# XI PREACHES REFORM P.16 | BIRTHING CENTRAL PLAINS ZONE P.34

# BEIJNG REVIEW

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Beijing and Moscow form a tight bond





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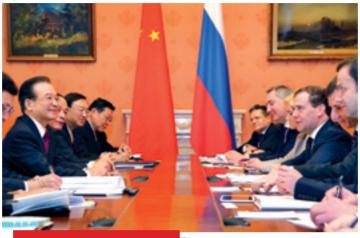
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Cover photo: Chinese Premier Wen Jiabao meets with his Russian counterpart Dmitry Medvedev in Moscow on December 6 (YAO DAWEI)

### **China and Russia Buddy Up**

As China continues on its inevitable rise, the East Asian giant is on the lookout for a sidekick. Fortunately, its powerful neighbor to the north appears ready to seize what may be a pivotal moment in the history of international relations.

Ties between China and Russia are arguably at their best in history. But unlike the honeymoon period following the establishment of diplomatic relations more than six decades ago, their relationship today is based on joint efforts to address each other's practical needs and concerns rather than shared ideological principles. As they boost cooperation across the board under the new paradigm, the two countries appear poised to help make the world fairer and more prosperous.

For China and Russia, 2012 has been a crucial year, during which both countries underwent political power transitions. Against this backdrop, exchanges at the top leadership level have been frequent. Following Russian President Vladimir Putin's visit to China in June and Chinese President Hu Jintao's trip to Russia for the annual APEC leaders' meeting three months later, Chinese Premier Wen Jiabao visited Russia in December. During the latest visit, the two neighbors entered into new agreements to meet their demands for further collaboration.

With bilateral trade hitting \$73.6 billion from January to October and on track to exceed a total of \$90 billion for the year, the goals set by the two countries to raise their trade volume to \$100 billion by 2015 and \$200 billion by 2020 now seem to be within reach. Moreover, the Year of Russian Tourism in China this year and the Year of Chinese Tourism to be held in Russia next year are designed to bolster mutual understanding between average Chinese and Russians and solicit their support for official ties.

The relationship between the two leading emerging economies is bound to transcend bilateral dimensions. China and Russia, both firm believers in multi-polarity and advocates of justice in global affairs, have worked and will continue to work in concert in multilateral forums such as the UN, the Group of 20, the BRICS group of emerging economies and the Shanghai Cooperation Organization in a bid to shape a more equitable international

The Sino-Russian partnership, however, has yet to reach its full potential. While Russia needs China's investment in the construction of infrastructure such as roads and bridges, China hopes Russia continues to assist the Chinese in pursuing cutting-edge technology. Moreover, China's involvement in Russia's plan to develop its vast Far East is likely to give impetus to Northeast Asian economic integration.

In contrast to their partnership initially formed decades ago, the new Sino-Russian relationship is open, inclusive and aimed at promoting regional and global peace and development. This new model will allow them to forge ahead in spite of seismic changes within the two countries and in the international arena.

#### **WRITE TO US**

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Please provide your name and address along with your submissions. Submissions may be edited.

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# Musings From A Nobel Laureate

Chinese writer Mo Yan (center), the 2012 Nobel Prize for Literature winner, discusses literature with others including Anna Gustafsson Chen (first left), Swedish translator of Mo's works, at a seminar in Stockholm, Sweden, on December 12.

Mo received his diploma at an official ceremony at the Stockholm Concert Hall on December 10. The value of each Nobel Prize this year was 8 million Swedish crowns (\$1.2 million). About 1,500 people attended the ceremony, including members of the Swedish royal family and local politicians.

Since 1901, the Nobel Prize has been presented to laureates on the date marking the anniversary of Alfred Nobel's death.

"I think translation is much harder than writing: It only took me 43 days to write *Life and Death Are Wearing Me Out*, while it took Swedish sinologist Anna Gustafsson Chen six years to translate the work."

