

NEW ENERGY EXPORT DISPUTES P.26 | CLASSIC THEATER REVIVAL P.38

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## STRIDING FORWARD

Renewed Sino-Egyptian relations start  
out on the right foot

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Cover Photo: Chinese President Hu Jintao with his Egyptian counterpart Mohamed Morsi in a welcoming ceremony in Beijing on August 28 (XINHUA)



## A Sustained Relationship

When Chinese President Hu Jintao told his Egyptian counterpart Mohamed Morsi during their recent meeting in Beijing that Sino-Egyptian relations have “stood the test of time,” he meant exactly what he said. Morsi’s visit itself was a testament to the enduring nature of these relations.

The visit drew intense scrutiny partly because it came only two months after Morsi assumed presidency following Egypt’s strenuous political transition. Since unrest broke out early last year, dramatic changes have taken place in the Middle East nation, culminating in the election of a new president in June. But the tumultuous developments have not disrupted relations between China and Egypt. Over the past year, the two countries have not only been able to coordinate stances on the ongoing turmoil in the region but also seen a notable expansion of their business ties. Bilateral trade totaled \$8.8 billion in 2011, up nearly 30 percent over the previous year. China’s annual direct investment in Egypt also soared 60.4 percent year on year to reach \$82.8 million last year.

One of the factors that helped keep the Sino-Egyptian relationship on the right track is the Chinese Government’s unbiased stance toward the upheaval in the Middle East. While calling for an end to violence, China believes conflicting parties could find a solution through negotiations without foreign intervention. Unlike Western countries, it seeks to engage all parties in an inclusive dialogue instead of siding with some against others. Morsi’s choice of China as the destination of his first state visit outside the Middle East and Africa could have sent the signal, among others, that Egypt’s new government identifies with China’s non-interference approach.

During his visit in late August, Morsi held talks with Chinese leaders including President Hu, Premier Wen Jiabao and Vice President Xi Jinping, all vowing to take bilateral relations to higher levels. China and Egypt also signed eight agreements while Morsi was in Beijing, covering areas such as agriculture, the environment, telecommunications and tourism.

Indeed, the continuity of Sino-Egyptian relations is rooted in the fact that both countries view each other as important partners. China cherishes a special bond with Egypt, the first country in the Middle East and Africa to establish diplomatic relations with the People’s Republic. It values Egypt’s role in helping China reach out to the entire region. Egypt, for its part, is anxious to get support from China in a bid to invigorate its lackluster economy in the wake of social turbulence. It also tends to make relations with China a diplomatic priority as the new government rebalances the country’s formerly Western-oriented foreign policy.

More importantly, China and Egypt share a host of essential values. Proud of their time-honored civilizations, both nations are imbued with a keen sense of cultural diversity. With this in mind, they advocate respect for other countries’ development models, non-interference in other countries’ domestic affairs and the importance of transcending ideological differences—principles that constitute the cornerstone of Sino-Egyptian relations. Given these shared commitments, coupled with practical needs, these relations look poised to remain on an upward spiral whatever changes may come. ■

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## Here We Come

Led by flagholder Zhang Lixin, winner of four gold medals in wheelchair races at the 2008 Beijing Paralympics, the Chinese sports delegation marches into the Olympic Stadium in London greeted by a sea of cheering spectators at the opening ceremony of the 2012 Paralympic Games on August 29.

China has sent 282 athletes to attend the 11-day competition of 20 sports this year. The ages of the athletes range from 15 to 50, and 134 of them are taking part in the Paralympics for the first time.

The London Paralympics is hosting the highest number of athletes since the official birth of the games in 1960, with 4,280 athletes from 164 countries and regions.

