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COVER PHOTO: Xi Jinping, General Secretary of the CPC Central Committee, at his media debut after election on November 15 (WU ZHIYI)

### **Entrusted With a Mission**

The 18th National Congress of the Communist Party of China (CPC), held from November 8 to 14, has drawn worldwide attention for a host of reasons: The CPC is the world's largest political party, boasting more than 80 million members; it has been the ruling party in China for 63 consecutive years, one of the longest in office; and under its leadership, China has made extraordinary progress, especially since the late 1970s. More importantly, the congress and its first plenary session have elected a new top echelon of leaders—a seven-member standing committee of the Political Bureau of the CPC Central Committee, which will lead China in the following decade.

The 18th CPC National Congress was held at a time when China is faced with fast-changing and increasingly complex domestic and international issues. While the country has been able to maintain a rapid and prosperous development during the past 30 years or so, it has run up against a series of daunting challenges in the course of its economic and social transition, such as a widening individual income gap, deteriorating environmental conditions, rampant corruption, as well as security threats from outside. With all these and other problems posing as roadblocks to the nation's future development, the ruling Party needs more than ever to come up with an entirely new set of effective strategies to cope with each and every one of them.

In this respect, the just concluded CPC congress is rightly hailed as a very important and successful event for the Party and the nation it leads. Notably, it has unanimously decided to deepen the nation's reforms by setting a number of grand goals in a wide spectrum of areas. These include transforming China's economic growth model, doubling people's income, pursuing ecological development, launching political reforms, and building up the nation's cultural power. Given the major role that China now plays in the world economic and political arenas as a developing giant, many of those strategies adopted at the congress may bear profound and long-lasting global significance.

Meeting the press at the close of the First Plenary Session of the 18th CPC Central Committee, Xi Jinping, the new Party General Secretary, highlighted the responsibilities of the newly formed CPC leadership and put forth priorities to fulfill the goals mapped out at the congress. His frank and to-the-point remarks were well received, and viewed by some as a preview of his mission. To live up to the earnest expectations of the whole Party and the Chinese people, Xi and his colleagues now must be determined and perseverant while bringing their courage, wisdom and vision into full play.

It is highly anticipated that through collective and concerted efforts, this new and younger generation of top CPC leadership will carry forward the lofty mission entrusted with them of bringing a brighter future to China and to the world. ■

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### 18TH CPC CONGRESS 🕰



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# A STRONG MANDATE

The CPC is poised to usher in a new era of China's growth with leaders newly positioned at the helm By Yan Wei & Zan Jifang



hinese Vice President Xi Jinping made his debut as the new leader of the ruling Communist Party of China (CPC) on November 15 with a strong mandate to continue the country's economic miracle, improve the lives of the 1.3 billion Chinese people and to tackle problems ranging from a growing income gap to corruption.

Appearing before a press conference at the Great Hall of the People in Beijing together with six other newly elected leading members of the Party, the 59-year-old CPC General Secretary told reporters with great confidence, "We are greatly encouraged by both the trust all the comrades of the Party have placed in us and the great expectations the people of all ethnic groups in China have of us, and we are keenly aware that this is also an important responsibility for us."

"Our people have an ardent love for life. They wish to have better education, more stable jobs, more income, greater social security, better medical services and healthcare, improved housing conditions, and a better environment. They want their children to have sound growth, have good jobs and lead a more enjoyable life," he added.

"To meet their desire for a happy life is our mission," Xi stressed.

The seven officials, all members of the Standing Committee of the CPC's Political Bureau, compose the top leadership of China's ruling party. Xi was also named chairman of the CPC Central Military Commission.

At the National People's Congress to be held next spring, some of them will be elected or appointed to high-ranking government posts with five-year terms, formally taking the reins of the world's second largest economy.

While Xi is expected to assume the presidency to succeed Hu Jintao, 57-year-old Vice Premier Li Keqiang, who is second in rank among the top seven, is widely assumed to replace Wen Jiabao as premier.

With extensive experience at the grassroots level, Xi "understands the feelings of ordinary people and is closely in touch with them," said Shi Yongming, an associate research fellow with the China Institute of International Studies. Also, he is good at handling international relations and capable of coping with complicated situations, Shi added.

Xi started his career as Party secretary of a village before rising steadily through the ranks. As China's vice president since 2008, he has assisted President Hu Jintao in state affairs including foreign relations. His widely watched trip to the United States in February helped bolster mutual understanding between China and the United States. He also showed a people-friendly image as he returned to an Iowa town that he visited 27 years ago as a local official from north China's Hebei Province.

Of the seven new senior officials, only Yu Zhengsheng, former Party Secretary of Shanghai, majored in technology at college. The other six majored in social sciences such as economics, political science and history. In the previous Political Bureau Standing Committee, only Xi and Li were students of liberal arts. The other seven held degrees in areas such as hydraulic engineering, geology and geophysics.

"The new leaders are full of vigor," said Shen Beili, a delegate to the 18th CPC National Congress from the International Department of the CPC Central Committee.

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"They will build on the achievements of their predecessors to scale new heights."

Shen said she pins great hopes on these leaders. "Under complicated and changing international and domestic circumstances, they will undertake arduous tasks as they lead Chinese people in building a moderately prosperous society. But I'm confident they will accomplish a lot," she added.

The leaders were elected by members of

the 18th CPC Central Committee at its first plenary session, held the day after the conclusion of the 18th CPC National Congress on November 14. At the congress, more than 2,300 delegates approved a report by Hu Jintao, General Secretary of the 17th CPC Central Committee, charting the course for China's development in the years ahead. They also cast votes to elect the 205-member 18th CPC Central Committee.

Convened at a time when the world's economic future is tied to China's growth, the 18th CPC National Congress was not only a landmark event for China but also had global implications. Most importantly, the congress showed the CPC's commitment to delivering prosperity and equity to all Chinese people. As it pushes for more balanced development with new leaders in place, China will continue to serve as a global economic powerhouse as well as a staunch guardian for international justice.

Mindful of the opportunities and challenges lying ahead, the new leaders will put the policies agreed upon at the 18th CPC National Congress into practice, observers said.

"The congress is significant," said Philip Ogunmade, a journalist with *THISDAY*, the largest newspaper in Nigeria. "China is growing so much. Its development is a miracle. And it took up the opening-up [policy]. Like before, the opening up will continue under the new leadership."

#### **Better lives**

Wan Yu, a delegate from northeast China's Jilin Province, said she was excited and heartened after hearing the report delivered by Hu Jintao. Wan, principal of a school for orphans in the provincial capital Changchun, told *Beijing Review* she was glad that the report gave priority to improving people's livelihoods and enabling them to benefit substantially from China's development. In her view, these messages are a blessing to orphans, a vulnerable and often marginalized group.

"Grand goals such as a moderately prosperous society and social harmony come down to raising people's living standards,"

said Xie Chuntao, a professor with the Party School of the CPC Central Committee. Hu Jintao's report to the 18th CPC National Congress called for further improvements in crucial social services such as education, social security and healthcare.

With the bar having been raised, pressures on the new leadership are daunting, said Kerry Brown, Executive Director of the China Studies Center of the University of

Sydney. "There are great challenges of social cohesion, inequality and balance in the hardware and software of society," Brown said. "For the new leadership, these challenges will only grow in complexity as China becomes a middle-income country."

The report also set the goal of doubling China's 2010 GDP and the per-capita income of urban and rural residents by 2020. It was the first time for the CPC to include per-capita income in China's 2020 blueprint for a moderately prosperous society. Previous targets merely called for GDP growth.

The per-capita disposable income of urban residents in China rose 8.4 percent to 21,810 yuan (\$3,498) in 2011 from a year earlier after deducting inflation, according to the National Bureau of Statistics. Meanwhile, the per-capita net income of rural residents grew 11.4 percent year on year to 6,977 yuan (\$1,119).

Despite the global economic slowdown, the CPC has promised to make this goal a reality—a pledge that highlights its devotion to the well-being of Chinese people, Xie said.

Fewer than 2 billion people worldwide

currently enjoy the standard of living as envisioned in a moderately prosperous society, said Hu Angang, a renowned economist with Tsinghua University and a delegate to the 18th CPC National Congress. When the goal is realized, 1.3 billion Chinese will join this group of affluent people, marking an unprecedented improvement in the well-being of mankind, he said.

"My core argument is that China's success is a success for the world and China's failure is a failure for the world," he said, adding that China will not fail.

In a report published in early November, the Paris-based Organization for Economic Cooperation and Development said China will overtake the United States by 2016 to become the world's largest economy.

The International Monetary Fund also predicted in April that China's economy will be bigger than that of the United States by 2016 in terms of purchasing power parity.

#### **Paradigm shift**

While placing emphasis on economic growth,

the CPC will spearhead a change in China's development model. The outdated model under which China pursued GDP growth at the cost of resource depletion, environmental degradation and a widening income gap will give way to a new model defined by the Scientific Outlook on Development. The political theory, which was written into the CPC Constitution as one of the Party's guiding principles during the 18th CPC National Congress, advocates comprehensive, balanced and sustainable development and a peoplefirst approach.

Hu Jintao gave greater prominence to environmental protection by incorporating ecological progress into the country's overall development plan together with economic, political, cultural and social progress. He coined the catchphrase, "Beautiful China," in his report to the 18th CPC National Congress.

Bridging the wealth divide will surely top the Chinese Government's agenda. Ogunmade, the Nigerian journalist who was in China to cover the CPC congress, said he was amazed by the transformation of Shenzhen in south China's Guangdong



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Province from a fishing village to a modern metropolis in less than three decades after a visit there. But he expected China to grow more evenly.

"It should not be only in Guangdong or Beijing; I think all provinces should be developed as well. We believe that the new leadership will take this move further, so that when we come here five years from now, other provinces [will] have grown like Guangdong," Ogunmade said.

As it rebalances its economy, China will deepen reforms politically to promote social harmony. Hu Jintao vowed in his report to support the exercise of state power by the people through people's congresses, improve the system of consultative democracy, expand community-level democracy and deepen the reform of the administrative system.