Mo Yan, the 2012 Nobel Prize winner for literature, addressing a reception at the Chinese Embassy in Stockholm on December 7, during his tour to the Sweden capital to receive his prize

#### "One or two accidents should not make us give up efforts to strengthen PE education for students."

Sun Qilin, a professor at the PE commission of the Ministry of Education, in response to a 21year-old Chinese college student's sudden death in Shanghai on December 10 after warming up for a basketball class, the third sports related casualty in 22 days

#### "I don't believe that Chinese, with its thousands of years' history, will vanish simply because it has absorbed a few foreign words."

Xu Jiujiu, a linguist at the Institute of Linguistics at the Chinese Academy of Social Sciences, calling for open minds on the revision of *The Great Chinese Dictionary*, one of the most authoritative reference books in China, which will be updated over the next few years, on December 10

"Several provincial governments have started to put more emphasis on using environmental performance to evaluate officials. However, progress will depend on whether leaders at all levels can change their perception of growth."

Cao Rongxiang, an environmental researcher at the Central Compilation and Translation Bureau, saying that the government's perception of growth will determine the success or failure of promoting ecological progress

### THIS WEEK SOCIETY

#### **Human Rights Forum**

The Fifth Beijing Forum on Human Rights opened on December 12 with experts and officials calling for enhancement of efforts with science and technology and better environmental protection.

Themed Science and Technology, Environment and Human Rights, this year's forum had three sub-themes, namely Scientific and Technological Development and Human Rights, Era of Information and Human Rights and Environment and Human Rights.

Addressing the forum, Orest Nowosad, a UN official with the Office of the High Commissioner for Human Rights said, "The establishment of a sound and healthy environment is a precondition in enjoying a variety of human rights."

More than 100 experts and officials from around the world attended the two-day forum, which was first organized by the China Society for Human Rights Studies in Beijing in 2008.

#### Equal Rights

A new regulation will allow foreigners who have permanent residence in China to share the same rights and duties as Chinese nationals with the exception of political rights and duties, according to a December 11 statement from the Ministry of Human Resources and Social Security.

The regulation, jointly created by 25

#### **Criminal Pardoned by Court**

Liao Dan, 41, a Beijing local who forged medical bill payments for his sick wife, was sentenced to three years in jail with four years' reprieve, according to a court ruling on December 7. He was also required to pay a fine of 3,000 yuan (\$482).

Unable to afford his wife's uremia treatments, Liao forged a stamp and printed it onto medical bills to make it appear as though he had paid. By this means, he avoided paying a total of 172,000 yuan (\$27,301) from 2007 to 2012.

The incident aroused public sympathy online and the family has

- CO.

received donations amounting to about 500,000 yuan (\$79,365).

Liao said he was satisfied with the ruling because he can stay at home to look after his wife.



IN MEMORIAM People hold vigil to mark the Nanjing massacre in Nanjing, east China's Jiangsu Province, on December 12. A total of 3,000 candles were lit up to commemorate 300,000 Chinese killed by Japanese troops there from December 1937 to January 1938

ministerial-level departments, says that permanent foreign residents will be granted national treatment in terms of employment, investment, purchasing homes, gaining professional titles and obtaining an education for their children.

According to the regulation, children of foreigners who possess permanent residence cards will be able to enjoy compulsory education in their place of residence.

Permanent foreign residents will also be able to enjoy social insurance and purchase homes using publicly accumulated housing funds, the regulation says.

#### Hijackers' Sentence

A court in Xinjiang Uygur Autonomous Region on December 11 sentenced three men to death and another man to life imprisonment after finding them guilty of attempting to hijack an aircraft in June.

Musa Yvsup and Arxidikali Yimin, the leaders of the group who plotted the hijacking, and Eyumer Yimin, a major participant in the planning, were sentenced to death.

Alem Musa, who played a minor role in the plane hijacking and willingly pleaded guilty after arrest, received a life sentence.

On June 29, six people attempted to hijack Tianjin Airlines' flight GS7554 after it took off from Hotan Airport. The hijackers used modified metal crutches to disguise the explosives.