**“Cross-Straits couples have been contributing to the development of the relationship between the mainland and Taiwan, and the association should work to better serve these couples and protect their legitimate rights and interests.”**

Wang Yi, Director of the Taiwan Affairs Office of the State Council of China, commenting at the inauguration ceremony of an association established to handle marriage and family affairs of couples from the Chinese mainland and Taiwan on August 28

**“Sports should play a much bigger role in school life for kids [in China] than they do now. The status of sports in school in our country has come to a halt. We should start over and make it about more than just keeping students fit.”**

Former NBA All-Star center Yao Ming, calling for more sports in Chinese schools on August 26, as the primary school basketball season concluded in Leshan, southwest China’s Sichuan Province

**“They cater to our society’s urgent need for heroes. The Chinese people have a long tradition of honoring heroes, but now we need more of them at a time when it’s toughest to be one.”**

Wang Mingmei, head of the Association of Sociology in southeast China’s Jiangxi Province, commenting on the success of Hollywood blockbusters *Spiderman* and *The Dark Knight Rises* in China. The two films premiered on August 27 on the Chinese mainland and took the top slots in most cinemas across the country

**“When Neil stepped foot on the surface of the moon for the first time, he delivered a moment of human achievement that will never be forgotten. (He was) among the greatest of American heroes—not just of his time, but of all time.”**

U.S. President Barack Obama, mourning the death of American astronaut Neil Armstrong, the first man ever to set foot on the moon, in a statement on August 25

## Education Gap

The State Council, China's Cabinet, on August 29 approved a string of new measures to narrow the gap in fundamental educational levels between the country's urban and rural areas.

China has provided children with universal access to fundamental education, or the nine-year compulsory education system that covers elementary and junior high education, but the quality of education differs among regions and schools, according to an executive meeting of the State Council presided over by Premier Wen Jiabao.

The government pledges to raise educational investment in rural and poverty-hit areas. Educational facilities in rural schools such as books, laboratory equipment, accommodations and cafeterias will be improved, and excellent teachers will be encouraged to go to rural schools in order to ensure the equal allocation of educational resources.

Latch-key children, the children of migrant workers and orphans should be guaranteed equal rights in receiving education. Moreover, the measures require county-level governments to determine the locations of their elementary and primary schools in accordance with local population ratios.

The closing or merging of rural schools must strictly adhere to relevant rules and procedures, and parents and teachers should be invited to offer their suggestions, according to

the measures.

The measures urge local governments to strictly implement the Regulation on School Bus Safety Management created in April by the State Council to ensure safe transportation for students.

## Child Mortality

According to statistics from the Ministry of Health, the mortality rate for children under

the age of 5 dived from 61 deaths per 1,000 births in 1991 to 15.6 deaths per 1,000 births in 2011. The government has set a target of reducing the ratio to less than 13 deaths per 1,000 births by 2020.

However, the infant mortality rate in rural areas is nearly three times that of urban areas, with premature births, pneumonia, congenital heart disease and accidental asphyxia claiming many young lives.

To narrow the yawning urban-rural gap,

**DEADLY CRASH** A burned-out bus is removed from the accident scene on August 26 after it collided with a methanol-loaded tanker on an expressway in Yan'an, northwest China's Shaanxi Province. Thirty-six people were killed



**ART IN THE SKY** An aerobatics group flies in formation at the second Changchun Aviation Fair on August 26 in Changchun, capital of northeast China's Jilin Province



## Academic Ambassador

Ambassador **Joseph Verner Reed**, Under Secretary General of the UN, won an award for special contribution to Chinese books presented by the General Administration of Press and Publication of China on August 28, in a ceremony tied to the 19th Beijing International Book Fair.

Launched in 2005, the national award is given to foreign writers, translators and publishers with outstanding contribution to the promotion of Chinese culture and publications to the world. So far, a total of 33 people have received the award.

Born in 1937 in the United States, Reed was a graduate of Deerfield Academy and Yale University, Class of 1961. In 1987, he was appointed under secretary general of the UN for Political and General Assembly Affairs. In early 1989, President George H.W. Bush appointed Ambassador Reed chief of protocol of the White House, where he served until late 1991.

