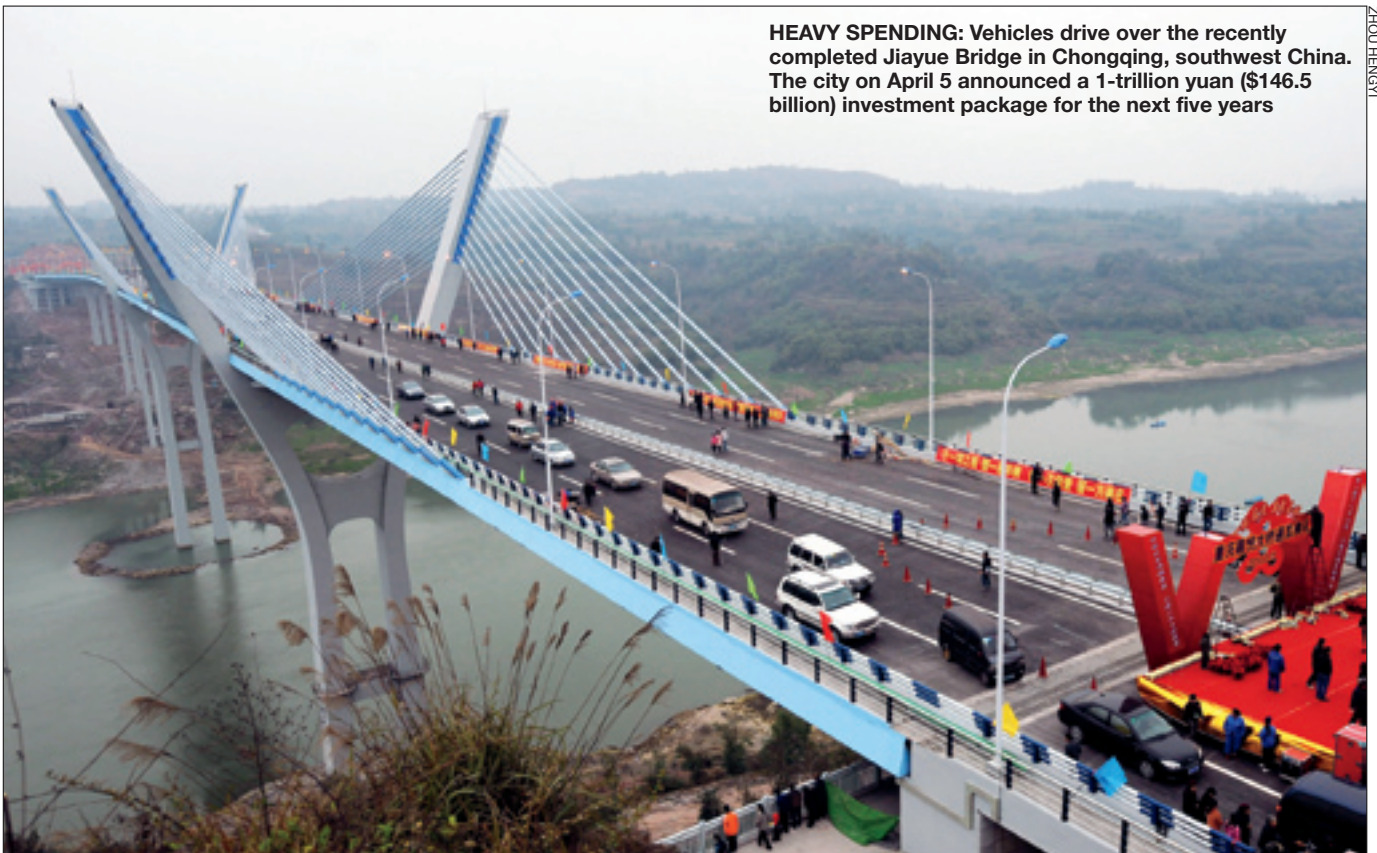
Rising risks

“Many local governments are heavily indebted. Some have borrowed money beyond their means, and the possibilities that their capital chain can break at any time are growing,” said Lu Minfeng, a finance professor at the Nanjing University of Finance & Economics.

Lu recently conducted an investigation into local financing platforms. The research showed below-county-level investment and financing platforms added 5 trillion yuan (\$732 billion) of new debt to local governments in 2009. Meanwhile, money or debt raised through local financing platforms totaled nearly 2.5 times local revenues, resulting in a mounting government deficit.

In their dealings with newly established

HEAVY SPENDING: Vehicles drive over the recently completed Jiayue Bridge in Chongqing, southwest China. The city on April 5 announced a 1-trillion yuan (\$146.5 billion) investment package for the next five years



ZHOU HENGYI

financing platforms backed by the government, banks are likely to lend due to the platforms' government affiliation and guarantee, or even government intervention in some cases, even if local institutions conceal their financial status from the banks, Lu said. In some cases, platforms double mortgaged government assets to different banks. If the financing scale exceeds what the governments can sustain, or if the investment platforms choose the wrong project and fail to achieve their targeted profits, it will be difficult to pay back the bank loans, creating instability in the financial system.

Xie Wei, Deputy General Manager of Bank of Communications Schroder Fund Management Co. Ltd., said local governments can rely on four methods to pay off debts: increasing tax revenue, appreciating land resources, investment from companies, and profits from real estate development. Among the four, income from land auction is one of the most important sources of government revenue. In 2009, the aggregated income from land auctioning in 70 large and medium-sized cities totaled 1.08 trillion yuan (\$158 billion), up 140 percent from 2008.

Government reliance on land sales has caused local-level administrations to hope for increases in property prices. As a result, they tend to prop up the property market by adopting various measures, which eventually distort market operation and increase house prices. The financial pressure of buying an apartment or a house puts a heavy burden on consumers, who would rather save money to pay off their mortgages than spend money on shopping excursions.

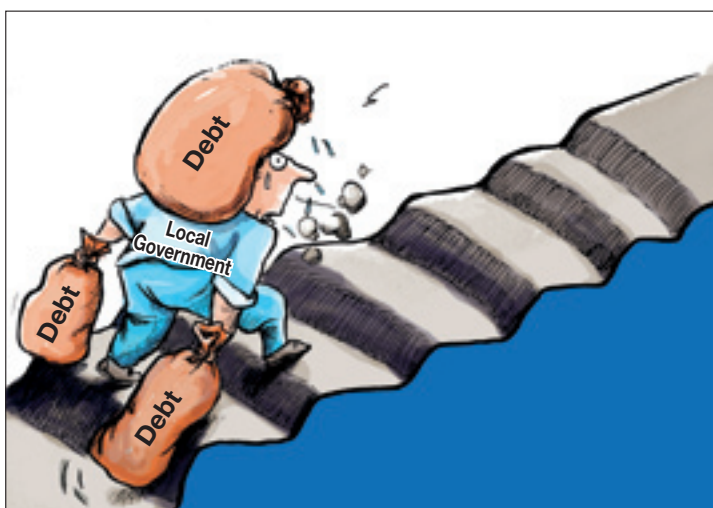
Before 2009, the hidden debt issues of local governments had already aroused debate among economists, as they had broken the balance between income and expenditure, and were running huge deficits, Xie said. But at the time, rapid economic development and soaring housing prices helped conceal the problem of excessive borrowing from the banks. After 2009, due to the borrowing trend spurred by the Central Government's huge stimulus package, local governments accumulated high levels of debt that can no longer be ignored as problems begin to surface.