Under the leadership of the CPC, China has advanced political reforms in an incremental way over the past years, Xie said. For instance, the National People's Congress adopted an amendment to the Electoral Law in March 2010 granting equal representation in legislative bodies to rural and urban residents.

Apart from elections, China emphasizes democratic consultation: The ruling CPC regularly consults other political parties, and villagers now also have opportunities to freely air opinions on village affairs to forge consensus, Xie said.

Administrative reforms, designed to get rid of approval procedures that have become obsolete in the market economy, will help prevent abuse of power and corruption, Xie added.

#### **Global vision**

While vowing to pursue sustainable development and strengthen CPC self-discipline, Hu Jintao set China's diplomatic priorities in his report to the 18th CPC National Congress.

The report shed light on some emerging trends on the world stage, said Chen Dongxiao, Vice President of the Shanghai Institutes for International Studies.

For instance, it underlined the importance of cultural diversity in response to the misconception that the U.S. model would dominate the world, a view expounded by many Western scholars since the end of the Cold War. It recognized the emergence of an information society given the impact of new media on information dissemination and international relations.

Against this backdrop, China will continue to cement bonds with other major powers, neighbors and fellow developing countries, the report said. In particular, it will support ef-

forts to increase the representation and voice of developing countries in international affairs, while taking an active and responsible role in global issues.

"We will decide our position and policy on an issue on its own merits and work to uphold fairness and justice," the report said. In keeping with this principle, China contributes to the resolution of international hotspot issues such as the ongoing Syrian crisis with an impartial stance. Chen said.

Shi of the China Institute of International Studies shared Chen's opinion. He said parties concerned are prone to taking biased views and radical actions when dealing with hotly contested international issues, such as the Syrian crisis and the Korean Peninsula nuclear issue. China therefore plays an indispensable role in ensuring fairness, preventing the escalation of conflicts and maintaining peace.

China will not abandon the principle of non-interference in other countries' domestic affairs, Shi said. However, it will share its views and experience with other countries during bilateral exchanges.

"Peaceful development" has been a buzzword in China's diplomacy in the past decade. Proposed at the beginning of Hu's first tenure as general secretary of the CPC Central Committee, the notion aims to address fears about the "China threat." said Xie.

These fears are unjustified primarily because China has achieved an economic

takeoff by participating in global competition in accordance with the rules of the World Trade Organization, he said. In light of its per-capita GDP, China needs to focus on its own development and is therefore unable to threaten other countries. Moreover, traditional Chinese culture highly prizes harmony and peace.

China's peaceful development, however, hinges on the external environment. Peaceful development is possible on condition that China's core interests are protected, Chen said.

"We are firm in our resolve to uphold China's sovereignty, security and development interests and will never yield to any outside pressure," Hu said in his report.

In this sense, China's military buildup and strong measures to protect territorial integrity are not contradictory to its goal of peaceful development, Chen said.

Nevertheless, long-held tenets such as "peaceful development," "an independent foreign policy of peace" and "a win-win strategy of opening up" will remain guidelines for China's diplomacy, Chen said.

At the press conference following his election, Xi also took an open, inclusive stance. "Just as China needs to learn more about the world, so does the world need to learn more about China," he said.

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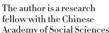


THE WORLD'S ATTENTION: Journalists at the press event debuting the CPC's new top leaders

8 **BEIJING REVIEW** NOVEMBER 22, 2012

### **New Guidelines**

The CPC makes major changes to its Constitution while preserving core theories and values By Zhao Zhikui





batch of amendments to the Constitution of the Communist Party of China (CPC) were deliberated and adopted at the 18th CPC National Congress, which concluded in Beijing on November 14. Constitutional amendments formed a major part of the agenda for the congress.

Unlike the Constitution of the People's Republic of China, the highest law of the nation, the CPC Constitution is a charter that guides Party organization and development.

#### Major changes

One of the major amendments is to establish the Scientific Outlook on Development as a guiding theory of the Party.

The Scientific Outlook on Development was first written into the Party Constitution during the 17th CPC National Congress in 2007, yet it had not been elevated into a guiding theory.

The new guidance puts people first, calls for comprehensive, balanced and sustainable development and serves as a long-term guiding principle the Party must adhere to.

"The congress unanimously agreed that along with Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory and the important thought of Three Represents, the Scientific Outlook on Development should be made a part of the Party's guide for action in the Party Constitution," a resolution of the 18th CPC National Congress said.

The amended Party Constitution has clari-

fied the system, path and theories of socialism with Chinese characteristics. "The path of socialism with Chinese characteristics is the way to reach the goal, the system of theories of socialism with Chinese characteristics offers a guide to action, and the socialist system with Chinese characteristics provides the fundamental guarantee. The three function as an integral whole in the great practice of building socialism with Chinese characteristics," it says.

Greater strategic importance has been attached to ecological progress in the amended Party Constitution. It states that the overall approach of the Party is to "promote economic, political, cultural social and ecological progress." Previously, promoting ecological progress was not listed as an overall approach. This marks a historic progress in the Party's governance philosophy.

The amended Party Constitution has put forth new requirements on Party building. It states that all Party members must focus on strengthening the Party's governance capacity, advanced nature and purity.

According to the amended Constitution, an important mission of the CPC is to rally and lead the people in completing the building of a moderately prosperous society in all respects, in advancing socialist modernization and in achieving the great renewal of the Chinese nation. Facing the new developments, the progress in the cause and the expectation of the people, the Party should comprehensively carry out the great new undertaking of Party building in an innovative reform-driven manner.

#### **Keeping up with times**

The CPC's Constitution outlines the Party's core theories, policies and views, as well as its organization system and institutional mechanisms. It provides overarching guidance to the

Party's work and Party building. Overall, the Party Constitution remains stable, and changes have been made only when necessary and with Party consensus.

The current Party Constitution was first adopted at the 12th CPC National Congress in September 1982. It has been revised at several subsequent congresses to adapt to new trends and tasks.

The theory of building socialism with Chinese characteristics was enshrined in the Constitution at the 14th CPC National Congress in 1992, Deng Xiaoping Theory was added as a guiding theory for the CPC to stand next to Marxism-Leninism and Mao Zedong Thought at the 15th CPC National Congress in 1997, and the important theory of Three Represents was written in at the 16th CPC National Congress in November 2002.

The CPC adheres to intra-Party democracy and values Party members' collective wisdom in revising the Constitution.

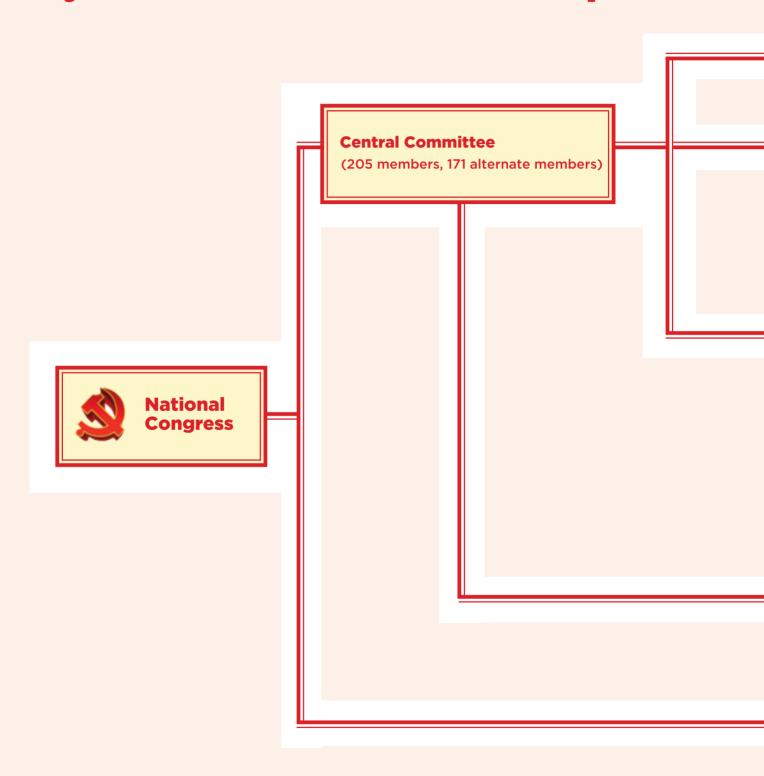
The 17th CPC Central Committee solicited suggestions on the agenda for the 18th CPC National Congress in January. Many localities and departments had proposed amending the Party Constitution, making it reflect new developments in the Party's theoretical innovation and practice, promote the CPC's work and strengthen its construction.

On September 4, the draft constitutional amendments were distributed to some Party members. Feedback from 4,015 members was incorporated into the draft, which was then unanimously agreed upon at the Seventh Plenary Session of the 17th CPC Central Committee that closed on November 4. The draft amendments were submitted to the 18th CPC National Congress for deliberation, where deputies also advanced many pieces of constructive advice.

yaobin@bjreview.com



### **Organization Chart of CPC Central Leadership**







#### **Xi Jinping**

#### **Standing Committee of the Political Bureau**















Xi Jinping

Li Kegiang

Zhang Dejiang Yu Zhengsheng Liu Yunshan Wang Qishan Zhang Gaoli

#### **Political Bureau**



Xi Jinping, Ma Kai, Wang Qishan, Wang Huning, Liu Yunshan, Liu Yandong (female), Liu Qibao, Xu Qiliang, Sun Chunlan (female), Sun Zhengcai, Li Kegiang, Li Jianguo, Li Yuanchao, Wang Yang, Zhang Chunxian, Zhang Gaoli, Zhang Dejiang, Fan Changlong, Meng Jianzhu, Zhao Leji, Hu Chunhua, Yu Zhengsheng, Li Zhanshu, Guo Jinlong and Han Zheng

#### Secretariat



Liu Yunshan, Liu Qibao, Zhao Leji, Li Zhanshu, Du Qinglin, Zhao Hongzhu and Yang Jing (ethnic Mongolian)

#### **Central Military Commission**



Chairman: Xi Jinping
Vice Chairmen: Fan Changlong, Xu Qiliang

Members: Chang Wanguan, Fang Fenghui, Zhang Yang, Zhao Keshi, Zhang Youxia, Wu Shengli, Ma Xiaotian and Wei Fenghe

#### **Central Commission for Discipline Inspection** (130 members)



**Wang Qishan** 

Deputy Secretaries: Zhao Hongzhu, Huang Shuxian, Li Yufu, Du Jincai, Wu Yuliang, Zhang Jun, **Chen Wenqing and Wang Wei** 

### Who's Who in the Party Leadership

### Members of the Standing Committee of the Politic



Xi Jinping, ethnic Han from Fuping, Shaanxi Province, born in June 1953. He joined the Communist Party of China (CPC) in January 1974 and graduated from the School of Humanities and Social Sciences at Tsinghua University, majoring in Marxist theory and ideological and political education, with a degree of Doctor of Laws.