Since 1990, Reed has been involved in a publishing project entitled *The Culture and Civilization of China*, initiated by Yale University Press and the China International Publishing Group. The planned 10-book series ranges from painting, architecture, ancient philosophy, sculpture, calligraphy, ceramics and silks. The project marks the largest cooperative publishing effort between China and the United States, garnering a great deal of attention in international publishing circles.





the Central Government launched a campaign to promote hospital births in central and western rural areas in 2000, expanding it nationwide in 2009. The campaign provides a subsidy of 400 yuan (\$63) for women who choose to give birth in hospital.

From 2009 to 2011, the Central Government poured 7.9 billion yuan (\$1.24 billion) into the program, raising the country's rural hospital birth rate to 96.7 percent from 92.3 percent in 2008.

## Emergency Alert System

The China Meteorological Administration (CMA) said on August 24 that it had accelerated the building of an emergency alert system.

Sun Jian, Director of CMA's Public Weather Service Center and also head of CMA's emergency alert system, said that the country aims to build a multi-tier network, including one state-level, 31 provincial-level and 342 municipal-level platforms. That will improve the function of the warning system.

The aim of the project is to ensure residents receive a warning within 10 minutes after messages are released via the Internet, text messages, telephone, fax, radio, electronic screens, loudspeakers in rural areas, marine radio and other channels, Sun said.

It is a key part of the country's emergency response system and was initially set up in 11 provincial-level regions.

Investment in the system had hit 136 million yuan (\$21.42 million), earlier reports said.

## Medical Archives

China on August 24 launched a massive project to archive ancient medical books in order to promote the preservation of traditional Chinese medicine (TCM).

The project, part of an ancient document



### COLORFUL EXHIBIT

A woman holding a baby passes a lantern-shaped parade float featuring pictures of Chinese Olympic stars in Shanghai on August 29. The float will be exhibited at the Shanghai International Lantern Festival from September 5 to October 14.

preservation program introduced in 2006, will be the most comprehensive archival of TCM writings since 1949, according to a statement from the Ministry of Culture and State Administration of TCM.

The size of the project is not yet known, although a report issued last June said it will include at least 2,800 documents.

The statement said the project will also include medical writings by minority ethnic groups and writings from overseas.

## Anniversary Celebration

The Consulate General of the People's Republic of China in New York commemorated the 40th anniversary of "Ping-pong Diplomacy" during a reception on August 28.

Henry Kissinger, former U.S. Secretary of State, Jan Berris, Vice President of the National Committee on U.S.-China Relations, George Braithwaite, one of the members of

the U.S. table tennis team that went to China in 1971, and hundreds of members from Chinese and U.S. communities attended the reception.

"Ping-pong Diplomacy" refers to the exchange of table tennis players between China and the United States in the early 1970s. The friendly competitions marked a thaw in then-strained China-U.S. relations, paving the way for the normalization of diplomatic ties.

"The exchange of visits of the Chinese and U.S. table tennis teams signified that 'a small ping-pong ball can move the big globe ahead,'" said Consul General Sun Guoxiang. "Ping-pong Diplomacy brought the two peoples closer, opened a new chapter in China-U.S. relations and brought about profound changes in the international political landscape. Those leaders' great vision, wisdom, courage and commitment have continued to inspire us to this day," he added.

## Cross-Straits Hospital

A maternity hospital built jointly by medical institutions from the Chinese mainland and Taiwan—Baodao Healthcare—went into trial operation in Beijing on August 28.

Baodao Healthcare has a medical staff of 226 and provides 50 beds for expectant mothers.

Jin Dapeng, head of the Beijing Medical Association, said at the hospital's opening ceremony that Baodao Healthcare had passed the association's assessment and was operating in accordance with national standards.

Baodao Healthcare is the first joint mainland-Taiwan hospital to be registered in Beijing since the signing of the landmark Cross-Straits Economic Cooperation Framework Agreement in 2010. The hospital is scheduled to officially go into operation in October, expanding inpatient capacity to 100 beds.



### HORSE SHOW

A foreign rider performs with his horse at the second International Horse Culture Festival in Dalate Banner in Erdos, Inner Mongolia Autonomous Region, on August 26.