Debt origins

Why have local governments accumulated so much debt? Xie believes it was related to the country's finance and taxation system.

For a long time, local governments acted as the primary driver of local economic development, Xie said. While strong economic intervention on the part of the government produced positive effects in terms of fueling economic development, these efforts required huge amounts of money to maintain the development drive.

In 1994, the Central Government reformed the finance system, which said the majority of local revenues should be handed over to the Central Government, leaving little money for local governments to spend. Consequently, raising money to support daily operation became, and still is, a local priority.



Since local governments cannot borrow money directly from the banks, the flexible local financing platforms open a new window for fund raising. It is easy for those platforms to obtain bank loans as they are backed by local government assets, like revenue, land and government credit.

After the outbreak of the global financial crisis, the Central Government proposed a 4-trillion-yuan (\$587 billion) stimulus package to prevent a full-scale economic downturn.

But the Central Government was only responsible for raising 1.18 trillion yuan (\$173 billion). The rest fell on the shoulders of local governments.

In 2009, the local financing platforms' craving for capital and the lending impulse of banks were a perfect match. Xie estimated about 80 percent of money raised by the platforms came from banks.

Extreme investment

On March 22, Hubei Province announced plans to invest 12.06 trillion yuan (\$1.77 trillion)—three times the amount of the 2008 Central Government stimulus

package and the largest local government investment plan to date—in local projects in the next few years. The amount is also 10 times Hubei's GDP in 2009.

On April 5, the Chongqing Development and Reform Commission announced an investment plan worth 1 trillion yuan (\$147 billion), involving 33 key projects over the next five years. It planned to invest 200 billion yuan (\$29.4 billion) by the end of 2010. Similarly, Yunnan Province announced a 3-trillion-yuan (\$439 billion) investment plan, while Guangdong Province followed suit with a 2.3-trillion-yuan (\$337 billion) proposal.

The bold investment plans all exceeded the local governments' capacity. A large proportion of funds will have to be raised through loans.

The CICC report estimated the outstanding loans of local investment platforms would reach 10 trillion yuan (\$1.46 trillion) by the end of 2011—a figure the equivalent of one-third of China's GDP in 2009, or 70 percent of the country's foreign exchange reserves.

Searching for a solution

During this year's NPC (National People's Congress) and CPPCC (Chinese People's Political Consultative Conference) sessions, Minister of Finance Xie Xuren admitted problems in the financing platforms. But he said the Central

Government would strengthen supervision over those platforms and set up risk-alert mechanisms to avoid problems.

When the mechanism will be adopted has yet to be determined.

Despite the immediate difficulties, Chinese officials and scholars were reluctant to restrict the borrowing inertia of the local financing platforms. Xie Wei said such platforms were the most active and effective financing bodies when coping with the economic downturn in 2009, and their future use should not be denied due to their potential risks. Xie said it was necessary that local governments utilize those platforms.

Liu Jipeng, an economics professor at the Capital University of Economics and Business, agreed. Since a large proportion of local revenue must be handed over to the Central Government, the local governments have been constantly faced with the problem of inadequate capital to support infrastructure construction projects. Liu said it is only natural then that they choose those financing platforms to achieve progress in the post-financial crisis world. ■

Tapping the HR Market

The U.S. outsourcing firm ADP is expanding its footprint in China

By DING WENLEI

For a business almost nonexistent in China two decades ago, human resource (HR) outsourcing has since turned the country into a potential goldmine as outsourcing solution providers look to establish or expand their operations. To cater the growing HR outsourcing need in the China's markets, U.S. integrated computing and business outsourcing company Automatic Data Processing Inc. (ADP), is expanding its market presence to serve both multinational and local companies.

Considering China "a key growth opportunity," ADP opened offices in Shanghai and Beijing in 2006. Last April, its employer services division acquired a majority stake in ChinaLink, a Shanghai-based HR agency service provider. And ADP is open to acquiring local HR service providers, too. Through these acquisitions, "ADP will expand its opportunities in China in line with its long-term strategy," said ADP President and CEO Gary Butler.

"Although ADP China has yet to turn a profit, ADP will continue to invest in this unique market where patience and education are needed to make the concept of professional HR outsourcing services acceptable to a larger client base," said Amer Ahktar, Managing Director of ADP China.

China's HR outsourcing market is worth up to \$1 billion and will grow 20 percent annually in the coming years. It is expected to reach \$1.5 billion by the end of this year, said Ahktar, citing International Data Corp. statistics.

HR outsourcing

The HR services industrial value grew to 50.6 billion yuan (\$7.4 billion) last year due to continued efforts to open the country's markets and rapid economic development. However, while HR agency services have been widely adopted, HR business process outsourcing (BPO) has only recently emerged in China.

The HR outsourcing business worldwide is evolving from basically supportive services, such as payroll and benefits, to include more judgment-intensive processes, such as employer relations and performance management, said Ahktar.

The delivery model is also evolving from information technology infrastructure to a Web-based BPO platform—from a one-to-one to one-to-many environment—allowing participation and interaction from all parties, he said.

Boosted by the needs of multinational companies in China, local private service providers emerged to offer HR support services such as employee dispatching and



LONG-TERM COMMITMENT: Amer Ahktar, Managing Director of ADP China, said the company is committed to promoting long-term sustainable development of China's HR outsourcing industry

recruiting in the 1990s. Before that, local employees were hired and handled by designated organizations using a talent dispatching model.

As the business environment in China becomes more complex and competitive, and as businesses grow in scale, Chinese companies look beyond traditional HR agency services for highly effective HR BPO solutions that not only process transactions, but, more importantly, utilize higher levels

of service delivery and control.

As the HR market grew in the past decade, global service providers such as ADP came to sweep up business opportunities in China.

"We help address enterprises' top concern: spend less time on administration and more time on strategies and planning," said Ahktar, explaining that outsourcing is frequently used together with internal reengineering and shared services to improve HR operations and drive restructuring within a company.