General Secretary of the CPC Central Committee, Chairman of the CPC Central Military Commission, Vice President of the People's Republic of China (PRC), Vice Chairman of the PRC Central Military Commission, and President of the Central Party School.

1969-75: Educated youth and Party branch secretary, Liangjiahe Brigade, Wen'anyi Commune, Yanchuan County, Shaanxi Province

1975-79: Student of basic organic synthesis, Department of Chemical Engineering, Tsinghua University

1979-82: Secretary, General Office, State Council and Central Military Commission (AD)

1982-83: Deputy Secretary, CPC

Zhengding County Committee, Hebei Province 1983-85: Secretary, CPC Zhengding County Committee, Hebei Province; concurrently First Commissar and First Secretary, Party Committee, Zhengding County Military Affairs Department

1985-88: Member, Standing Committee, CPC Xiamen Municipal Party Committee; Vice Mayor, Xiamen

1988-90: Secretary, CPC Ningde Prefectural Committee, Fujian Province; and concurrently First Secretary, Party Committee, Ningde Military Sub-region

1990-93: Secretary, CPC Fuzhou Municipal Committee, Fujian Province; Chairman, Standing Committee, Fuzhou Municipal People's Congress; and concurrently First Secretary, Party Committee, Fuzhou Military Sub-region

1993-95: Member, Standing Committee, CPC Fujian Provincial Committee; Secretary, CPC Fuzhou Municipal Committee; Chairman, Standing Committee, Fuzhou Municipal People's Congress; First Secretary, Party Committee, Fuzhou Military Sub-region

1995-96: Deputy Secretary, CPC Fujian Provincial Committee; Secretary, CPC Fuzhou Municipal Committee; Chairman, Standing Committee, Fuzhou Municipal People's Congress; First Secretary, Party Committee, Fuzhou Military Sub-region

1996-99: Deputy Secretary, CPC Fujian Provincial Committee; First Commissar, Fujian Provincial Antiaircraft Artillery Reserve Division

1999-2000: Deputy Secretary, CPC Fujian Provincial Committee; Acting Governor, Fujian Province; Deputy Director, National Defense Mobilization Committee, Nanjing Military Area Command; Director, Fujian Provincial National Defense Mobilization Committee; First Commissar, Fujian Provincial Antiaircraft Artillery Reserve Division

2000-02: Deputy Secretary, CPC Fujian Provincial Committee; Governor, Fujian Province; Deputy Director, National Defense Mobilization Committee, Nanjing Military Area Command; Director, Fujian Provincial National Defense Mobilization

Committee; First Commissar, Fujian Provincial Antiaircraft Artillery Reserve Division (1998-2002: Studied Marxist theory and ideological and political education in the In-service Postgraduate Class at the School of Humanities and Social Sciences at Tsinghua University, and awarded the degree of Doctor of Laws)

2002-02: Deputy Secretary, CPC Zhejiang Provincial Committee; Acting Governor, Zhejiang Province; Deputy Director, National Defense Mobilization Committee, Nanjing Military Area Command; Director, Zhejiang Provincial National Defense Mobilization Committee

2002-03: Secretary, CPC Zhejiang Provincial Committee; Acting Governor, Zhejiang Province; First Secretary, Party Committee, Zhejiang Provincial Military Region; Deputy Director, National Defense Mobilization Committee, Nanjing Military Area Command; Director, Zhejiang Provincial National Defense Mobilization Committee

2003-07: Secretary, CPC Zhejiang Provincial Committee; Chairman, Standing Committee, Zhejiang Provincial People's Congress; First Secretary, Party Committee, Zhejiang Provincial Military Region

2007-07: Secretary, CPC Shanghai Municipal Committee; First Secretary, Party Committee, Shanghai Garrison Command

2007-08: Member, Standing Committee, Political Bureau; member, Secretariat of the CPC Central Committee; President, Party School of the CPC Central Committee

2008-10: Member, Standing Committee, Political Bureau; member, Secretariat of the CPC Central Committee; Vice President, PRC; President, Party School of the CPC Central Committee

2010-12: Member, Standing Committee, Political Bureau; member, Secretariat of the CPC Central Committee; Vice President, PRC; Vice Chairman, CPC and PRC Central Military Commission; President, Party School of the CPC Central Committee

### al Bureau of the 18th CPC Central Committee



Li Keqiang, ethnic Han from Dingyuan, Anhui Province, born in July 1955. He joined the CPC in May 1976 and graduated from the School of Economics at Peking University, majoring in economics, with a degree of Doctor of Economics.

Member of the Standing Committee of the Political Bureau of the CPC Central Committee, Vice Premier of the State Council and Deputy Secretary of its Leading Party Members' Group. 1974-76: Educated youth, Dongling Brigade, Damiao Commune, Fengyang County, Anhui Province

1976-78: Secretary, Party Branch, Damiao Brigade, Damiao Commune, Fengyang County, Anhui Province

1978-82: Student, Department of Law; and leader, Students' Union of Peking University

1982-83: Secretary, Committee of the Communist Youth League (CYL), Peking University; member, Standing Committee, CYL Central Committee

1983-85: Director, School Department, CYL Central Committee; Secretary General, All-China Students' Federation; alternate member, Secretariat, CYL Central Committee

1985-93: Member, Secretariat, CYL Central Committee; Vice Chairman, All-China Youth Federation (September-November 1991: Student of a further studies course for provincial and ministerial-level officials at the Party School of CPC Central Committee)

1993-98: First member, Secretariat, CYL Central Committee; President, China Youth University for Political Sciences (1988-94: Studied economics in an in-service postgraduate program at the School of Economics at Peking University, and awarded the degrees of Master of Economics and Doctor of Economics)

1998-99: Deputy Secretary, CPC Henan Provincial Committee; Acting Governor, Henan Province; and concurrently Director, Yellow River Food Control Headquarters

1999-2002: Deputy Secretary, CPC Henan Provincial Committee; Governor, Henan Province; and concurrently Director, Yellow River Food Control Headquarters

2002-03: Secretary, CPC Henan Provincial Committee; Governor, Henan Province; and concurrently Director, Yellow River Food Control Headquarters

2003-04: Secretary, CPC Henan Provincial Committee; Chairman, Standing Committee, Henan Provincial People's Congress

2004-05: Secretary, CPC Liaoning Provincial Committee

2005-07: Secretary, CPC Liaoning Provincial Committee; Chairman, Standing Committee, Liaoning Provincial People's Congress

2007-08: Member, Standing Committee, Political Bureau, CPC Central Committee

2008- Member, Standing Committee, Political Bureau, CPC Central Committee; Vice Premier; Deputy Secretary, Leading Party Members' Group of the State Council; Director, Three Gorges Project Construction Committee and South-to-North Water Diversion Construction Project Committee, State Council



**Zhang Dejiang**, ethnic

Han from Tai'an, Liaoning Province, born in November 1946. He joined the CPC in January 1971 and graduated from the Department of Economics, Kim Il Sung University in the Democratic People's Republic of Korea (DPRK).

Member of the Standing Committee of the Political Bureau of the CPC Central Committee, Vice Premier of the State Council and member of its Leading Party Members' Group and Secretary of the CPC Chongqing Municipal Committee.

1968-70: Educated youth, Taiping Brigade, Luozigou Commune, Wangqing County, Jilin Province 1970-72: Administrative secretary, Publicity Group; and Secretary, CYL branch of the Wangqing County Revolutionary Committee, Jilin Province

1972-75: Student of Korean language, Department of Korean Language, Yanbian University

1975-78: Deputy Secretary, General Party Branch, Department of the Korean Language; member, Standing Committee, Party Committee; and Vice Chairman, Revolutionary Committee; Yanbian University

1978-80: Student, Department of Economics; Secretary, Party Branch of Chinese Students at Kim II Sung University, DPRK

1980-83: Member, Standing committee, Party Committee; Vice President of Yanbian University

1983-85: Deputy Secretary, CPC Yanji ▶▶

### **△ 18TH CPC CONGRESS**

Municipal Committee; member, Standing Committee, CPC Yanbian Prefectural Committee; and concurrently Deputy Secretary, CPC Yanji Municipal Committee in Jilin Province

1985-86: Deputy Secretary, CPC Yanbian Prefectural Committee, Jilin Province

1986-90: Vice Minister and Deputy Secretary, Leading Party Members' Group of the Ministry of Civil Affairs

1990-95: Deputy Secretary, CPC Jilin Provincial Committee; Secretary, CPC Yanbian Prefectural Committee

1995-98: Secretary, CPC Jilin Provincial Committee; Chairman, Standing Committee, Jilin Provincial People's Congress

1998-2002: Secretary, CPC Zhejiang Provincial Committee

2002-07: Member, Political Bureau,

CPC Central Committee; Secretary, CPC Guangdong Provincial Committee

2007-08: Member, Political Bureau, CPC Central Committee

2008-12: Member, Political Bureau, CPC Central Committee; Vice Premier and member, Leading Party Members' Group of the State Council; and concurrently Secretary, CPC Chongqing Municipal Committee (March 2012)



### Yu Zhengsheng, eth-

nic Han from Shaoxing, Zhejiang Province, born in April 1945. He joined the CPC in November 1964 and graduated from the Department of Missile Engineering at the Harbin Military Engineering Institute, majoring in automatic control systems of ballistic missiles.