They were stopped by crew members and passengers while trying to detonate the devices. Two other hijackers, Ababaykeri Ybelayim and Mametali Yvsup, were injured in the ensuing fight and later died despite medical treatment.



HAND WORK Wei Taohua, an embroiderer of Shui ethnic group, picks horsetail hair in Sandu, southwest China's Guizhou Province, on December 12. Horsetail embroidery was listed in China's first group of intangible cultural heritages in 2006

#### **Self-Immolation Instigators**

Police in southwest China's Sichuan Province have detained a monk and his nephew for their roles in inciting a series of self-immolations, local police said on December 9.

Lorang Konchok, a 40-year-old monk at the Kirti Monastery in Aba County, Sichuan, has goaded eight people to set themselves on fire since 2009, three of whom died, said a police statement. He recruited Lorang Tsering, his 31-year-old nephew, to help with his instigation.

Lorang Konchok acted on the instructions of the Dalai Lama and his followers, according to his confession and police investigation.

The police started their investigation after a series of self-immolations took place in Aba in August. They detained Lorang Konchok on August 13 and Lorang Tsering on August 15.

#### **Trade Liaison Offices**

Two trade organizations, one from Taiwan and the other from the Chinese mainland, have been given approval to set up offices across the Taiwan Straits.

The Taipei World Trade Center, a leading trade group in Taiwan, was cleared to set up offices in Beijing and Shanghai, said Fan Liqing, spokeswoman for the State Council Taiwan Affairs Office, at a regular press conference on December 12.

The mainland-based China Chamber of Commerce for Import and Export of Machinery and Electronic Products was also approved to set up an office in Taipei, Fan said.

#### **Cultural Promotion**

China's Confucius institutes and Confucius classrooms registered about 655,000 students in 108 countries and regions this year, according to the organization's headquarters.

The Confucius institutes and Confucius classrooms, both named for the eponymous philosopher, are non-profit public institutions promoting Chinese language and culture in foreign countries.

Currently, 400 institutes and more than 500 classrooms have been established across the world, according to a statement by the organization on December 12.

Those facilities hosted a wide range of cultural exchange activities this year, attracting a total of 9.48 million participants to more than 16,000 events, said the statement.

#### **Birth Encouragement**

Family planning authorities in Shanghai are encouraging couples who are both a single child themselves to have a second baby.

Single-child couples are allowed to have an additional baby under China's family plan-



ning policy.

However, a survey showed such couples are only having on average 1.2 babies in the city, Huang Hong, Director of the Shanghai Municipal Population and Family Planning Commission, told a press conference on December 11.

Economic conditions, the family environment, work pressures and fertility conditions are among the main factors that affect parents' decision of whether to have an additional child or not, Huang said.

Like other cities in China, Shanghai's population is aging. According to the figures released at the conference, the city has a registered population of 14.21 million, and 24.5 percent of them are 60 or over. The percentage is expected to reach 30 percent by 2015.

#### **Skillful Workforce**

China's high-skilled workers reached 31.2 million at the end of 2011, 4.9 million more than at the end of 2009, according to official data released on December 8.

High-skilled workers accounted for 26.2 percent of China's 119 million skilled work-

force as of the end of 2011, up 1.5 percentage points from the end of 2009, said the Ministry of Human Resources and Social Securities.

High-skilled workers usually refer to those who grasp expertise or sophisticated skills in a certain area. China aims to expand its high-skilled workers to 34 million by 2015 and 39 million by 2020.

#### **Pollution Control**

The Ministry of Environmental Protection on December 7 issued a directory of polluting and anti-pollution products and behaviors in a bid to curb production, use and export of polluting goods and raise the public's environmental awareness.

The directory, updated annually, is aimed at strengthening enterprises' sense of environmental responsibility and optimizing the country's economic structure, according to a ministry statement.