ADP entered the Chinese market in 2006 with GlobalView, an integrated, technology-based HR outsourcing solution for employers of large multinational companies.

Almost all large companies use professional HR BPO services with different focuses, such as training, recruiting, payroll and benefits, and performance management, for cost effectiveness and governance transparency.

ADP's employers service division, for example, which had \$7.4 billion in revenues last year, serves approximately 570,000 clients worldwide. These include more than 60 percent of *Fortune* 500 and 75 percent of *Fortune* 100 companies.

An opinion poll from 200 senior executives from globally prominent companies by Hewitt Associates, another U.S. HR outsourcing company, showed improved cost effectiveness and administration expense reduction were the top two reasons for adopting HR BPO services. Other merits included professional HR expertise and technology, high participant satisfaction, and the convenience and time efficiency these solutions deliver.

Local perspective

Acquiring the Shanghai-based ChinaLink enabled ADP to launch its technology-based, tailor-made OneHR, a solution to companies of various sizes in China in March 2010.

ChinaLink, established in 2003, was an HR outsourcing company with a strong knowledge of the local industry and solid tech support targeting small and medium-sized companies.

"The union between us enables us to maximize the expertise and strength of both parties to develop more localized solutions. This will enable ADP to be a complete HR outsourcing solutions provider in China," said Ahktar.

While GlobalView addresses similarities in, OneHR addresses the individuality of markets with different labor, salary and social benefit related regulations and laws.

Leveraging secure, Web-based technolo-

gy and professional service delivery, OneHR provides integrated payroll, social benefits, HR management system and dispatching services to help employers in China achieve HR operational excellence.

"ADP OneHR is a solution designed to address local needs," said Akhtar. "Supported by strong people, processes and technology, we partner with our clients to consistently deliver the benefits of HR BPO engagement."

Accuracy, timeliness and compliance are three basic requirements of HR BPO services. "ADP OneHR helps local employers minimize compliance risks as it is constantly up to date on all labor, salary and social benefit-related regulations and laws," said Paul Yang, founder of ChinaLink and now Deputy General Manager of ADP China.

ADP now serves 65 multinational companies and about 180,000 to 200,000 workers in China.

While large companies worldwide have effectively slashed labor costs by 25-30 percent through adopting HR outsourcing solutions from professional service providers, the large quantities of small and medium-sized companies in China have yet to make a similar HR investment.

ADP China, for instance, currently serves clients in China's first-tier and second-tier cities, but hasn't expanded into third-tier cities where small companies flourish.

"ADP expands business with our clients, and it is a gradual, planned and controlled growth," said Akhtar. "The Chinese market is special for ADP because we have to educate and cultivate the market, and help local companies to accept first the value HR outsourcing generates and then the advantages ADP enjoys in this field."

By cultivating the market, ADP has many a success story in terms of clients, often asking clients to share with companies interested in HR BPO how the adoption of ADP's solutions helped maximize their cost effectiveness or bring other administration benefits, he said.

ADP also allows potential clients to learn of the advantages first hand through detailed demonstrations, or by helping them find out problems within their own HR administrative practices.

"It's not magic. It needs long-term cultivation and accumulation to fully tap the market potential," Akhtar said. "We came here for long-term growth and we are fully prepared for it."

The HR BPO business in China expects "explosive growth" in the coming years as Chinese enterprises grow and as an increasing number come to realize the benefits of professional HR service, said Li Hao, President of CTG, a Shanghai-based HR service provider. ■

CRISIS FOCUS

Prescribing Economic Remedies

After slowly emerging from the financial crisis, the world economy has left the worst behind it. But the road ahead will by no means be a smooth one. Staggering unemployment, sovereign debt crises and inflationary jitters continue to stretch the nerves of policymakers. In the *World Economic Outlook*, an assessment of the global economy, the International Monetary Fund discussed these issues and their impact on the global economic recovery. Edited excerpts follow:

The global recovery is proceeding at varying speeds—tepidly in many advanced economies and solidly in most emerging markets. World growth is now expected to be 4.25 percent in 2010.

As the recovery has gained traction, risks to global financial stability have eased, but stability itself has not yet been assured. In banking systems, there still remain pockets that are characterized by shortages of capital, high risks of further asset deterioration and chronically weak profitability.

The outlook for economic activities remains unusually uncertain, and downside risks stemming from fiscal weaknesses have come to the forefront. A key concern is that room for policy maneuvers in many developed economies has either been exhausted or become much too limited. Moreover, sovereign risks could undermine their financial stability gains and extend the crisis. The rapid increase in public debt and deterioration of fiscal balance sheets could be transmitted back to banking systems or across borders. This underscores the need for policy action to sustain the recovery of the global economy and financial system.

The policy agenda should include several important elements. The key task ahead is to reduce sovereign vulnerabilities. In many advanced economies, there is a pressing need to design and communicate credible medium-term fiscal consolidation strategies. These should include clear time frames to bring down gross debt-to-GDP ratios over the medium term as well as contingency measures if the deterioration in public finances is greater than expected.

At the same time, better growth prospects in many emerging economies and

low interest rates in major economies have triggered a welcome resurgence of capital flows. These capital flows, however, come with the risk of inflation pressure and asset bubbles. Major emerging and some advanced economies will continue to lead the tightening cycle, since they are experiencing faster recoveries and renewed capital flows. Although there is only limited evidence of inflation pressures and asset price bubbles, current conditions warrant close scrutiny and early action.

Combating unemployment is yet another policy challenge. Beyond pursuing macroeconomic policies that support recovery in the near future and financial sector policies that restore the banking sector's health, specific labor market policies could also help limit damage to the labor market. In particular, adequate unemployment benefits are essential to support confidence among households and to avoid large increases in poverty, and education and training can help reintegrate the unemployed into the labor force.

Finally, the world's ability to sustain high growth over the medium term depends on rebalancing global demand. This means economies that had excessive external deficits before the crisis need to consolidate their public finances in ways that limit damage to growth and demand. Concurrently, economies that ran excessive current account surpluses will need to further increase domestic demand to sustain growth, as deficit economies scale back their demand. Rebalancing also needs to be supported with financial sector reform and growth-enhancing structural policies in both surplus and deficit economies. ■



TO THE POINT: In its latest attempt to calm the property fever, the government steps up controls over affordable houses. China's service trade reported the first decline on a yearly basis since 2001. Chinese shippers report jaw-dropping losses for 2009 due to collapse of global shipping. China's private airlines struggle in a market dominated by state-owned carriers. The Chinese Academy of Social Sciences lists Hong Kong as the most competitive city in China in 2009, with Shanghai and Shenzhen being the second and third. Stock market fluctuations caused fund management companies to spill red ink in the first quarter.