Member of the Standing Committee of the Political Bureau of the CPC Central Committee and Secretary of the CPC Shanghai Municipal Committee.

1963-68: Student of automatic control systems of ballistic missiles, Department of Missile Engineering, Harbin Military Engineering Institute

1968-71: Technician, Zhangjiakou No. 6 Radio Factory, Hebei Province

1971-75: Technician and leader, Qiaoxi Radio Factory, Zhangjiakou, Hebei Province

1975-81: Technician and engineer, Research Institute for Promotion and Application of Electronic Technology, Fourth Ministry of Machine-Building Industry

1981-82: Assistant chief engineer, Research Institute for Promotion and Application of Electronic Technology, Fourth Ministry of Machine-Building Industry

1982-84: Deputy Director, Research Institute for Promotion and Application of Electronic Technology, Ministry of Electronics Industry; Chief, No.2 Systems Section, assistant chief engineer; and concurrently Director, Department of Microcomputer Management of the Administration for the Computer Industry; Deputy Director, Planning Department of the Ministry of the Electronics Industry

1984-85: Chief, Vice Chairman, Executive Council, and member, Leading Party Members' Group of the China Welfare Fund for Disabled Persons (December 1984: Departmental-bureau level; January-March 1985: Acting General Manager, China Kanghua Industrial Co. Ltd.)

1985-87: Deputy Secretary, CPC Yantai Municipal Committee, Shandong Province

1987-89: Deputy Secretary, CPC Yantai Municipal Committee, Shandong Province; Mayor, Yantai Municipal People's Government, Shandong Province

1989-92: Deputy Secretary, CPC Qingdao Municipal Committee, Shandong Province; Deputy Mayor and Mayor,

Qingdao Municipal People's Government, Shandong Province

1992-94: Member, Standing Committee, CPC Shandong Provincial Committee; Secretary, CPC Qingdao Municipal Committee; Mayor, Qingdao Municipal People's Government

1994-97: Member, Standing Committee, CPC Shandong Provincial Committee; Secretary, CPC Qingdao Municipal Committee

1997-98: Secretary, Leading Party Members' Group; and Vice Minister of the Ministry of Construction

1998-2001: Minister and Secretary, Leading Party Members' Group of the Ministry of Construction

2001-02: Secretary, CPC Hubei Provincial Committee

2002-03: Member, Political Bureau, CPC Central Committee; Secretary, CPC Hubei Provincial Committee; Chairman, Standing Committee, Hubei Provincial People's Congress

2003-07: Member, Political Bureau, CPC Central Committee; Secretary, CPC Hubei Provincial Committee

2007-08: Member, Political Bureau, CPC Central Committee; Secretary, CPC Shanghai Municipal Committee

2008-11: Member, Political Bureau, CPC Central Committee; Secretary, CPC Shanghai Municipal Committee; First Executive Deputy Director, Organizing Committee; and Director, Executive Committee; for 2010 World Expo in Shanghai

2011-12: Member, Political Bureau, CPC Central Committee; Secretary, CPC Shanghai Municipal Committee

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Liu Yunshan, ethnic Han from Xinzhou, Shanxi Province, born in July 1947. He joined the CPC in April 1971, with a university education at the Party School of the CPC Central Committee.

Member of the Standing Committee of the Political Bureau of the CPC

Central Committee, member of its Secretariat and head of its Publicity Department.

1964-68: Student, Jining Teachers' College, Inner Mongolia Autonomous Region

1968-69: Teacher, Bashi School, Tumd Left Banner; and worker, Sobugai Commune, Tumd Right Banner, Inner Mongolia Autonomous Region

1969-75: Administrative secretary, Publicity Department, CPC Tumd Right Banner Committee, Inner Mongolia Autonomous Region

1975-82: Reporter and deputy chief, Agricultural and Animal Husbandry Section; member, Leading Party Members' Group of Inner Mongolia Bureau of Xinhua News Agency (March-August 1981: Student, Party School of the CPC Central Committee)

1982-84: Deputy Secretary of the CYL Inner Mongolia Autonomous Regional Committee and its Leading Party Members' Group

1984-86: Deputy head, Publicity Department, CPC Inner Mongolia Autonomous Regional Committee

1986-87: Member, Standing Committee and head, Publicity Department of the CPC Inner Mongolia Autonomous Regional Committee

1987-91: Member, Standing Committee and Secretary General of the CPC Inner Mongolia Autonomous Regional Committee; Secretary, Working Committee of the Organs Directly under the CPC Inner Mongolia Autonomous Regional Committee

1991-92: Member, Standing Committee, CPC Inner Mongolia Autonomous Regional Committee; Secretary, CPC Chifeng Municipal Committee

1992-93: Deputy Secretary, CPC Inner Mongolia Autonomous Regional Committee; and concurrently Secretary, CPC Chifeng Municipal Committee (1989-92: Student of Party and government administration, Correspondence School, Party School of the CPC Central Committee)

1993-97: Deputy head, Publicity Department, CPC Central Committee

1997-2002: Deputy head, Publicity Department, CPC Central Committee (October 1997, ministerial level); head, General Office, Central Commission for Guiding Cultural and Ethical Progress

2002-12: Member, Political Bureau; member, Secretariat; and head, Publicity Department of the CPC Central Committee



Wang Qishan, ethnic Han from Tianzhen, Shanxi Province,

born in July 1948. He joined the CPC in February 1983 and graduated from the University Regular Class at the Department of History at Northwest University, China, majoring in history.

Member of the Standing Committee of the Political Bureau of the CPC Central Committee, Secretary of the Central Commission for Discipline Inspection, Vice Premier of the State Council and member of its Leading Party Members' Group.

1969-71: Educated youth, Fengzhuang Commune, Yan'an County, Shaanxi Province 1971-73: Worked at the Shaanxi Provincial Museum

1973-76: Student of history, Department of History, Northwest University, China

1976-79: Worked at the Shaanxi Provincial Museum

1979-82: Intern researcher, Institute of Modern History, Chinese Academy of Social Sciences 1982-86: Section chief and research fellow at the deputy-bureau level, Rural Policy Research Office, Secretariat, CPC Central Committee; and Deputy Director, Liaison Office, Rural Development Research Center, State Council

1986-88: Research fellow at the bureau level, Rural Policy Research Office, Secretariat, CPC Central Committee; Director, Liaison Office, Rural Development Research Center, State Council; Director, National Office for Pilot Areas of Rural Reform; Acting Director and Director, Development Institute, Rural Development Research Center, State Council

1988-89: General Manager and Secretary, Party Committee of China Rural Trust and Investment Corp.

1989-93: Vice Governor and member, Leading Party Members' Group of the People's Construction Bank of China (September-November 1992: Student, Further Studies Class for Provincial- and Ministerial-

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level Cadres, Party School of the CPC Central Committee)

1993-94: Vice Governor and member, Leading Party Members' Group of People's Bank of China

1994-96: Governor and Secretary, Leading Party Members' Group of People's Construction Bank of China

1996-97: Governor and Secretary, Leading Party Members' Group of China Construction Bank

1997-98: Member, Standing Committee, CPC Guangdong Provincial Committee

1998-2000: Member, Standing Committee, CPC Guangdong Provincial Committee; Vice Governor, Guangdong Province 2000-02: Director and Secretary, Leading Party Members' Group of the Office for Economic Restructuring of the State Council

2002-03: Secretary, CPC Hainan Provincial Committee; Chairman, Standing Committee, Hainan Provincial People's Congress

2003-04: Deputy Secretary, CPC Beijing Municipal Committee; Acting Mayor, Beijing; Executive Chairman and Deputy Secretary, Leading Party Members' Group of the Beijing Organizing Committee for the Games of the XXIX Olympiad

2004-07: Deputy Secretary, CPC Beijing Municipal Committee; Mayor, Beijing; Executive Chairman and Deputy Secretary,

Leading Party Members' Group of the Beijing Organizing Committee for the Games of the XXIX Olympiad

2007-08: Member, Political Bureau, CPC Central Committee

2008-11: Member, Political Bureau, CPC Central Committee; Vice Premier and member, Leading Party Members' Group of the State Council; Chairman, Organizing Committee for the 2010 World Expo in Shanghai

2011-12: Member, Political Bureau, CPC Central Committee; Vice Premier and member, Leading Party Members' Group of the State Council



Zhang Gaoli, ethnic Han from Jinjiang, Fujian Province, born in November 1946. He joined the CPC in December 1973 and graduated from the Department of Economics at Xiamen University, majoring in plan-

ning and statistics.

Member of the Standing Committee of the Political Bureau of the CPC Central Committee and Secretary of the CPC Tianjin Municipal Committee.

1965-70: Student of planning and statistics, Department of Economics, Xiamen University

1970-77: Worker; Secretary, Office, Production Headquarters; Secretary, CYL General Branch, Political Department; Deputy Secretary, CYL Committee of the Guangdong Maoming Petroleum Co. under the Ministry of Petroleum Industry

1977-80: Secretary, CPC General Branch; and political instructor of No.1 Workshop; and Deputy Secretary and Secretary, Party Committee; Refinery, Guangdong Maoming Petroleum Co. under the Ministry of the Petroleum Industry

1980-84: Member, Standing Committee, Party Committee; chief, Planning Section; and Deputy Manager of Maoming Petroleum Industrial Co. under the Ministry of the Petroleum Industry

1984-85: Deputy Secretary, CPC Maoming Municipal Committee, Guangdong Province; Manager, Maoming Petroleum Industrial Co., China Petroleum Chemicals Corp.