It features 596 products with large pollution emissions and environmental risks, 68 polluting behaviors, 64 environment-friendly technologies and 28 pieces of environmental protection equipment.



JEWELRY FEST An exhibit at the Beijing 2012 China International Jewelry Fair on December 12-16. The annual event attracted 1,267 companies from 17 countries and regions in the world this year

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### THIS WEEK ECONOMY

#### **Industrial Rebound**

China's industrial production growth continued to accelerate in November, indicating that the nation's economy is rebounding after seeing its lowest expansion pace in more than three years.

China's value-added industrial output rose 10.1 percent year on year in November, picking up from 9.6 percent in October and 9.2 percent in September, said the National Bureau of Statistics (NBS) on December 9.

Industrial production data supported earlier indications that China's economy is picking up steam, thanks to the government's pro-growth measures and policy loosening.

To buoy the slowing economy, the government has rolled out an array of measures this year, including two cuts to benchmark interest rates, the easing of banks' reserve requirements and the approval of infrastructure projects worth more than 1 trillion yuan (\$161.3 billion).

China's economy expanded by 7.4 percent in the third quarter of the year, marking the slowest quarterly growth in more than three years.

#### Biggest Overseas Takeover

Chinese oil conglomerate China National Offshore Oil Corp. (CNOOC) Ltd. is preparing to move ahead with the country's biggest ever overseas acquisition.

On December 8, the Canadian Government approved CNOOC's \$15.1 billion bid to buy Calgary-based oil and gas producer Nexen Inc., paving the way for the final completion of the long-debated deal.

The takeover boosts CNOOC's international ambitions and diversifies its business but also contains political and financial risks, experts said.

CNOOC said acquiring Nexen's assets will strengthen its presence in Canada, Nigeria and the Gulf of Mexico and allow it to enter the oil- and gas-rich North Sea regions.

As China's largest offshore oil producer, CNOOC operates mainly outside China and has assets throughout the world, according to company information.

Nexen runs oil sands and shale gas projects in western Canada and conducts conventional explorations primarily in the British North Sea, offshore West Africa and the Gulf of Mexico.

#### **New Inflationary Pressure**

China's consumer price index (CPI), a main gauge of inflation in the country, grew 2 percent from a year earlier in November, up from 1.7 percent in October and 1.9 percent

in September, because of higher food prices. On a month-on-month basis, November's CPI rose 0.1 percent from the previous month, said the NBS on December 9.

The growth of consumer prices is expected to accelerate next year due to a widely anticipated economic rebound and globally loose liquidity conditions, experts say.

Consumer prices are likely to enter a new upward cycle next year, although the increases will be moderate, said Hu Chi, from the State-owned Assets Supervision and Administration Commission's research center.

Hu said the government should not relax controls over inflation because price growth will gain traction as the economy picks up.

Ample market liquidity resulting from easing measures both at home and abroad will also push prices up, according to Yi Xianrong, a finance researcher at the Chinese Academy of Social Sciences.

Liu Ligang, chief China economist with Australia and New Zealand Banking Group, forecast China's whole-year inflation to be around 2.7 percent in 2012, much lower than the government's target of 4 percent.

But the government needs to act cautiously in 2013 because infrastructure projects have been accelerating since May and might lead inflation to rise to a dangerous level in the second half of the year, Liu said.

#### Wealth Gap Climbs

China's wealth gap has now reached an alarming level, a survey showed.

The Gini coefficient was 0.61 in China in 2010, based on a survey of 8,438 households in the country by the Survey and Research Center for China Household Finance, a body created by the Finance Research Institute of the People's Bank of China and Southwestern University of Finance and Economics.

The Gini index ranges from 0, which represents perfect equality, to 1, which implies perfect inequality. Readings above 0.4 indicate the potential for social disturbances.