By HU YUE

MARKET WATCH

Cooling the Rush

China has pushed all the buttons to tame the red-hot property market where price surges are bringing worries of a bubble burst to a boiling point.

On April 26, the Ministry of Housing and Urban-Rural Development announced a series of regulations over affordable houses for low-income residents.

The ministry said those who sell or rent out affordable houses or leave them vacant will be forced to relinquish ownership of the properties and will be ineligible for purchasing another affordable house for five years. Those who fake their qualifications must also return the houses.

Chen Yunfeng, Secretary General of the National Real Estate Manager Alliance, said this move would help protect interests of low-income groups and be a stabilizer in the feverish market.

Along with tighter mortgage rules and a clampdown on financing for developers, the new regulation adds to the impression the government is determined to restore the property market's health.

Trade Slowdown

China's service trade volume went down 6 percent year on year to \$286.8 billion in 2009, said the Ministry of Commerce (MOFCOM) in a statement on April 29. Of the total, exports dived 12.2

percent to \$128.6 billion while imports were \$158.2 billion, a minimum increase of 0.1 percent. The trade deficit came in at \$29.6 billion, 1.6 times more than that of 2008.

More specifically, foreign trade in transportation and insurance services witnessed a sharp drop, but that of tourism, finance and information services defied the downturn to see a substantial run-up.

With the global business climate warming up, the country is geared for a 10-percent growth in its service trade in 2010, said the ministry.

The world economy is retracing some of its lost strength, putting a solid floor under the transportation sector. Meanwhile, tourism services are also poised for success with the help of the Shanghai World Expo and Guangzhou Asian Games, said the MOFCOM.

But meeting the target will not be without difficulties. Much progress still needs to be made in China to increase the level of services and gain an international competitive edge, said the ministry.

Shipping Uncertainties

When the economy slowed last year, few industries were as hard-hit as the shipping sector, which found its vessels stuck at port as global sea-borne trade fell off a cliff.

Two shipping giants—China COSCO Holdings Co. Ltd. (COSCO) and China

Shipping Container Lines Co. Ltd. (CSCL)—were among the victims, reporting losses of 6.3 billion yuan (\$922.7 million) and 6.5 billion yuan (\$952 million), respectively, in 2009.

Their container lines and dry bulk operations—transporting bulk commodities such as iron ore and coal—declined to a trickle, leaving many vessels idle. Even more troubling was the sector's overcapacity problem as the large order of vessels made before the financial crisis finally hit the oceans.

The Baltic Dry Index, a proxy for shippers' costs and profits, staged a prolonged rally in the latter half of 2009 as the world economy put the worst behind it. But surges in crude oil prices made it difficult for shippers to break even, said Mao Ang, a senior analyst with China Galaxy Securities Co. Ltd.

Looking ahead, COSCO and CSCL both expect to record profits this year with a substantial market turnaround.

But one cause for concern is soaring iron ore prices that may depress Chinese demands for imports and put a freeze on cargo traffic, said Yu Jianjun, an analyst with the Huatai Securities Co. Ltd.

A Gloomy Sky

While state-owned airlines turn loss into profits this year, the fate of their private counterparts remains up in the air.

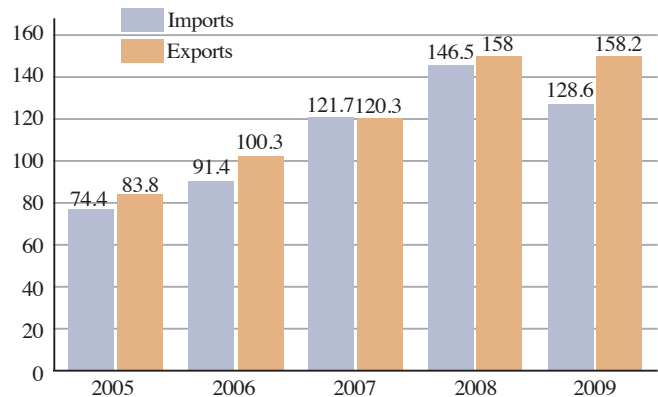
18.08 million

China's subscribers to 3G mobile technology increased by 4.83 million in the first quarter to reach 18.08 million at the end of March, said the Ministry of Industry and Information Technology.

490.8 billion yuan

The output value of China's media industry grew 16.3 percent year on year to 490.8 billion yuan (\$71.9 billion) in 2009, said a report by the Research Center of Media Economics and Management at Tsinghua University.

China's Service Trade (\$bn)



(Source: Ministry of Commerce)

Okay Airways, China's first private carrier, suspended all passenger services in December 2008, ushering in a turbulent shockwave for the sector. Four months later, East Star Airlines, a private Wuhan-based company, went bankrupt due to painful losses and piling debt.

Even Shenzhen Airlines, the country's fifth largest carrier, was lurching toward collapse until March 2010 when it was acquired by Air China, a state-owned flag carrier.

With so many airlines disappearing from the sky, the proliferation of private airlines years ago seems a distant memory. Only a few are still struggling to survive, but clouds are already gathering over their path ahead.

Two Shanghai-based carriers—Spring and Juneyao airlines—were able to stay out of the red last year but are currently feeling the pressures of competitions from deep-pocketed state-owned titans. A lack of access to premium routes and financing only complicated their situation. The state carriers have received heavy government subsidies while private carriers were largely left on their own to ride out of slump.

High-speed railways also pose a threat to private air carriers. For instance, after the Zhengzhou-Shanghai Express Railway came into operation in September 2007, the Spring Airlines saw its passengers shrink by half and eventually shut down

the route in March 2009.

To make ends meet, private air carriers are squeezing costs and strengthening operational efficiency, said Zheng Xingwu, a professor with the Civil Aviation University of China.

It is also necessary for the regulators to put private carriers on equal footing with state-owned competitors, said Zheng.

City Competition

The Chinese Academy of Social Sciences (CASS) on April 26 released a blue book on Chinese urban competitiveness, providing fresh insight into the fierce competition between China's cities.

For the fifth consecutive year, Hong Kong claimed the title as China's most competitive city, followed by Shenzhen, Shanghai and Beijing. Qingdao, a coastal city in Shandong Province, made it to the top-10 list for the first time after hosting the sailing events of the Beijing Olympic Games in 2008.

On a broader scale, cities in central and north China are gaining a competitive edge while east coastal ones are losing momentum, said Ni Pengfei, chief editor of the book and a researcher at the Institute of Finance and Trade Economics under the CASS.

The report analyzed 294 cities across the country, assessing many factors including economic growth, residents' income, busi-

ness environment, innovation, efficiency and living environment.