1985-88: Director and Secretary, Leading Party Members' Group of the Guangdong Provincial Economic Commission

1988-92: Deputy Governor, Guangdong Province (April-July 1990: Student, Further Studies Class for Provincial- and Ministeriallevel Cadres, Party School of the CPC Central Committee)

1992-93: Deputy Governor, Guangdong Province; Director and Secretary, Leading Party Members' Group of the Guangdong Provincial Planning Commission

1993-94: Member, Standing Committee, CPC Guangdong Provincial Committee; Deputy Governor, Guangdong Province; Director; and Secretary, Leading Party Members' Group of the Guangdong Provincial Planning Commission

1994-97: Member, Standing Committee, CPC Guangdong Provincial Committee; Deputy Governor, Guangdong Province; head, Leading Group for Planning and Coordination Work of the Pearl River Delta Economic Zone

1997-98: Member, Standing Committee, CPC Guangdong Provincial Committee; Deputy Governor, Guangdong Province; Secretary, CPC Shenzhen Municipal Committee

1998-2000: Deputy Secretary, CPC Guangdong Provincial Committee; Secretary, CPC Shenzhen Municipal Committee

2000-01: Deputy Secretary, CPC Guangdong Provincial Committee; Secretary, CPC Shenzhen Municipal Committee; Chairman, Standing Committee, Shenzhen Municipal People's Congress

2001-02: Deputy Secretary; CPC Shandong Provincial Committee; Acting Governor and Governor, Shandong Province

2002-03: Secretary, CPC Shandong Provincial Committee; Governor, Shandong Province

2003-07: Secretary, CPC Shandong Provincial Committee; Chairman, Standing Committee, Shandong Provincial People's Congress

2007-07: Secretary, CPC Tianjin Municipal Committee

2007-12: Member, Political Bureau, CPC Central Committee; Secretary, CPC Tianjin Municipal Committee

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# Other Members of the Political Bureau Of the 18th CPC Central Committee



Ma Kai, ethnic Han from Shanghai, born in June 1946. He joined the Communist Party of China (CPC) in August 1965 and graduated from the Department of Political

Economics at Renmin University of China, majoring in political economics, with a degree of Master of Economics.

Member of the Political Bureau of the CPC Central Committee, state councilor, member of the State Council Leading Party Members' Group and concurrently Secretary General of the State Council and Secretary of the Leading Party Members' Group Under the State Council, Secretary of the Working Committee of Organs Directly Under the State Council and President of the Chinese Academy of Governance.



Wang Huning, ethnic Han from Laizhou, Shandong Province, born October 1955. He joined the CPC in April 1984, studied international politics at the Department of

International Politics at Fudan University and attained a degree of Master of Laws.

Member of the Political Bureau of the CPC Central Committee and Director of the Policy Research Office of the CPC Central Committee.



Liu Yandong, ethnic Han from Nantong, Jiangsu Province, born in November 1945. She joined the CPC in July 1964 and studied political theory at the School of Administration at Jilin University,

with a degree of Doctor of Laws.

Member of the Political Bureau of the CPC Central Committee, State Councilor and Member of the Leading Party Members' Group of the State Council.



Liu Qibao, ethnic Han from Susong, Anhui Province, born in January 1953. He joined the CPC in December 1971 and graduated from Jilin University, majoring in na-

tional economic planning and management, with a degree of Master of Economics.

Member of the Political Bureau and Secretariat of the CPC Central Committee, Secretary of the CPC Sichuan Provincial Committee and Chairman of the Standing Committee of Sichuan Provincial People's Congress.



Xu Qiliang, ethnic Han from Linqu, Shandong Province, born in March 1950. He joined the CPC in July 1967 and graduated from the PLA Air Force's Fifth Aviation School, with a junior college education.

Member of the Political Bureau of the CPC Central Committee, Vice Chairman of the CPC Central Military Commission and Member of the Central Military Commission of the People's Republic of China (PRC), holding the rank of general in the PLA Air Force.



Sun Chunlan, ethnic Han from Raoyang County, Hebei Province, born in May 1950. She joined the CPC in May 1973, with a postgraduate education

from the Party School of the CPC Central Committee.

Member of the Political Bureau of the CPC Central Committee, Secretary of the CPC Fujian Provincial Committee and Chairwoman of the Standing Committee of the Fujian Provincial People's Congress.



Sun Zhengcai, ethnic Han from Rongcheng, Shandong Province, born in September 1963. He joined the CPC in July 1988 and graduated from China Agriculture

University, majoring in agricultural science, with a degree of Doctor of Agricultural Science.

Member of the Political Bureau of the CPC Central Committee, Secretary of the CPC Jilin Provincial Committee and Chairman of the Standing Committee of Jilin Provincial People's Congress.

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Li Jianguo, ethnic Han from Juancheng, Shandong Province, born in April 1946. He joined the CPC in June 1971 and graduated from the Department of Chinese Language and

Literature at Shandong University, majoring in Chinese language and literature.

Member of the Political Bureau of the CPC Central Committee, Vice Chairman and concurrently Secretary General of the Standing Committee of the 11th National People's Congress and Member of its Leading Party Members' Group.



Li Yuanchao, ethnic Han from Lianshui, Jiangsu Province, born in November 1950. He joined the CPC in March 1978 and received postgraduate training at the Central Party School,

with a degree of Doctor of Laws.

Member of the Political Bureau and head of the Organization Department of the CPC Central Committee.



Wang Yang, ethnic Han from Suzhou, Anhui Province, born in March 1955. He joined the CPC in August 1975 and received a university education at the Central Party School, with a degree of

Master of Engineering.

Member of the Political Bureau of the CPC Central Committee and Secretary of the CPC Guangdong Provincial Committee.



Zhang Chunxian, ethnic Han from Yuzhou, Henan Province, born in May 1953. He joined the CPC in November 1973 and graduated from the Harbin Institute

of Technology,

majoring in management science and engineering, with a degree of Master of Management.

Member of the Political Bureau of the CPC Central Committee, Secretary of the CPC Xinjiang Uygur Autonomous Regional Committee, and the First Political Commissar of the Xinjiang Production and Construction Corps.



Fan Changlong, ethnic Han from Dandong, Liaoning Province, born in May 1947. He joined the CPC in September 1969 and received a university edu-

cation at the Central Party School.

Member of the Political Bureau of the CPC Central Committee and Vice Chairman of the CPC Central Military Commission, holding the rank of general.



Meng Jianzhu, ethnic Han from Wuxian County, Jiangsu Province, born in July 1947. He joined the CPC in June 1971, graduated from the Shanghai Institute of Machinery,

majoring in systems engineering and received a

postgraduate education while in service, with a degree of Master of Engineering.

Member of the Political Bureau of the CPC Central Committee, State Councilor, Member of the State Council Leading Party Members' Group, Deputy Secretary of the Committee of Political and Legal Affairs under the CPC Central Committee, Minister of the Ministry of Public Security and Secretary of its Party Committee, and Commissioner General of Police.



Zhao Leji, ethnic Han from Xi'an, Shaanxi Province, born in March 1957. He joined the CPC in July 1975 and received a postgraduate education at the Central Party School.

Member of the Political Bureau and the Secretariat of the CPC Central Committee, Secretary of the CPC Shaanxi Provincial Committee, and Chairman of the Standing Committee of the Shaanxi Provincial People's Congress.



Hu Chunhua, ethnic Han from Wufeng, Hubei Province, born in April 1963. He joined the CPC in April 1983 and graduated from the Department of Chinese Language and

Literature at Peking University.

Member of the Political Bureau of the CPC Central Committee, Secretary of the CPC Inner Mongolia Autonomous Regional Committee, and Chairman of the Standing Committee of the Inner Mongolia Autonomous Regional People's Congress.

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MBA degree.

Li Zhanshu, ethnic Han from Pingshan, Hebei Province, born in August 1950. He joined the CPC in April 1975 and graduated from the Department of Political Education,

Evening College, Hebei Normal University, with an executive

Member of the Political Bureau of the CPC Central Committee, member of its Secretariat, Director of its General Office, and Secretary of the Working Committee of the Organs Directly Under the CPC Central Committee.



Guo Jinlong, ethnic Han from Nanjing, Jiangsu Province, born in July 1947. He joined the CPC in April 1979 and graduated from Department of Physics at Nanjing

University, majoring in acoustics.

Member of the Political Bureau of the CPC Central Committee, and Secretary of the CPC Beijing Municipal Committee.



Han Zheng, ethnic Han from Cixi, Zhejiang Province, born in April 1954. He joined the CPC in May 1979 and graduated from Institute of International Studies at East China Normal

University, majoring in international relations and world economy, with a degree of Master of Economics.

Member of the Political Bureau of the CPC Central Committee, deputy secretary of the CPC Shanghai Municipal Committee, and mayor of Shanghai.

# Other Members of the Secretariat of the 18th CPC Central Committee



Du Qinglin, ethnic Han from Panshi, Jilin Province, born in November 1946. He joined the CPC in March 1966 and graduated from the School of Economics and Management at

Jilin University, majoring in national economic planning and management, with a degree of Master of Economics.

Member of the Secretariat of the CPC Central Committee, and Vice Chairman and member of Leading Party Members' Group of the 11th National Committee of the Chinese People's Political Consultative Conference.



Zhao
Hongzhu,
ethnic Han from
Ningcheng,
Inner Mongolia
Autonomous
Region, born in
July 1947. He
joined the CPC
in August 1969
and received a
college educa-

tion at the Party School of the CPC Central Committee.

Member of the Secretariat of the CPC Central Committee, Deputy Secretary of the Central Commission for Discipline Inspection, Secretary of the CPC Zhejiang Provincial Committee, and Chairman of the Standing Committee of the Zhejiang Provincial People's Congress.



Yang
Jing, ethnic
Mongolian
from Jungar
Banner, Inner
Mongolia, born
in December
1953. He joined
the CPC in
August 1976
and received a
postgraduate

education at the Party School of the CPC Central Committee.