#### HAPPY HARVEST

Farmers gather vegetables in Guangyu Village of Mengshan County, Guangxi Zhuang Autonomous Region. The village provides an average of 15,000 kg of vegetables to Hong Kong each day



**Numbers** 

**8.5** %

China's predicted GDP growth in 2013, according to a report by the National Academy of Economic Strategy under the Chinese Academy of Social Sciences. 1.75 billion

The number of passengers that China's railways transported from January to November, according to the Ministry of Railways.



"The gap is wide in all regions and in both rural and urban areas," said Gan Li, chief researcher and a professor at the university.

"The reading is not dreadful as the wide rich-poor gap is common in a country's economic development, and we hope the government could spend more in improving people's social welfare," he said.

Gan suggested the government could take 3.8 trillion yuan (\$607.6 billion) from its coffers and from the profits of state-owned enterprises to narrow the wealth gap without imposing new taxes or cutting fiscal spending.

#### **Boosting Circular Economy** ¬

The State Council called for the development of a circular economy while mapping out future tasks for boosting the country's green growth on December 12.

Establishing a circular economy is a major strategic task for China's economic and social development, and an important means to promote ecological progress and achieve sustainable growth, the cabinet noted during an executive meeting presided over by Premier Wen Jiabao.

The State Council urged more efforts toward constructing a nationwide industrial

system that allows recycling of renewable resources and encourages green consumption.

In the industrial sector, China will promote the economical use of resources including energy, water and land, as well as waste exchange, according to a statement released after the meeting.

The country will also build a cyclic agricultural system that promotes resource conservation, clean production and waste reuse, in order to improve rural China's ecological environment and the efficiency of its farming.

It also vowed to carry out demonstration projects and improve policies and regulations in areas including taxation, finance, industry, investment and pricing.

#### **Closer Ties**

The two sides of the Taiwan Straits are in the final stages of reaching a service trade agreement, said the State Council Taiwan Affairs Office on December 12.

At a press conference in Beijing, Fan Liqing, spokesperson with the office said, "We have reached a common understanding in many aspects and will try our best to finish the negotiations by the end of this year."

Afterward, the mainland's Association for Relations Across the Taiwan Straits and Taiwan's Straits Exchange Foundation will decide on a timetable for signing the agreement. Fan said.

The deal is one of the follow-up agreements as part of the Economic Cooperation Framework Agreement, a wide-ranging cross-Straits economic pact signed in 2010.

#### Official Sacked



Li Yali, 52, head of the Public Security Bureau of Taiyuan, Shanxi Province, and deputy head of Shanxi Provincial Public Security Department, was removed from both positions and subjected to

a disciplinary investigation on December 6.

The decision came after authorities reviewed a whistle-blowing report on how Li used his power to cover up a disturbance involving his son Li Zhengyuan.

A widely circulated online video showed that the younger Li attacked traffic police officer Xia Kun when he was caught running a red light in a sport utility vehicle on October 28. He was stopped by three police officers who arrived at the scene later. Police took blood-alcohol tests and found that he was driving drunk. However, he went home, instead of being detained. Xia claimed that he was forced to keep silent afterward, and his mother received threatening text messages.

The removal of Li Yali from his posts follows a series of recent cases in which a number of highlevel officials were investigated and dismissed for corruption.

21.9 %

The year-on-year growth rate of China's fiscal revenue in November, higher than the 13.7-percent rate recorded in October, said the Ministry of Finance.

522.9 billion yuan

The total amount in new loans issued to individuals and businesses in November, according to the People's Bank of China.

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## **THIS WEEK WORLD**



Technicians monitor the launch of the second version of the Kwangmyongsong-3 satellite on December 12. North Korea said the satellite was successfully sent into orbit by carrier rocket Unha-3 after a failed attempt in April

#### **NORTH KOREA**

#### **JAPAN**



Japanese macaques, commonly known as "snow monkeys," take an open-air hot spring bath at the Jigokudani Monkey Park in Yamanouchi, Nagano Prefecture, on December 10. About 160 of the monkeys inhabit the area

#### **THE PHILIPPINES**

Children who were among the victims of Typhoon *Bopha* beg for alms in Osmena, Compostela Valley Province, on December 9, five days after the devastating storm hit the southern Philippines





Supporters of the ruling National Democratic Congress celebrate the reelection of incumbent President John Dramani Mahama in the capital city Accra on December 9

#### **GHANA**



Venezuela's President Hugo Chavez (right) hugs former Vice President Elias Jaua in Caracas on December 10, before departing for Cuba to undergo another cancer surgery.