Hong Kong maintains a hefty lead over other cities, but the divide is narrowing due to slower economic growth, said Ni.

Shenzhen and Shanghai are catching up, drawing strength from manufacturing innovation and vibrant financial industries, but their weakness lies in surging house prices and living expenses, he added.

Fund's Gloom

For China's fund management companies, 2010 looks to be a challenging year.

The Beijing-based Tianxiang Investment Consulting Co. Ltd. said in a report that 621 funds operated by the country's 60 fund management companies suffered painful losses totaling 88.46 billion yuan (\$13 billion) in the first quarter, reversing a two-quarter profit-making streak.

The Shanghai Composite Index fell more than 10 percent this year on jitters about a tumble in market liquidity—the biggest losers of which were the stock funds.

Looking ahead, fund managers seem less optimistic about the stock market as they more or less scaled back their stock presence.

The market may continue its stumble until an interest rate hike points to a clear direction of government policies, said a report by the Morgan Stanley Huaxin Fund Management Co. Ltd. ■

The Capital Museum Treasures NE•TIGER Chinese Fashion



On April 16, the Chinese k'o-ssu Two Phoenixes Perch on a Peony made by NE•TIGER, a leading Chinese luxury brand, was added to the collection of the Capital Museum. This was the first time that a Chinese-owned brand had achieved such a great honor. It also marks a bright future for the revival of the k'o-ssu, a striking and consummate art form. The Capital Museum now possesses an additional masterpiece, while NE•TIGER has also come closer to realizing its dream of reviving the Chinese luxury goods industry.

UNESCO states that the finest embodiment of a nation's wisdom is its cultural heritage. Zhang Zhifeng, the founder of the NE•TIGER brand said in an interview that Chinese civilization has thousands of years of history, and it does not belong to an individual or a particular brand, but to the nation that has produced it. NE•TIGER is not only committed to building its brand, but also to protecting the nation's cultural heritage and handing it down from one generation to another.

The Capital Museum's decision to collect the Two Phoenixes Perch on a Peony marks a breakthrough in the history of Chinese luxury brands. Its suggests that such luxury goods as K'o-ssu masterpieces are not only treasured by individuals, but also by the nation as a whole. To revive Chinese fashion culture, NE•TIGER has explored and refined traditional embroidery skills, and has established itself as a leading brand of Chinese high-end tailor-made clothes, including suits and wedding dresses.



TEDA•MSD's Beijing Debut

On April 20, the Modern Service District (MSD) of the Tianjin Economic-Technological Development Area (TEDA) held a property promotion meeting in Beijing. Leaders of TEDA Development Co. and its business partners in Beijing attended the event. MSD's Beijing debut signals that it is open to leasers.

A new business platform

TEDA is located in the Binhai New Area of Tianjin Municipality. Set up in 1984, TEDA has a history of 25 years. After the establishment of the Binhai New Area District Government, a new round of industry layout planning and overall city planning has entered full swing. TEDA takes advantage of this opportunity to give play to its strengths and push for the overall development of the Binhai New Area.

TEDA encourages the development of modern manufacturing and service industries, and works hard to improve the area's business environment. TEDA's strategic emphasis on modern service has given rise to MSD, where a complex modern service platform that meets international standards will be built.

MSD is located in TEDA, and is an important part of the core area of the Binhai New Area. The cross-shaped district runs north-to-south from the Financial Street to Citizen Square and extends from east to west along a greenbelt.

It consists of more than 20 international Grade-A office buildings and an accompanying commercial area, with a total construction area of 1.34 million square meters (860,000 square meters for office buildings and 150,000 square meters for commercial space). The buildings in C zone have a total area of 160,000 square meters. The buildings developed in the first phase of the construction project were topped out on January 26. They will be opened this August. All buildings in C zone are expected to be completed in 2011, and will then be available for purchase or lease.

The office buildings in MSD's C zone

At MSD's Beijing debut, executives of TEDA Development Co. made a detailed introduction of MSD and its leasing policy. The buildings in C zone are highlighted in the introduction.

C zone consists of three international Grade-A office buildings with 31 stories above ground and two levels underground, as well as an accompanying commercial area. The buildings have a total construction area of 160,000 square meters. The buildings all meet the standards of the LEED green building-rating system. To provide clients with optimal property management service, MSD has also established a joint venture property management company with Savills. With advanced office facilities, people-oriented services and a convenient shopping area, MSD will provide a comfortable office environment for its tenants.

Win-win cooperation

Many famous domestic and foreign real estate brokers were in attendance at the promotion event, including Jones Lang LaSalle, CB Richard Ellis, DTZ and Savills. The participants were very interested in the properties in MSD, as well as in the surrounding area, and the convenient transportation and policy support of the Binhai New Area. They believe that MSD will be popular with quality clients from home and abroad, and will enjoy great market prospects.



The Glory And the Dream

A Chinese director unveils the story of Shanghai at the 2010 World Expo

FILM DIRECTOR: Jia Zhangke wins the Director of the Decade award at the Toronto International Film Festival on January 22

By TANG YUANKAI

Shanghai is a city that has many stories, and Jia Zhangke, a celebrated film director, is about to tell some of them in his new film, *I Wish I Knew*. The documentary film is dedicated to the 2010 World Expo, and will be screened at the World Expo site. The Chinese director spent three years preparing for the movie and one year actually filming it.

Films have traditionally been an integral part of the world expos. In 1900, a film produced by the Lumière Brothers' was one of the highlights of the Paris World Expo. In 1963, Elvis Presley, the king of rock and roll, starred in a film that was screened at the Seattle World Expo.

Jia's film is a narrative history of Shanghai. Through interviews with people about their memories of the city, Jia hopes to capture the history of the city's transformation.

"Few cities have witnessed as many significant historic events as Shanghai," Jia says. "We are not going to leave any important event out, so this means that we should do our best to find the persons involved, and their descendants or witnesses. Some of our interviewees are already in their 90s," Jia explains.

"In fact, it is a film on the collective memory of all Chinese people," says Jia. Rather than just telling the story of a city, the film depicts the story of the Chinese people, who have endured colonization, wars, revolutions, disasters and social movements. "It is not only about history—even more importantly, it is about the future," says Jia.

Jia grew up in Fenyang, a relatively isolated inland county in north China's Shanxi Province. For him, filming the history of a city as cosmopolitan as Shanghai was a chal-

lenge. "When I was asked to make the film, I was a little hesitant," he says. He recalls that his early memories about Shanghai were "materialistic"—they were all about Shanghai's famous products, such as the White Rabbit milk candies his mother often bought him, the cigarettes that his father smoked, and the travelling bags emblazoned with an image of the Bund.