Member of the Secretariat of the CPC Central Committee, Deputy head of the United Front Work Department of the CPC Central Committee, and Minister in charge of the State Ethnic Affairs Commission and Secretary of its Leading Party Members' Group.

### THIS WEEK SOCIETY

#### **Pension Insurance Coverage**

China's urban and rural pension insurance systems covered 459 million people at the end of October, the Ministry of Human Resources and Social Security said on November 13.

As many as 125 million elderly people receive pensions every month, the ministry said in a statement posted on its website.

Over the past few years, China has taken significant steps to improve the country's pension and social security system. The country kicked off a rural pension pilot program in 2009 and announced a pilot program offering social pension insurance for urban residents in 2011 to expand the coverage of the country's

pension system.

Premier Wen Jiabao pledged in October to increase government spending on the social pension insurance system to address the problem of the country's surging aging population.

#### **Affordable Houses**

China will start the construction of around 6 million low-income housing units next year, Minister of Housing and Urban-Rural Development Jiang Weixin said on November 12.

China plans to build more than 7 million government-subsidized units this year as part of its five-year plan to offer 36 million such affordable homes by 2015 in a bid to make housing accessible for low-income families.

"We haven't encountered major financial problems concerning the project," Jiang said.

The minister also said the government will see to it that low-income housing is fairly distributed.

#### Fewer Accidental Deaths

The number of accident-related deaths in China over the first 10 months dropped 13.7 percent year on year, the country's work safety watchdog said on November 11.

Meanwhile, the number of accidents declined 14.1 percent from the same period last year, data released on the website of the State Administration of Work Safety (SAWS) showed.

According to information unveiled earlier by the SAWS, 210,797 accidents occurred in China during the January-September period, down 21.3 percent year on year.

The accidents altogether claimed 45,409 lives, representing a 15.3-percent year-onyear drop, the SAWS said.

In its efforts to improve work safety, the SAWS planned to shut down 625 small coal mines that pose safety risks by the end of the



ART ON A STRING Students from the Shanghai Theatre Academy perform with marionettes at a symposium on puppeteer training in Shanghai on November 13

NOT SINGLE ANYMORE Sixteen couples wed in Hezhou, south China's Guangxi Zhuang Autonomous Region, on November 11, dubbed Singles' Day in the country because the date is made up entirely of the number one







TEDDY GIRLS A Teddy Bear Museum opens in Chengdu, southwest China's Sichuan Province, on November 11, displaying more than 1,000 stuffed

# "They will stay in space for 15 days, operating both automated and manual space dockings with the target orbiter *Tiangong-1*, conducting scientific experiments in the lab module and giving science lectures to spectators on Earth," Niu said.

In the coming mission, *Shenzhou-10* will offer ferrying services of personnel and supplies for *Tiangong-1*, further testing the astronauts' ability to work and live in space, as well as the functions of the lab module, he said.

#### Bible Publication

China has become the biggest Bible publisher in the world after printing its 100 millionth, according to the country's only authorized Bible-printing company.

On November 8, Qiu Zhonghui, Chairman of the Board of Amity Printing Co. Ltd. in Nanjing, east China's Jiangsu Province, said that the 100 millionth copy was printed in July.

About 60 million holy books, including nine ethnic minority language editions, have been printed by Amity Printing. The company has provided 40 million copies in over 90 languages to around 70 countries and regions in the world, Qiu said.

Amity Printing is a joint venture between China's Amity Foundation and the United Bible Societies. The company has been publishing the Bible since 1988.

China has more than 16 million Christians, 55,000 churches or gathering venues, 36,000 missionaries and 100,000 church volunteers. In addition, it has 18 divinity and Bible schools with 1,800 seminarians.

#### **Community Corrections**

Around 1.16 million convicts in China have served their sentences in the community instead of in prison since 2003 as part of the country's efforts to prepare criminals for a return to society, Vice Minister of Justice Zhao Dacheng said on November 13.

Of those convicts, more than 650,000 have finished their community service, Zhao

He dismissed concerns over threats to public safety, saying only 0.2 percent of convicts committed crimes again while serving in the community, an extraordinarily low level compared to other countries.

China began its program of community service in 2003 in Beijing, Shanghai and four other areas, and extended the program to the rest of the country in 2009.

The country has also stepped up the reeducation of prisoners, Zhao said, with 1.25 million criminals having received literacy training and compulsory education in prisons since 2008.

#### **Survey on Porpoises**

Chinese scientists on November 11 launched a survey of endangered finless porpoises in the country's longest waterway, the Yangtze River.

The survey team consists of researchers from the Ministry of Agriculture, the Chinese Academy of Sciences (CAS) and the World Wide Fund for Nature.

The planned 40-day survey will be the most comprehensive since 2006, when a survey found the population of finless porpoises was down to 1.800.

There are probably only 1,000 finless porpoises in the Yangtze and two lakes linked to the waterway after continuous drops in the number, said Wang Ding, a researcher with the Institute of Hydrobiology under the CAS.

The survey team will trace the porpoises using a sonar system along the middle and lower reaches of the river, collecting data on the species' population, which will assist in making future protection policies.

The initial results of the survey will be published in December.

#### **Space Flight**

China plans to launch another manned spacecraft, *Shenzhou-10*, in early June 2013, a leading space program official said on November 10.

Like in the *Shenzhou-9* spacecraft mission in June, the crew might include two male astronauts and a female, to enter the *Tiangong-1* space lab module, according to Niu Hongguang, Deputy Commander in Chief of China's Manned Space Program.

NEW RECORD Water level rises to 270 meters on November 12, the highest in history, in Xiaolangdi Reservoir in Henan Province, a major water control project on the Yellow River, China's second longest waterway



### THIS WEEK ECONOMY

#### **Inflation Eases Further**

China's consumer price index (CPI), a main gauge of inflation, dropped to a 33-month low of 1.7 percent in October, according to the National Bureau of Statistics.

The inflation rate, which dropped to its slowest pace since January 2010, dropped from 1.9 percent in September and 2 percent in August.

On a month-on-month basis, October's CPI fell 0.1 percent from the previous month.

Slowing growth in food prices and fewer carryover effects from last year contributed to the slight drop. Food prices in October rose by 1.8 percent year on year and fell by 0.8 percent month on month.

In the first 10 months, the CPI grew an average of 2.7 percent year on year, showing a further decline from the 3.3-percent rise in the first half of the year.

The producer price index (PPI), which measures inflation at the wholesale level, dropped 2.8 percent year on year in October. It marked the eighth straight month of decline after the PPI dropped in March for the first time since December 2009.

"We expect the mild inflation trend to persist through the first half of 2013," said Li Huiyong, chief economist with the Shenyin Wanguo Securities Co.

Although the country is poised to meet its goal of keeping inflation under 4 percent for the year, analysts have warned of rising consumer prices in November and December, as the cold weather will likely push up vegetable and meat prices.

#### **Mild Trade Improvement** ¬

China's trade surplus widened in October, as export growth accelerated and import growth remained steady, said the General Administration of Customs.

Exports rose 11.6 percent from one year earlier in October, beating market expectations for a rise of 9 percent and stronger



POWER ON A worker installs photovoltaic ceramic roofing in a village in east China's Zhejiang Province on November 14. The generated power will be used for household electricity consumption

than the 9.9-percent increase registered in September.

Imports climbed 2.4 percent year on year in October, unchanged from the growth in September.

This resulted in a widening trade surplus of \$31.99 billion in October, compared with \$27.67 billion in September and \$26.66 billion in August.

The rise in exports was the strongest since May, but analysts have been cautious to call it a solid recovery because of sluggish external demand.

Weakening demand was reflected in the recently concluded Canton Fair, China's larg-

est biannual trade fair, where total turnover dropped 9.3 percent compared with the fair's spring session.

In the first 10 months, foreign trade volume expanded 6.3 percent from the same period last year.

China has targeted growth of 10 percent in total foreign trade this year, a figure that officials concede will be difficult to achieve.

#### **EU Dumping Probed** -

The European Union has been dumping toluene diisocyanate (TDI) into the Chinese market, the Ministry of Commerce said on November 13.

#### **Numbers**

## 19.1 billion yuan

The amount of money that Alibaba, China's e-commerce giant, cashed in during the "Singles' Day" shopping promotion on November 11, a date bearing four "1s," emphasizing singles.

4,273

The number of large passenger aircraft that Chinese airlines will demand in the next 20 years, according to a report released by Commercial Aircraft Corp. of China on November 13.

An eight-month investigation found imported TDI from the EU was as much as 37.7 percent below normal prices and that such dumping has hurt domestic producers, the ministry said in a preliminary ruling.

Importers of such products are required to pay anti-dumping fees to China's customs authorities. The deposits will be charged according to the dumping margins of different producers, said the ruling.

In March, the ministry launched an antidumping probe into EU-exported TDI, a main raw material for polyurethane products. TDI is widely used for rubber surface coating and in the textile processing, petroleum, mining, and automobile industries.

#### **More Eligible Producers**

Regulators gave the green light to the first batch of companies to extract rare earth minerals under the country's new entry reauirements.

The seven qualified companies included a subsidiary of Inner Mongolia Baotou Steel Rare-earth Hi-tech Co. (REHT), China's largest rare earth producer, said the Ministry of Industry and Information Technology on November 12.

The new entry requirements for the rare earth industry, released in August, listed a series of rules for project setup and layout, production scale, energy consumption and environmental protection.

The sector has been weighed down this year as rare earth prices fell from dizzying heights due to weak external demand and new rare earth production coming online.

As the world's largest rare earth producer, China supplies more than 90 percent of global demand for the minerals, which are crucial in the production of a range of hi-tech commodities such as wind turbines, hybrid car batteries and smart phones.

China has announced various measures to control environmental damage during the

mining and processing of the minerals, including new industry entry requirements, stricter emission standards, production caps, as well as export quotas.

#### **Economic Census**

China will carry out its third economic census in 2013, said the State Council on November 12.