The 58-year-old president has been fighting pelvic cancer since 2011



Mick Jagger of the Rolling Stones performs at the Barclays Center in New York City on December 8 in celebration of the band's 50th anniversary

#### **VENEZUELA**

#### **THE UNITED STATES**

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**COVER STORY** 

# AT HISTORIC BEST

China and Russia are on a stable track to advancing their long-term strategic cooperative goals By Ding Ying





TIGHT BOND: Visiting Chinese Premier Wen Jiabao meets with Russian President Vladimir Putin in Sochi on December 6

he next 10 years of relations between China and Russia were hinted at with Vladimir Putin's reelection as the Russian president and the debut of a new generation of leadership of China's ruling Party. Both sides anticipate a continuation of the steady development of their relationship characteristic of the past decade.

Chinese international affairs analysts noted that the two neighbors have established a solid legal basis for regular cooperation. Their partnership will benefit the region and the world as well as further their own strategic interests.

#### Long-term partnership

Relations between China and Russia have developed steadily in recent years. Both sides are satisfied with the state of their strategic cooperative partnership, believing their relationship is at its best in history. Putin commented that they are setting an example for a new-type bond between great powers.

Wang Lijiu, a researcher with the China Institutes of Contemporary International Relations (CICIR), affirmed that the two neighbors have jointly set up various dialogue mechanisms since the 1990s, which serve as cornerstones of the China-Russia partnership.

"The bilateral relationship has shown a tendency of steady development in the past 10 years. This tendency will continue in the coming 10 years," he told *Beijing Review*.

From December 5 to 6, Chinese Premier Wen Jiabao visited Russia and met with Putin, who was sworn in for a six-year term in May, and Russian Prime Minister Dmitry Medvedev.

Wen's visit served as a link between the past and the future, said Wang Lijiu.

During the visit, the two countries signed the joint communiqué of the 17th regular meeting between Chinese and Russian prime ministers as well as a number of bilateral cooperative documents.

China and Russia also reached consensus on further boosting bilateral pragmatic cooperation during a conference co-chaired by Chinese Vice Premier Wang Qishan and

Russian Deputy Prime Minister Dmitry Rogozin on December 5. The two sides signed a series of cooperative documents worth \$4.9 billion.

Chinese Foreign Minister Yang Jiechi described Wen's visit as a successful trip for consolidating friendship and deepening cooperation with neighboring countries. He pointed out that China-Russia relations have entered a new stage wherein both countries regard each other in terms of new development opportunities and a priority for close cooperation, which is essential for the two countries' development and revitalization as well as world peace and stability.

Wang Lijiu pointed out that the regular meeting between Chinese and Russian heads of government is one of the mechanisms between the two countries that have been established based on high mutual trust during the past 20 years.

Wen's meeting with Medvedev was the first such occurrence between the premiers of the two countries after the 18th National Congress of the Communist Party of China. Wen, who has been China's premier since 2003, is expected to hand over his post to Vice Premier Li Keqiang early next year.

"Now both countries are at a special period of power shift. We are convinced that the future development of bilateral relations will remain healthy and steady, because the China-Russia bond is guaranteed by reliable mechanisms of regular meetings, exchanges and cooperation in various fields," Wang Lijiu said.

He stressed that these regular meeting mechanisms, ranging from the state-leader level to the ministerial level, allow China to interact with Russia to an extent rarely seen. China is the only country outside the Commonwealth of Independent States with which Russia has established complete meeting mechanisms.