"In the past Shanghai epitomized industrialization, modernity and stylishness in the eyes of inland Chinese," Jia says.

He has been interested in Shanghai's contemporary history since his university years, and since then has gathered a considerable amount of materials on the subject. He says that the film has given him an opportunity to study the city more closely, whereas his upbringing in an inland province would help him to see Shanghai from a more acute perspective. Jia is glad to have the opportunity to feel the city's pulse by reading about it and talking to related people, and to prove or disprove his earlier perceptions of the city.

For optimal quality, the film will be shot with both the latest Red One digital and traditional camcorders. The footage will not only be used in Jia's film, but also be stored in a video documentary archive about Shanghai.

Jia is noted for his ability to convey a big theme through minute details, and his films have been a unique channel for foreigners to understand the current China. As a director of the film dedicated to the Shanghai World Expo, Jia is expected to vividly portray Shanghai's present and past to a global audience.

"I admire his unique insights into society and life, and I think his films are very powerful," said Ren Zhonglun, President of Shanghai Film Group Corporation (SFG),

the producer of *I Wish I Knew*.

Jia said that working with SFG has actually made things easier for him. "With a producer handling the communication work, I can not only express myself freely, but also can receive recognition from a larger group of audiences," Jia says.

Jia is adept at depicting the transformations in China in a realistic way. From a boy in an inland county in the 1970s to an established film director, Jia said the reform and opening-up policy that China has implemented in the past 30 years has given him the opportunity to realize his dream.

He said he is lucky to have witnessed the 30 years of reform so that he could draw upon his memories when documenting the impact of reform upon Chinese people in his films.

The climax of Jia's career was the Golden Lion Award to him at the 2006 Venice Film Festival for *Still Life*. The film is set in a small town that is about to be demolished to make way for the Three Gorges Dam, and portrays how local people cope with the sudden changes in their lives. The film was co-produced with SFG, and has been released in more than 70 countries and regions.

Another of Jia's films, *24 City*, debuted at the 2008 Cannes Film Festival and won favorable reviews from film critics. The film tells a story of a state-owned factory that was torn down and replaced with luxury commercial apartments.

To reward Jia's outstanding contribution to the film industry, SFG granted him an award and established the Jia Zhangke Film Studio in his name. The film group has invested some money in the studio, yet according to Jia the money is not a charitable donation but a real investment, and the studio also needs to raise its own money. He likes this arrangement, as he feels that a film director should not just be a plant in a green house, but should instead be able to withstand the test of the market.

The film group also expects him to provide guidance to young directors. Jia says that one of the studio's jobs is to introduce young talent to market, and create a suitable filmmaking environment for them. This year, his studio launched a program to train talented young directors. So far, 100 million yuan (\$14.7 million) has been raised for the initiative. ■



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Nestlé Awarded for Talent Development

At the annual meeting on training and development of Chinese enterprises held by the *Training* magazine in Beijing, Nestlé won the Chinese Enterprise Talent Development Best Practice Award.

Training magazine, an imprint of the Xinhua Daily Group, joined hands with more than 10 academic and media organizations to collect and evaluate corporate best practices in talent development between 2009 and 2010. These organizations included the National School of Development of Peking University, the School of Business of Nanjing University, the School of Management of Fudan University, sina.com and the China Human Resources Development Network (chinahrd.net). Nestlé was selected because of its rich experiences in training and personal development.



South Beauty Group Celebrates Its 10th Anniversary

On April 16, South Beauty, a renowned food and beverage management group, celebrated its 10th birthday. The group's VIP members, as well as celebrities and members of the media gathered for the anniversary dinner at LAN Club in Beijing.

South Beauty is a designated catering service provider of the Shanghai World Expo. The group has four restaurants at the Expo Site: South Beauty Shanghai Expo Axis Restaurant, South Beauty Shanghai Expo Zone C Restaurant, South Beauty STEAM Restaurant and LAN Café. The group is honored to introduce Chinese culinary culture and display Chinese genuine gourmet to friends all over the world through the World Expo.

At the anniversary dinner, Zhang Lan, Chairwoman of South Beauty Holdings Ltd., briefed the guests and the media on the latest progress of the group's four restaurants at Shanghai Expo site. Zhang said that in 2010, South Beauty would continue to expand business in Chinese and foreign cities in addition to serving the Expo.

Nestlé Sponsoring Nutrition Seminar

The Chinese Nutrition Society (CNS) hosted the Second Cross-Straits Nutrition Improvement Seminar in Chengdu, Sichuan Province, during April 20-22. The seminar had the theme of "the Impact of Dietary Transition on Public Health: Challenges and Actions." As a council member of CNS, Nestlé China sponsored the event, and worked hand-in-hand with CNS and nutrition experts to promote "good nutrition and healthy lifestyle." Former chairman of the International Nutrition Science League Mark L Wahlqvist, China nutrition expert Ge Keyou, professor Chen Jun and a number of experts from the CNS delivered academic reports on nutrition issues.



The Ascott's Debut in Chengdu

On April 6, the Ascott Limited (Ascott), the world's largest international serviced residential-property owner and operator, announced its expansion into Chengdu, Sichuan Province. Its serviced residence in Chengdu, Somerset Riverview, was acquired through the Ascott China Fund. This increases Ascott's portfolio in China to 27 properties across 13 cities.

Somerset Riverview in Chengdu is strategically located in the downtown central business district along South Renmin Road. It sits adjacent to the main artery connecting the downtown central business district to another major commercial area in the city's south which is a well-known venue for conventions and exhibitions. The property is also a 15-minute walk to the landmark Tianfu Square which is home to major shopping malls and a transportation hub that provides convenient access to various destinations throughout the city.

The 200-unit Somerset Riverview offers apartments ranging from studios to duplexes, catering to the different needs of both short- and long-stay customers.

What Next for Chinese Football?

Earlier this year, a crackdown on football match-fixing and gambling was launched in China, ending with the arrest of several high-ranking officials with the Chinese Football Association, referees, coaches and senior club executives.

How can Chinese football come out from under the shadow that this situation has cast over it?

"It's time to make use of the state-support system to revive Chinese football," said Wei Di, the newly appointed Chinese Football Association chief. "The development of the sport should be in line with national conditions, rather than slavishly copying Western professional leagues models."

Wei put forward a proposal in March to introduce the Under-23 national team to the top division of China's football league, the U-21 side to the second division and the U-17s to the third division.

At present many of the players in the U-23 national football team are unable to play a major role in clubs, Wei said.

In accordance with Wei's proposal, if his scheme takes effect, every national team member, even if they are not major players, would have the chance to take part in more than 40 formal matches, including friendlies and international contests, every year. With enough matches, Wei hoped national team players' ability would make remarkable progress within three years.