Statisticians from around the nation will survey all enterprises in secondary and tertiary sectors and the census will facilitate further economic planning.

The researchers will collect data related to enterprise ownership, financial status, production capacity and research and development activities during the yearlong census.

The Central Government and its local branches will jointly pay for the census.

The State Council ordered local governments to clamp down on potential irregularities in the census, including the falsification of data, forging census results and interfering in the census process.

#### Sinopec Boss Awarded

Fu Chengyu, Chairman of China Petrochemical Corp. or Sinopec, was awarded the title of the Petroleum Executive of the Year in London on November 12 by the world's leading energy research group Energy Intelligence, becoming the first Chinese to win the title in 15 years.

The Petroleum Executive of the Year award, the most prestigious award in the international energy industry, recognizes outstanding executives' leadership in the field.

Fu started his career in the oil industry in 1982 in China National Offshore Oil Corp. He became Sinopec's chairman

in 2011. Under his leadership, Sinopec's overseas operation has rapidly expanded to more than 20 countries and regions in Southeast Asia, Africa and South America.





**AUTO BOOMING** Workers put the finishing touches on a vehicle at a Lifan Auto plant in Chongging, where auto output and sales both rose above the national average in

**6.1**%

The year-on-year increase of China's electricity consumption, a barometer of economic activities, in October, more than doubles September's 2.9-percent rise, said the National Energy Administration on November 14.

1.04 trillion yuan

China's fiscal revenue in October, up 13.7 percent year on year, according to the Ministry of Finance on November 14.

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### **THIS WEEK WORLD**



### THE UNITED STATES

Thousands of job seekers wait in line at Kennedy-King College to attend a job fair hosted by the city of Chicago on November 9



#### **AUSTRALIA**

The diamondring effect is observed following a total solar eclipse in Palm Cove in northern Queensland on November 14





A Palestinian man reacts upon arrival at a hospital in Gaza City after being wounded from Israeli shelling as clashes erupted along the border on November 10

#### **PALESTINE**



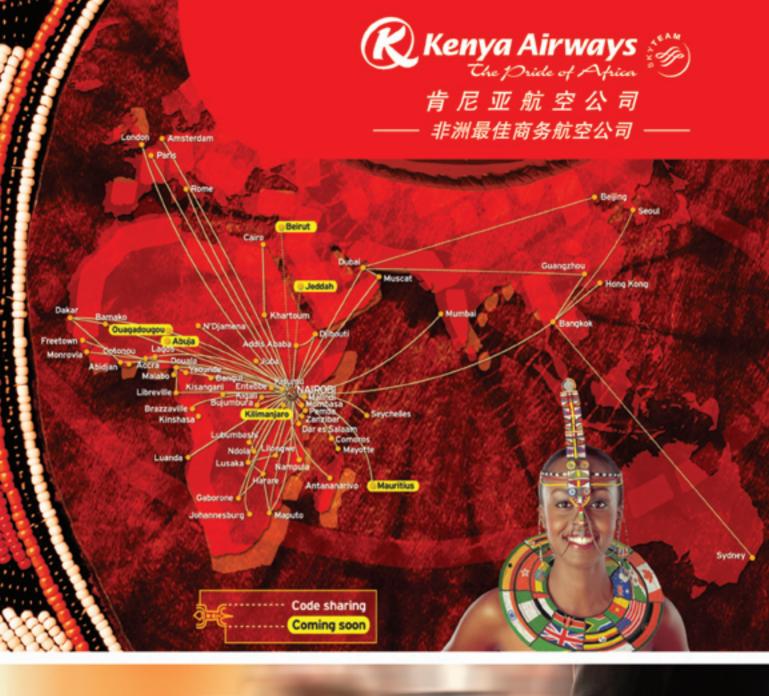
#### **BELGIUM**

European Commission President Jose Manuel Barroso (right) welcomes Greek Prime Minister Antonis Samaras prior to their meeting in Brussels on November 13. Greece raised 4.06 billion euros (\$5.16 billion) that day in an emergency bond sale to avert a messy default

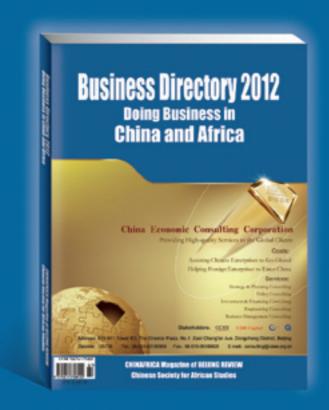


A Buddhist monk tries to salvage a Buddha statue in a village in central Myanmar on November 12 following a destructive earthquake

**MYANMAR** 







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# Which Is the Way Out?

The new Syrian opposition coalition faces two options for resolving the crisis By Yu Lintao

nder the mediation and support of the United States and some Middle Eastern countries, a new coalition of Syrian opposition groups was formed on November 11 in the Qatari capital of Doha. The newly united opposition, which is named the "Syrian National Coalition for Opposition and Revolutionary Forces," includes most Syrian opposition groups, but has yet to show whether it can bring long-awaited peace to the war-torn country.

Observers said that as the strength of the Syrian opposition increases with the establishment of the new bloc, an opportunity will arise for the opposition to negotiate with the Syrian authorities. But whether the newly formed bloc will seize the initiative is questionable.

"The reshuffle of Syrian opposition groups aims to strengthen the power of the opposition as a whole. But it is still hard to say whether the move is geared toward reaching military goals or achieving to negotiate with the Syrian Government," said An Huihou, a senior visiting researcher with the China Institute of International Studies.

#### Reshuffle

The new Syrian opposition coalition won the recognition of the Arab League, the Gulf Cooperation Council and some Western countries soon after its establishment.

The Arab League recognized the opposition bloc as "the representative of aspirations of Syrian people." Washington also swiftly declared its backing.

"The reshuffle was led by the United States and some countries in the region. Washington wasn't satisfied with the performance of the former coalition, which was loose and ineffective in confronting the Syrian authorities," An said.

He said the total opposition forces have increased somewhat, but whether they would take a unified position is uncertain.

Xue Qingguo, a professor of Arab studies at Beijing Foreign Studies University, said that although the new coalition included most opposition groups, some military factions inside Syria are unwilling to join it. The military power of the new opposition bloc is not guaranteed.

"Besides the goal of overthrowing the Bashar al-Assad regime, there are many divergences among the opposition groups—from religious faiths to interests and from ideologies to crisis-resolving approaches," Xue said to *Beijing Review*.

"It is very doubtful that the new bloc could form a unified fighting capacity. An immediate ability to turn the situation around is almost impossible," Xue added.

In fact, Syrian opposition groups inside and outside the country have not seen eye to eye with each other on strategies to end the unrest that flared up 20 months ago. The exiled opposition continues to call for foreign intervention, while the Syria-based opposition rejects such an approach and accuses the exiled groups of engaging in a foreign conspiracy.

Luai Hussain, head of the opposition Building Syria State Party, said the agreement reached by the new bloc will further complicate the situation on the ground.

According to the agreement, once the new coalition wins international recognition, it will form an interim government in exile and call for a national conference if the current Syrian administration is ousted. The opposition bloc also agreed to establish a new supreme military council to take overall command of the rebel groups.

During an interview with China's Xinhua News Agency, Hussain said his party will reject anything that comes out of the overseas-based opposition. "The formation of any interim government abroad would be conducive to increasing division in Syrian society, and thus would widen the platform of a civil war," he said.

"To some extent, the establishment of the new coalition at least added weight for the opposition to conduct political negotiations with the Syrian Government. It should be an opportunity," An told *Beijing Review*.

Though the coalition declared it would not have dialogue with the Assad regime, An claims that such posturing may sometimes differ from its true stance.

"From the current balance of military power, it is impossible for the opposition bloc to defeat government troops without military interference from the West or regional countries. In addition, most members of the international community hope for a peaceful settlement to the Syrian crisis," said An.

An said the integration of the opposition groups is of particular significance because it could enable the opposition to play a

"The establishment of the new coalition at least added weight for the opposition to conduct political negotiations with the Syrian Government. It should be an opportunity."

—An Huihou, a senior visiting researcher with the China Institute of International Studies



FIERCE BATTLE: Smoke billows from burning tires as a Syrian opposition fighter fires at government forces during clashes in the northern city of Aleppo on November 13

bigger role in negotiating with the Syrian Government to promote ceasefire and end violence. Only this outcome lies within the interests of Syrian people and the expectations of the international community.

#### **Settlement**

At a regular press briefing in response to a question regarding the new coalition, Chinese Foreign Ministry spokesman Hong Lei reiterated China's stance that the Syrian crisis should be settled through a political transition process led by Syrian people.

"China has consistently held that foreign countries should not interfere with Syria's internal affairs," said An. He added that China has no private gains from the issue. China's stance is totally based on the interests of the Syrian people.

During a recent trip to Beijing by UN-Arab League joint special envoy Lakhdar Brahimi, China put forward a new and more detailed and practical proposal to facilitate the political settlement of the Syrian conflict. It calls for implementing a region-by-region or phase-by-phase ceasefire and establishing a transitional governing body of broad representation.

The spillover effects brought by the ongoing Syrian crisis have severely impacted its neighboring countries. Latest statistics from the UN High Commissioner for Refugees show that there are more than 407,000 Syrian refugees in Iraq, Jordan, Lebanon and Turkey after the crisis broke out in March last year.

"If the crisis continues, it might bring disaster to the region and even influence the West. They should recognize the significance of resolving the crisis through political negotiations," said An.

An said that at present the largest obstacle to the political settlement of the crisis is the precondition set by the West and some regional countries that Assad must step down.

Xue hopes that U.S. President Barack Obama could give up the precondition in his second term; or else the situation may become more difficult.

Obama is faced with contradictions over the Syrian crisis. On the one hand, he is under pressure from some domestic political forces to interfere in Syrian affairs; on the other hand, he wants to change the misguided policies of his predecessor George W. Bush, seeking to withdraw troops from the Middle East, Xue said.