## New SEZ

China's State Council, the cabinet, approved establishment of a state-level "new area," a type of special economic zone, in northwestern Gansu Province, the fifth of its kind in the country.

Lanzhou New Area (LNA), located in Qinqiangchuan Basin in the north of the provincial capital Lanzhou, will serve as an important industrial platform and growth engine to boost the economic development of China's northwest, said an official with the provincial government on August 29.

LNA is expected to focus on strategic adjustment of the economic structure and develop a circular economy and energy-saving industries with local characteristics, according to the official.

Covering an area of 806 square km with a population of 100,000, LNA has attracted 90

investment projects so far, with a total value of 70.7 billion yuan (\$11.13 billion), according to statistics released by its management committee.

Besides LNA, there are also Pudong New Area in Shanghai, Binhai New Area in Tianjin, Liangjiang New Area in Chongqing and Zhoushan Islands New Area in Zhejiang Province.

## Chery's Recall

China's largest domestic automobile manufacturer and exporter Chery Auto announced on August 29 that it would recall over 18,000 vehicles from markets in Brazil, Uruguay, Chile, Argentina and Singapore.

Company spokesman Jin Yibo said 18,875 vehicles, including Tiggo SUVs and A3 compact sedans, would be recalled from these markets as gaskets or exhaust systems

installed in these vehicles contained small amounts of asbestos, which violated regulations set in these countries.

The company performed inspections on all exported vehicles based on the regulations of different countries before announcing the recall, said Jin.

The inspection was carried out after Australian authorities found cancer-causing asbestos in the two models, forcing the company to recall 23,000 vehicles in Australia starting on August 15.

As small amounts of the substance are used in the engines, it will not threaten the health of drivers or passengers, but may do harm to maintenance personnel.

Jin said the company has established an operation standard for overseas after-sales service points to replace all related parts, based on local work safety protection regulations in Australia.

Chery Auto exported 159,000 vehicles last year, up 84.1 percent year on year, maintaining its status as a leading auto exporter in China.

## CNOOC's New Blocks

China National Offshore Oil Corp. (CNOOC), the country's largest oil and gas producer, said on August 28 it has opened 26 new offshore blocks for cooperation with foreign companies.

The blocks were the second batch made available by CNOOC for cooperation, with one block located in the Bohai Bay, three in the East China Sea, and another 22 in the South China Sea, according to a statement on CNOOC's website.

The 26 blocks cover a total area of 73,754 square km.

It also said that foreign companies may access data concerning the blocks after applying. Data will be available for viewing until November 30.

In June, CNOOC opened a total area of 160,124 square km as its first batch of offshore blocks in the South China Sea for



**FIGHTING DESERT** Visitors are shown the solar power station in Dalate Banner (County) of Erdos, north China's Inner Mongolia Autonomous Region, on August 26. China's dusty, vast and windswept Inner Mongolia has been battling the creeping desert for decades and clean energy is expected to hold back the sand and boost local economy

## Numbers

# 13.5%

Chinese enterprises administered by the State-owned Assets Supervision and Administration Commission of the State Council paid 1.8 trillion yuan (\$285.7 billion) in taxes and fees in the first seven months of the year, a year-on-year growth rate of 13.5 percent.

# 1.3 trillion yuan

The software industry garnered more than 1.3 trillion yuan (\$205 billion) in revenues in the first seven months, up 25.4 percent year on year, the Ministry of Industry and Information Technology (MIIT) announced.





#### NEW SCHOOLYEAR

A girl chooses a bag for the new schoolyear in Qingdao, Shandong Province on August 29. The arrival of the new schoolyear in September sees businesses targeting students

cooperation.

According to the semiannual report of CNOOC Ltd., the company is aiming to meet a production target of between 330 million and 340 million barrels of oil this year. Production in the first half totaled 160.9 million barrels, down 4.6 percent year on year.