"These mechanisms have played a significant role in deepening bilateral relations, and helped enrich the relationship with pragmatic substance," said Wang Lijiu. One sign of their success is the China-Russia crude oil pipeline that has been put into operation. Following

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#### **Premier Wen Jiabao's Proposals on Boosting China-Russia Relations**

Chinese Premier Wen Jiabao put forward seven proposals on further advancing cooperation with Russia at the 17th regular China-Russia premiers' meeting in Moscow on December 6:

- Expanding two-way trade between the two nations so as to reach the 2015 target volume of \$100 billion ahead of schedule
- Advancing all-round cooperation on energy to safeguard energy security in the two countries and promote sustainable development
- Expanding cooperation in such key areas as investment, deep processing, advanced technology and innovation and promoting cooperation on major strategic projects featuring joint research and development and joint production in the areas of aeronautics and astronautics
- Taking full advantage of regular meetings of local leaders so as to boost regional cooperation between the two countries
- Giving free play to market mechanisms and lending support and convenience to

enterprises on policy and management levels

- Further expanding cultural exchanges and, in particular, holding a successful Year of Chinese Tourism in Russia and implementing the 10-year program on future cultural cooperation
- Actively participating in global economic governance so as to facilitate reforms of international economic and financial systems

(Source: Xinhua News Agency)

rounds of vice premier-level energy negotiations, the oil pipeline is transporting 15 million tons of oil from Russia to China every year. Moreover, the two sides are carrying out discussions to implement coal, electric power, nuclear power and natural gas cooperation projects. They have also carried out joint research on manufacturing long-range wide-body passenger planes and heavy helicopters.

Compared with political cooperation, economic cooperation between the two sides seemingly lagged behind. "The economy has its own set of rules that cannot be changed simply by government orders," Wang Lijiu stressed. "But governments can create a good environment for boosting bilateral economic cooperation."

Trade is becoming an increasingly important link between the two neighbors. The trade volume between China and Russia has increased 12 times over the past two decades, reaching \$80

billion last year. It is expected to hit a new record of \$90 billion this year. China is now Russia's top trade partner, while Russia is among China's fastest growing major trade partners.

The two sides have also made great progress in financial cooperation. The Chinese yuan and the Russian ruble have become tradable and business people from both sides can now use their own currencies in trade activities.

China and Russia are enjoying the benefits from their burgeoning economic cooperation, which adds momentum to their close political partnership. In particular, they need to work together to fight against the international financial crisis and establish a new world order, Wang Lijiu said.

Liu Guiling, another researcher with the CICIR, summarized the past 20 years as the steady development of relations between China and Russia. They are becoming the

best example of cooperation between two big powers, said Liu.

China and Russia closely coordinated with each other within multilateral frameworks such as the Group of 20, APEC, the Shanghai Cooperation Organization and the BRICS group of emerging economies.

Wu Enyuan, Director of the Institute of Russian, East European and Central Asian Studies at the Chinese Academy of Social Sciences (CASS), stressed that strengthening cooperation between China and Russia is conducive to international and regional peace and stability while helping balance the international order.

#### **Common strategic demands**

China and Russia have made their decisions in the face of a complex global environment and rising security pressures in the Asia-Pacific region, choosing to be friends rather than foes.

During Wen's recent meeting with Medvedev, the two leaders not only reviewed their achievements and experiences in bilateral cooperation, but also exchanged views on further expanding cooperation in politics, economy, trade, energy, science, technology, culture, as well as major international and regional affairs.

Both sides agreed that the China-Russia relationship is at a high point. During Putin's visit to China shortly after his inauguration this year, the two countries further specified principles, directions and priorities for their future ties.

CULTURAL EXCHANGES: A Chinese teacher instructs a Russian student in practicing traditional Chinese calligraphy at the China Culture Center in Moscow on December 5





A BRIDGE LINKING NEIGHBORS: A Russian container truck drives over the icy surface of a 614-meter-long and 13-meter-wide frozen river passageway connecting Russia's Blagoveshchensk and China's Heihe on December 11

Putin has made a clear strategic judgment regarding Russia's powerfully growing neighbor: China's economic growth does not represent a threat to Russia; China doesn't harbor ambitions to dominate the world stage; and all meaningful political problems in the China-Russia relationship have been properly resolved.