Wei's proposal has incurred widespread criticism from sports media and netizens. Opponents said the scheme would deal a heavy blow to struggling professional leagues. The clubs would be hit hard if their better young players all left. If their excellent young players were all playing or trying out for national teams, clubs would no longer be motivated to train players. The training of young players in strong Western football clubs is mainly conducted in well-developed football leagues at various levels, to ensure every fledgling footballer has equal opportunities to participate in matches.

Regression

Yan Qiang (*Titan Weekly*): The state-support system is effective in mobilizing government administrative and financial resources for sports development. I believe this system will remain for quite a long time. But it is impossible to bring China's football to the front ranks of the world, because professional leagues have become the main feeders for world football.

The objective of the state-support system is to win gold medals, instead of boosting public participation in sports. China did not have football leagues in a real sense before professionalism-oriented reform was launched in the early 1990s. Except in amateur academies, the country lacked programs to improve the quality of play among adolescents and the young. As for amateur football activities, basically, no organization cared for them. So, although the state-support system helped Chinese athletes win gold medals in a variety of sports at the Olympics, it failed to raise the weak overall level of football in China, let alone making it part of Chinese people's lives.



With the advent of professional leagues, Chinese football bid farewell to a state-supported system. That was because football has its own rules of survival in a market system.

We can no longer go back to the original state of the moment when the first reform step was taken. A state-supported system is not unchangeable, nor is it a panacea.

Lu Yan (www.chinanews.com.cn): It's true 16 years after professional football leagues started, instead of making progress, Chinese football is still plagued by failures and all kinds of scandals. However, I would like to say this is the consequence of insufficient professionalism.

I do not deny the huge contribution the state-support system has made to China's excellent performance in competitive sports. If China's football goes back to a state-supported system, it's possible that in a short period of time, we'll see an improvement. Nevertheless, this system is unlikely to work forever.

First, when the state-support system is adopted, football as a sector of sports will be dominated by a selection of elite players and will move away from the public. More

importantly, as this system features a highly centralized authority, it is still vulnerable to corruption. No one can as-

sure the state-support system will exempt Chinese football from various new and old problems.

Becoming integrated with the world at large has become a trend. The state-support system is now considered lacking and its reform is a matter of time.

The way out for China's football is to standardize its operational rules and improve its professional leagues.

Bold reform

Zhang Yan (*Chengdu Business Daily*): Every time after scandals hit football leagues or the national football team is defeated, people will point their fingers at Chinese football's "disguised professionalism."

Many football fans believe, in order to improve the national team's performance, we need soundly operated professional leagues. Only when the players do well in leagues, will we have powerful national teams. This is not the case.

Take the English Premier League for example. It is a most successful mode of professional and commercial operation of football, but England is not the best team in Europe. In Brazil football leagues are not as well organized as in European countries. But Brazil has always been a World Cup favorite. This example at least proves the level of a country's football leagues is not necessarily transferred to its national team.

When China launched professional football leagues, the aim was not to raise the level of the sport but rather to exploit its commercial potential. Now, 16 years of attempts have proved professional football does not conform to China's conditions. At least, for the time being, we still lack the foundations necessary for professionalism.

As for the enterprises sponsoring football clubs, they actually do not mean to benefit from the market-based operation of football, but hope the sponsorship will bring them profit and interest outside the sport itself. When they fail to get what they want through football, it gives rise to corruption and various scandals.

Wei Di is looking for a development mode suitable for China's national conditions. No one says the state-support system will give up tapping a market for football and we all hope national team successes will make the market for Chinese football greater. Why not give it a shot, since we are already used to the trials of the past three decades? ■

What Can China Learn From Vancouver?

By LI XIAO

I was in Vancouver, Canada, as the 2010 Winter Olympic Games started, to witness successes and setbacks, smiles and sobs. The Games not only offered an arena for athletes from around the world to compete against each other but also showcased different cultures getting to understand each other through involvement in winter sports.

Criteria...strength

When the curtain of the 17-day Games fell on February 28, Organizing Committee charts showed the United States placed first in the overall medal count with 37 (nine gold, 15 silver and 13 bronze), followed by Germany, 30, and hosts Canada, 26. In the meantime, on most of China's leading websites, such as Sina.com and Sohu.com, Canada ranked first in the number of gold medals with 14. It is interesting to consider the difference between China and the West in presenting the medal tallies. Should they be listed by total medals or just golds? What is the difference?

Turning on its best-ever Winter Games performance in Vancouver, China took home five gold, two silver and four bronze medals. But the same performance ranked differently on two lists. In China's media, the country placed seventh in the gold tally, while on vancouver2010.com and the website of the International Olympic Committee (IOC), China ranked eight in the overall medals table. Compared to China, the gap for Russia was bigger: sixth in the medals overall and 11th in gold medals.

The gold-first ranking system was used by most of China's and world media such as the BBC; the total medal system was preferred by U.S. media such as *Sports Illustrated* and Canadian media including CTV Television Network, the country's largest privately owned network, also the official website for the Vancouver Olympics.

Some think the gold count is best, saying "surely a gold is worth 50 percent more than a silver, and the difference between a gold and silver should be greater than between a silver and bronze." This view is confirmed by award money in various countries. In the



MOST WATCHED: The TV audience for the men's ice hockey final between host Canada and the United States at the Vancouver Winter Olympics in February reached peak viewership of 22 million

United States, for example, \$13,374 was awarded for a gold medal, \$8,173 for silver and \$5,424 for a bronze.

Some think otherwise, saying a breakthrough by winning a bronze is much more valuable than a gold won in a traditionally strong event. Plus, medal numbers could reflect the overall conditions of the entire people of the nation involved.

The difference in rankings has its origins in the early days of the Olympics, when the IOC did not publish or recognize medal tables. This accords with its charter that prohibits it from producing an official ranking. There was no problem before 2008 as the country that led in total medals usually led in the gold count. But recently China and the United States have confused the picture, especially when the two countries topped gold and overall medal tallies respectively at the 2008 Summer Olympics in Beijing. At a news conference on August 24, 2008, IOC President Jacques Rogge confirmed the IOC did not have a preference for any particular ranking system. A demographics ranking system and weighted points system have also been suggested by different people and countries.

China's weaknesses

In China's media during the 2010 Winter Olympic Games, the most covered sports were figure skating, short-track speed skating and curling, events where Chinese athletes took four gold medals, one silver and one bronze.

Also, on China's national broadcaster CCTV, the number of viewers peaked during competitions in the events in which China had a chance to win a medal. Takes curling as an example. The female curling tournament alone attracted 370 million TV viewers.