## Funding Fosun Pharma

The International Finance Corp. (IFC), a member of the World Bank Group, has agreed to provide 300 million yuan (\$47 million) to Fosun Pharma to help the company expand its business, the IFC announced on August 29.

Fosun Pharma produces both generic and innovative medicines. It is also one of the largest suppliers of anti-malaria drugs to developing countries through international institutions like the World Health Organization and the International Red Cross. It has so far provided anti-malaria drugs to more than 300 million people in Africa and Southeast Asia.

The loan will provide long-term funding to Fosun Pharma's subsidiaries in China to help upgrade manufacturing facilities, including those located in less-developed regions, and further enhance product performance, ac-

cording to a statement from the IFC.

The loan is the IFC's second to the company. In 2006, it offered 320 million yuan (\$50.79 million) through the issuance of a local-currency bond, which helped Fosun Pharma expand its manufacturing and distribution businesses.

The IFC is the largest global development institution focused exclusively on the private sector. In the 2012 fiscal year, its investment reached an all-time high of more than \$20 billion, according to the statement.

## Sealing Deals

The China International Publishing Group (CIPG) sealed two cooperation deals on August 30 at the 19th Beijing International Book Fair running from August 28 to September 2.

CIPG's Foreign Languages Press (FLP) and Cengage Learning Group signed the memorandum of understanding on strategic cooperation. Their first joint project was the English version of *Speeches of Zhu Rongji*. Cengage Learning will put the book into its Gale catalog, making online reading easier.

## Boss Resigns

**He Xiangjian**, 70, Chairman of the Board and President of Midea Group, one of China's largest home appliance producers, announced on August 25 he is leaving the top position with the privately owned electronics giant.

He's resignation will be followed by a huge management restructuring, in which a group of younger managers will take leading positions in the corporation. However, He will continue to make contributions to Midea as its largest shareholder, the announcement said.

Midea's leadership transition provides the long-awaited answer to whether it would continue to remain a family firm or grow into a publicly listed enterprise.

It is believed that the leadership change of Midea not only ushers in a new era for the corporation, but also offers a successful example

for many other private enterprises in China. In the next 10 years, most Chinese private companies will face the challenge of leadership transition as their founders go into retirement.



In addition, FLP will work on the launch of the translation and international co-publishing project of the English edition of *Mao Zedong—A Biography* with Cambridge University Press and the Central Party Literature Press. The six-volume Chinese-language book is 2.05 million characters in length. FLP will translate it into English and publish it in the Chinese mainland, while Cambridge University Press will publish the English version internationally.

# 75.78 million

China added 75.78 million mobile phone users during the first seven months, including 55.34 million 3G subscribers, according to the MIIT.

# 79.72%

China COSCO Holding Co. Ltd. posted a loss of 4.87 billion yuan (\$768.14 million) in the first half, widening 79.72 percent year on year. Softening growth worldwide, faltering global trade and oversupply in the domestic shipping market were blamed.

# THIS WEEK WORLD



A student places flowers at a statue of U.S. astronaut Neil Armstrong at Purdue University in Indiana on August 25 in memory of the first man ever to set foot on the moon, who died that day at 82

## THE UNITED STATES

Australian Prime Minister Julia Gillard attends the opening ceremony of the Pacific Islands Forum in Avarua on August 29. The Cook Islands staged a colorful Polynesian welcome for participating leaders, who were carried aloft to the venue on litters

## COOK ISLANDS



Rescuers work at the Amuay refinery in Punto Fijo in western Venezuela on August 25. A gas explosion at the refinery caused a fire that raged for several days before being extinguished

## VENEZUELA







XINHUA/AFIP

German Chancellor Angela Merkel and visiting French President Francois Hollande at a press briefing in Berlin on August 23. The two leaders expressed hopes that Greece will stay in the euro zone, while urging Athens to implement reforms and budget-cutting measures