During his meeting with the visiting Chinese premier in Sochi on December 6, Putin said the partnership between the two countries has effectively boosted their socioeconomic development and helped address issues concerning world stability.

Putin added that Russia is happy to see China's great achievements over the past decade in maintaining economic growth, boosting social harmony, pursuing an independent foreign policy of peace and achieving ever-increasing international prestige.

Xing Guangcheng, an expert in Russian studies with the CASS, said China shares the desire to deepen bilateral relations with Russia. The 18th National Congress of the Communist Party of China confirmed that China will stick to its principles of promoting friendship and partnership with its neighbors and working to benefit neighboring countries with its healthy development, Xing said.

Wang Lijiu said that the two sides have common strategic demands for boosting their bilateral relationship.

China and Russia are currently at an economic turning point, in which they need to find development paths fitting their respective national conditions. They have consistently encouraged and supported each other's exploration and sought to learn from one another, stressed Wang Lijiu.

The two countries have common security challenges, the researcher added. They need to work together to fight against terrorism, extremism and separatism in the region. "They have the common obligation and responsibility for regional and world peace," he said.

Furthermore, they are under heavy pressure from the United States and its ally Japan in the Asia-Pacific region. Washington is carrying out a very aggressive foreign policy presumably aimed at containing rising powers like China and Russia. Wang Lijiu added that the two neighbors will have the shared task of dealing with strategic security pressures. "Neither of them can do this alone; they must support each other, which is another reason to deepen their relationship," he said.

"Russian leaders believe a strong and prosperous China benefits Russia and the world. Chinese leaders also stress a powerful Russia is in favor of China and the world," Wang Lijiu said. He added that as long as the two neighbors stick to the principle of comprehensive cooperation, their future ties will be even stronger.

Liu pointed out that the coming 10 years will be important for developing both sides' national strength. As two emerging markets in the region, they must welcome the opportunities inherent in one another's rise. They need to support each other on important issues concerning their common interests, while coordinating on world events, Liu added.

"Boosting strategic cooperation in political, security, economic and cultural areas is not only a common demand of China and Russia, but will also help maintain a peaceful and stable regional and international situation, which will provide a good external environment for development," said Liu.

The two countries have set the goal of expanding bilateral trade to \$100 billion by 2015 and \$200 billion by 2020. Energy cooperation will remain the major part of bilateral economic partnership. According to a newly reached agreement, China and Russia will further assist each other at local levels, especially between Russia's Far East and China's northeast areas.

Qu Xing, President of the Chinese Institute of International Studies, said there is still space for China and Russia to promote their cooperation in energy. For example, they should increase investment to each other in areas where they have advantages. Russia plans to make its Far East region a center of influence in the Asia-Pacific region. The region has vast lands but insufficient labor. Qu suggested promoting bilateral cooperation in agriculture, transportation, infrastructure construction and labor supply, so as to hasten the development of the two countries' border areas.

Wu, from the CASS, added that Russia needs to perfect its investment environment in the Far East region to attract more Chinese capital. Moreover, the two countries have large cooperation potential in hi-tech fields like aviation, space and military technologies as well as service industries.

Although the two sides have established high political mutual trust, they must pay attention to new problems emerging from their development, warned Wang Lijiu. For example, China has been strengthening relationships with Central Asian countries as part of its efforts to boost the development of west China.

"Historically, the Central Asian region is Russia's zone of influence. Growing Chinese influence in the area might be regarded as a challenge to the Russian side," said Wang Lijiu. China, however, needs to promote its relations with some countries in the Commonwealth of Independent States for its own interests. "The two sides should have the patience and wisdom to find a comfortable pattern for their coexistence," he said.

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