But, consider the 58 snow events that account for 67.4 percent of all the Winter Olympic contests. They were scarcely taken notice of by the Chinese audience, who had to bone up on their rules through the Internet and TV programs.

Snow sports such as alpine and cross-country skiing, where China is less competitive, are as important to Winter Olympics as track and field and swimming to Summer Games. Athletes from German-speaking countries traditionally dominate alpine skiing to the extent that German is the sport's primary language. In Vancouver, Germany won six gold, five silver and two bronze medals in alpine skiing, but only two Chinese athletes qualified to compete in alpine skiing events.

In ice hockey, one of the most popular Winter Olympic sports, the Chinese women's team lost all its round robin games and the men's team did not even qualify for the Games. In Canada, where ice hockey is regarded as a national sport, obsession and even religion, the men's gold-medal game between the United States and the home team became the most-watched TV broadcast in Canadian history, with an average audience of 16.6 million and peak viewership estimated at 22 million people—or two thirds of Canada's population—who watched as Sidney Crosby scored in overtime for Canada to beat the United States 3-2.

Throughout the world, altogether 1.3 million people are regularly involved in ice hockey, with 500,000 in Canada alone. But in China, a country with a population of more than 1.3 billion, there are only 166 registered female players. The situation is even worse in curling. Despite the women team's bronze medal finish in this year's Winter Olympic Games, professional curlers in China do not even number 100.

Because of the lack of professional, semi-professional and amateur clubs for these sports in China, which are well developed in the United States, Canada and European countries, China has to send national teams overseas for training for several months every year. ■

The author is a Beijing-based journalist

Xinjiang on My Mind

By VALERIE SARTOR

I don't often get the chance to travel to Xinjiang Uygur Autonomous Region, one of China's wildest and most exotic provinces. It's a special place, and I was fortunate enough to have lived there for six months several years ago, when I worked for a Chinese oil company.

The very name Xinjiang—or New Territory—appealed to me with all the lure of the American Southwest, my birthplace. Both regions have small populations, beautiful desert landscapes and multitudes of cultures, religions and borders.

Flying into Urumqi from Ashgabat recently, I saw how fast the city had since developed. Gone was the rowdy, ruffian feel of a "Wild West" town. The city is now super slick, with fancy shopping areas, beautiful stores and elegant restaurants.

So it was that I yearned to find a small, hole-in-the-wall noodle shop where I could watch the proprietor knead a lump of dough, then stretch it out, over and over again, to make those delicious noodles called *lamian*. Quickly immersed in boiling water and then mixed with a spicy red sauce, chunky like a good Tuscan marinara, my mouth watered at the thought. I walked out into the streets, following my nose.

Ah, yes! Here was the perfect place, packed with people, all happily slurping their noodles. Some people were partaking of *daomian*—those delicious little wedge-shaped noodles the chef made by deftly slicing his cleaver again some kneaded wheaten dough. How enticing it all was!

I looked to my left as I sat down and saw a party of four eating *laji*—the Xinjiang primo poultry dish, a huge plate of chicken, the entire bird, chopped into eatable chunks and stir fried in chilies and potatoes. I wanted to eat everything, but stuck to my original plan of pulled noodles.

Leaving, with my tummy stretched tight

like an overfed kitten, I wandered around town, digesting my meal. It was decidedly cold, but walking about and watching all the vibrant activity kept me warm. I walked into a shop and saw a vast assortment of carpets, all of fine quality and respectably priced. Dealers offered to ship my purchases anywhere in the world, and I knew they would do so without the slightest mishap.

Years earlier, I'd bought several beautiful Hotan carpets in Kashgar, a famous Silk

tiful mosques that are centuries old.

In Hami I also found the food to be exquisite. With friends we ate out, sitting in a yurt restaurant, consuming steaming bowls of mutton soup with delicate "sand" rice—a very granular, sweet-tasting rice. Then we had more meat: skewers of twice cooked mutton, with those fragrant Xinjiang spices. Although I am not much of a meat eater, I gorged myself like a tigress nonetheless.

The famous *hamigua*—the large, fragrant yellow melon, is said to have come from this innocuous town. Centuries ago, envoys sent it by the cartload as part of tributes to their emperor.

A variety of grapes also grow in Xinjiang, especially in nearby Turpan. I'd come too late to enjoy the fruit harvests, but I remembered Turpan's city streets enclosed in grape arbors, shading the residents from the hot summer sun, while providing sweet nourishment. Meanwhile, the ancient irrigation system, called *karez*, provides water efficiently in these desert cities for crops and human needs. Turpan has many nearby historical sites, ranging from hidden cities to Buddhist holy places.

Indeed, traveling through northwest China has spoiled me. I know south China has many dazzling places to see and experience, but I've made my spiritual choice. The Chinese will tell you their country is divided into *beifang* and *nanfang*—the north and the south—and that this difference also implies local meal preferences.

Northern climes, that is, are conducive to the growth of wheat and the herding of sheep; their residents are thus noodle and mutton eaters. Southern climes, meanwhile, facilitate the growth of rice; in these regions people eat more rice and pork.

But my choice is clear: Beijing is my favorite large metropolis and I won't easily go any further south—even to visit Shanghai. It's just too far out of my ken. ■

The author is an American living in Beijing



LISHONG

Road city in China, very near the far western border. At the time, my Muslim rug dealer charged me just pennies extra to ship those treasures home—and I'd known, from his devoutness, that he could be trusted.

The next day, I took the train down to Hami. Everything seemed pretty much the same: Hami, another Silk Road city, lacks the glamour of Kashgar, but it has a fantastic rock market.

Xinjiang is mysterious and rich, full of hidden resources. The desert has given China great oil reserves, and it has also preserved human cultures in the form of artifacts—ranging from pottery to human mummies. To this end, both Urumqi and Hami have great museums to explore.

In Urumqi, there are also even huge meteors from outer space you can touch. And in Hami, I once again trekked to see two beau-

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Location: The National Centre for the Performing Arts

Featuring: The Philharmonic Orchestra of the Youth Orchestras of San Antonio, conducted by 7-time ASCAP Award Winner Troy Peters

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In addition to the performance, a Sino-US Cultural exchange will take place between young musicians from China and the members of YOSA.

The event will provide musicians from both countries the opportunity to engage in a musical dialogue in an effort to cross cultural barriers and lay the foundations for future collaboration.

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A lush tropical jungle scene with a body of water and a rhinoceros. The image is framed by dense green foliage, including large monstera leaves and other tropical plants. In the center, a calm body of water reflects the sky and the surrounding greenery. On the far side of the water, a large rhinoceros is standing on a grassy bank, its reflection clearly visible in the water. The sky is a clear, light blue with a few wispy clouds.

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