## GERMANY



XINHUA/AFIP



XINHUA/AFIP

A South Korean shop manager shows Samsung Electronics' Galaxy S mobile phone (right) and Apple's iPhone 3G at a shop in Seoul. Apple won more than \$1 billion in a U.S. court victory over Samsung on August 24, while a South Korean court ruled both sides infringed on each other's patents

## SOUTH KOREA



XINHUA



XINHUA/AFIP

Visitors watch Huan Huan, one of the two giant pandas that arrived in France earlier this year from China, at Beauval Zoo in Saint-Aignan, central France, on August 23

## FRANCE

# EGYPT'S DIPLOMATIC BALANCING ACT

Newly elected Egyptian President Mohamed Morsi seeks to reorient the country's diplomatic policy By Ding Ying



FIRST VISIT TO CHINA: Chinese President Hu Jintao welcomes visiting Egyptian President Mohamed Morsi in Beijing on August 28

**M**ohamed Morsi, newly elected Egyptian President, launched an extensive diplomatic campaign shortly after taking office in June. Following trips to Saudi Arabia and Ethiopia, he visited China in late August before flying to Iran. He is also scheduled to pay a visit to the United States in September. These overseas trips reflect the Morsi administration's diplomatic strategy, which is to realize Egypt's maximized interests by imple-

menting a balanced diplomatic policy.

## Continuing traditional ties

Morsi kicked off his trip to China on August 28, in the president's first trip outside Africa and the Middle East. Observers noted that Morsi's choice underscored the value Egypt places on its relationship with China, especially as it looks to promote an economic recovery. At the same time, building a strong relationship with Egypt will put China in a better position to get involved

in the peace process in the Middle East.

Morsi came to China with a host of political, economic and diplomatic tasks.

Politically, he hoped to follow Egypt's tradition of friendship with China. Egypt set up diplomatic relations with China in 1956, and was the first country in the Middle East and Africa to do so. In 1999, Egypt built a strategic cooperative relationship with China—another first in the region. When speaking with Chinese President Hu Jintao, Morsi said Egypt will maintain high-level exchanges with China and promote links between governments and political parties.

Another important reason Morsi came to China was his country's current economic troubles. Now that Egypt, a long-time leader in the Arab world, has risen out of last year's bloody social unrest, the most pressing challenge for Morsi and his government is to revive the country's stagnant economy.

"Everything is undone now in Egypt. But Morsi's top challenge is still the country's economic recovery," said He Wenping, a senior research fellow with the Chinese Academy of Social Sciences (CASS). She pointed out that Egypt's economy has slowed due to social instability in the past year. The country's tourism sector is far from reviving, and the unemployment rate is more than 20 percent.

He Wenping pointed out that the latest statistics showed that about 40 percent of Egyptian people are living below the poverty line. To keep prices under control, the Egyptian Government has adopted a subsidy policy, causing a huge budget deficit. "Egypt now needs international development assistance and foreign investment," she said. "Trade between China and Egypt hasn't been influenced very much by the turmoil in the Middle East, so Egypt hopes to enlarge its exports to China while attracting investment from China." Bilateral trade rose to \$8.8 bil-



lion last year, up nearly 30 percent year on year.

The visiting president also said Egypt hopes to expand its political cooperation with China as well as economic cooperation in areas such as manufacturing, agriculture, fishery, finance, electronics, communications and transportation infrastructure. Morsi was accompanied by a group of Egyptian business leaders on his trip to China, and the two countries signed a series of cooperation agreements.

Morsi invited Chinese companies to invest in Egypt and vowed to create a safe and stable environment for the enterprises. He called on the two countries to promote exchanges in civil aviation, tourism, education and technology. Egypt expects China to increase its total investment in Egypt from the current \$500 million to \$2 billion in three years.

Another target of Morsi's trip was to strengthen communication with China in terms of the regional situation. Qu Xing, President of the China Institute of International Studies (CIIS), said the turmoil in the past year has weakened Egypt's reigning influence in the Arab world. To inspire Egypt's all-around revival, Morsi must regain the country's decisive position on regional hotspot issues, such as the Syria issue. "Egypt can further communicate with China on Middle East developments, and it can also form a solid basis for expanded cooperation with China," said Qu, stressing China's opportunity to play a constructive role in the region.

While meeting President Hu, Morsi said Egypt appreciates and respects China's position on major international and regional issues. He said Egypt is ready to strengthen communication and coordination with China and cope with challenges through joint efforts. He also promised that Egypt will play a positive role in the development of Sino-Arab relations and Sino-African relations.

## Rebalancing foreign policy

Morsi's trip schedule revealed his new diplomatic strategy of conducting a pluralistic diplomacy based on the principle of balance. Chinese observers pointed out that the Morsi administration intends to keep a distance from the United States in order to relieve do-

mestic pressure. In addition, Morsi's Tehran visit showed Cairo's stance on conducting a normal diplomatic relationship with Iran, suggesting the two countries' relationship will not see a dramatic improvement.

He Wenping from the CASS said it is not rational to judge Morsi's diplomatic policy from only one trip, but she stressed that Egypt is certain to maintain a pluralistic diplomatic strategy rather than simply following U.S. commands.

Egypt doesn't want to be tied up with the West, particularly the Middle East wars launched by the United States. In the Hosni Mubarak era, Egypt had maintained an extremely close relationship with the United States, which was one of the points raising Egyptian people's objections. Morsi's new government wants to show that it is different from the Mubarak administration, so Egypt will no longer be Washington's attendant. Besides, He Wenping pointed out that Morsi hopes to see a pluralistic and balanced situation in the Middle East.

Wang Suolao, a professor with Peking University, stressed that the core of Morsi's diplomatic policy is that Egypt must make decisions based on its own interests instead of playing up to U.S. interests. Wang noted that Morsi must find a way to keep a distance between Egypt's diplomatic independence and U.S. aid. The United States provides at least \$2 billion in assistance to Egypt, about \$1.4 billion for military aid and the rest for economic help.

Wang said Morsi will not give up such a huge amount of assistance, because the country is facing economic difficulties. Moreover, if the country's military relationship with the United States doesn't go over well, Morsi will face pressure from the military circle.

Dong Manyuan, Vice President of the CIIS, pointed out that with or without the diplomatic policy adjustment, Egypt still has a strategic partnership with the United States, and the Egypt-U.S. relationship will continue to be important to Morsi. Considering its strategic alliance with Washington, Egypt will not go very far down the path of ameliorating its relationship with Tehran.

Dong explained that the current relief between Egypt and Iran does not entail a complete reversal of their previous relationship. They are still alert and cautious toward each other. In addition, the complicated geopolitical fight between the Sunni and Shiite

## President Hu Jintao's Proposals on Sino-Egyptian Ties

● **Political relations:** conducting closer exchanges between leaders, governments, parliaments and political parties, giving full play to various consultation mechanisms and supporting each other on major issues concerning each other's core interests

● **Economic and trade cooperation:** proceeding with construction on big projects such as a Suez trade cooperation area and enhancing cooperation in a variety of areas, including infrastructure construction, agriculture, transportation, energy and finance

● **Cultural and people-to-people exchanges:** promoting dialogues and exchanges between different civilizations and deepening cooperation in the culture, health, press, technology and tourism sectors

● **Multilateral cooperation:** supporting Egypt in playing a bigger role in international and regional affairs and maintaining close communication with it on hot issues

(Source: Xinhua News Agency)

branches of Islam is still ongoing—while most of Egypt's Muslims are Sunnis, Shiites make up the majority of the population in Iran. Although Morsi has a mild Islamic background, he is the leader of a secular country, which is averse to Iran's Islamic regime. "The amelioration between Egypt and Iran is very limited, and what Morsi showed is merely an attitude," Dong concluded.

Dong believed that the new president of Egypt will stick to the principle of balance when developing relations with influential powers, the Islamic world and major economies. Dong stressed that for China, the approach offers a precious opportunity to deepen its friendly cooperation with Arab countries. ■

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