"Obama should admit that the Syrian authorities continue to have majority domestic support by far," said Xue.

An said it is not impossible that Obama would choose another kind of approach apart from military interference in resolving the crisis. After all, the spreading violence will be of no benefit to Washington.

He said that as the United States' strategic attention turns eastward, grappling too much with the Syrian issue does not match its foreign policy goals.

On November 14, in his first press conference at the White House since his reelection, Obama said categorically that Washington would not arm the Syrian opposition for the moment. He also ruled out an immediate recognition of the new Syrian opposition bloc as "some sort of government in exile," though his administration had declared its backing for the coalition just days before.

yulintao@bjreview.com

## The Antisocial Network

Smart phones are intruding on people's lives at a much faster pace By Yuan Yuan



t is getting more difficult to get up in the morning for Liu Juan, a freshman in central China's Wuhan University. Liu received an iPhone 4S from her parents as her college admission gift in September and since then the phone has become an irreplaceable part of her life.

"I never thought this phone could occupy so much time in my life and it seems I cannot go a day without it now," said Liu, who added that almost everybody in her freshman class uses smart phones. "Besides avoiding the feeling of being isolated from the class, this phone is indeed really useful and convenient. It is like a portable laptop. Except for typing long articles, it can do almost everything that a laptop can do."

Liu listed quite a few reasons to ground

her statement: She can exchange messages with other iPhone users free of charge, check e-mails anytime no matter where she is, as well as take pictures and share them online instantly. As a person who has no sense of direction, the map installed in the smart phone is a great help.

"Smart phones are not just fashionable. They are necessary," Liu said.

Liu's three roommates all have smart phones. "Every night after we switch off the light in the dorm to go to bed, you can see four shining phone screens over the beds," Liu said. "Sometimes we share news. Sometimes we just keep silent and play."

#### Far reach

Statistics from the Ministry of Industry and

Information Technology show that 172 million smart phones were sold in China from January to September this year, an increase of 183.4 percent compared to the same period in 2011.

It is commonplace for each person sitting in a subway or bus each to have a smart phone in hand, playing games or surfing the Internet.

Huang Zixian, a 33-year-old woman in Beijing, was once a victim of pickpocketing. "I realized what made me feel panic is the loss of the smart phone, not money," Huang said. "I don't mind spending money and time restoring my ID card and bank cards, but without the phone, I am really at a loss as to what to do next."

Pu Yu, another woman in Beijing, agreed with Huang. Pu once left her bag in a restau-

## "When people live under great pressure and there are not many channels for release, smart phones are the choice to relax and kill time."

-Ma Meiying, a professor of sociology at Zhejiang University in Hangzhou

rant. "Thankfully, my phone was not in the bag! So, it didn't matter that much to me at all." Pu said.

A survey of college students in Wuhan, Hubei Province, showed that 63 percent of the respondents spent time on smart phones at bedtime and 56 percent of them spent more than half an hour. They read novels, visited social networking sites, chatted or played games. Only 12 percent said that they kept from their phones at all at bedtime.

"It has already become a must-do thing. Without smart phones, I couldn't even fall asleep," said Meng Tingting, a student from Central China Normal University. "Some of my classmates even use them until 1 or 2 a.m. every night."

Jian Xinke, a sophomore at Zhongnan University of Economics and Law in Wuhan, speaks highly of smart phones' role in relieving pressure. "We have a busy schedule during the daytime, and playing with phones before sleep is a way to relax."

More than 55 percent of the students involved in the survey in Wuhan said that they would not reform their smart phone habits despite possible health risks.

"Whatever harm there may be to health must be very limited," said Song Meng, a student at Huazhong Agricultural University. "It has been a source of entertainment before sleeping. I cannot imagine if not having a phone."

#### **Human distance**

Liu Juan's cousin, 30-year-old Su Huijun, said that her college life was different.

"When I was in college around 2000, there were no smart phones at all. We had dorm chat every night after the lights were switched off and it was one of the happiest memories of college life," said Su, who also admitted that she has become gradually hooked to the smart phone. "But I would rather have spent my college life without such phones."

In Su's opinion, smart phones have enlarged the distance between people. "People stare at their phones but ignore friends nearby," she said.

Su gave a widely reported example: A grandfather arranged a dinner party for two grandchildren, who spent the entire evening staring at their phones. The old man became irritated and left before the meal ended.

Sina.com, one of China's leading Web portals, recently conducted a survey on smart phone addiction among people under 35 years old. The results showed more than 50 percent of young people preferred communicating via smart phones or social networking sites than by talking face to face.

"Almost once every half an hour, I will check on my micro-blog account with my smart phone to see whether I have new messages or not," said netizen Rainingbow. Self-proclaimed as an introvert, he said that being able to closely follow friends' movements via smart phones provides the feeling of being involved in groups.

"It is hard to say whether smart phones make the distance between people longer or shorter," said another netizen, Ancleer, who claimed to be a sophomore in college. "It all depends. It truly makes me interact less with my classmates, but it shortens my distance with my friends in other places, even overseas. I can get in touch with them any moment I want."

But for Gao Qi, a 29-year-old man living in Beijing, smart phones are more of a headache than useful tools. As the main organizer of Beijing fans of an Argentinean football team, Gao's club gathered together almost once every week, but now he doesn't want to participate any more.

"In the past, the meetings were a lot of fun," said Gao. "We met new friends here and played games or cards. But now that everybody carries a smart phone, the atmosphere has changed a lot."

Gao revealed that many people in the par-

ties, no matter what they were doing, were always checking messages and couldn't concentrate. "It is really annoying and impolite, but they don't care and take it for granted."

Xiao Linqiu, a woman living in Shanghai, echoed Gao's frustration. Xiao likes to have dinner with friends, but almost every time there are one or two people at the table who don't talk with anybody and stare at their phones instead. "I think it is basic etiquette not to do that. It seems they don't need anything in the whole world but that phone," Xiao said. "I doubt whether they still have the ability to communicate with people face to face."

#### **Quest for liberation**

"I really want to change this harmful habit. I cannot get my hands away from the smart phone and I cannot concentrate on my work at all," said a netizen known as Sunflower, who asked other netizens for methods to control the habit. But the replies elicited were not optimistic. Many said that their addictions were more severe. One even said that he had to get up at midnight every day to check the news on his phone.

Ma Meiying, a professor of sociology at Zhejiang University in Hangzhou, east China's Zhejiang Province, thinks the reason for smart phone addiction lies mostly in the immense pressure and spiritual emptiness of modern life. "When people live under great pressure and there are not many channels for release, smart phones are the choice to relax and kill time."

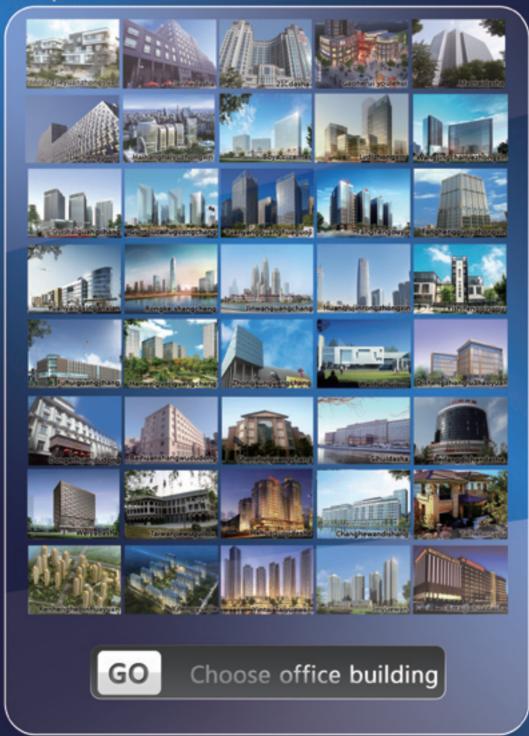
Ma regards smart phone addiction as an extension of Internet addiction. "It can be more severe as the phone is much easier to carry," he said. "The user should have a stronger mind to control this. Smart phone producers should notify users of the harms of overuse as well."





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## A More Global Yuan

Sales of RQFII products prove international demand for the renminbi is growing By Lan Xinzhen

emand for the renminbi in Hong Kong has led several senior officials, including Financial Secretary John Tsang Chun-wah, Secretary for Financial Services and the Treasury K.C. Chan and Hong Kong Monetary Authority (HKMA) Chief Executive Norman T.L. Chan, to pay a visit to Beijing on October 29, asking the China Securities Regulatory Commission (CSRC) for support and exchanging views with CSRC Chairman Guo Shuqing.

A senior CSRC official disclosed on November 2 that upon request of the government of the Hong Kong Special Administrative Region, the CSRC is planning to further enlarge the investment quota for renminbi qualified foreign institutional investors (RQFII) by coordinating with the People's Bank of China (PBC) and the State Administration of Foreign Exchange (SAFE).

Hong Kong appealed for another RQFII investment quota of 100 billion-200 billion yuan (\$15.9 billion-31.8 billion), which has been supported by the CSRC. On November 13 the CSRC, PBC and SAFE agreed to increase the RQFII quota by 200 billion yuan (\$32.12 billion).

Besides raising the investment quota, the commission will also consider further improving the RQFII system by expanding its investment scope and relaxing investment restrictions so as to allow more Hong Kong financial institutions to apply for the RQFII.

Industrial insiders think expanding the RQFII investment quota and relaxing application qualifications will undoubtedly accelerate the capital account convertibility of the renminbi and promote the process of its internationalization.

Hong Kong is the world's largest renminbi offshore center, and the source of most of the present RQFII capital. According to figures from HKMA, renminbi deposits in Hong Kong had reached 550 billion yuan (\$87.44 billion) by the end of September. It is expected that as the renminbi is more internationalized, the amount of RQFII capital will increase steadily.

#### **Thirsty market**

This is the third and largest expansion of the ROFII.

The CSRC and SAFE jointly launched the RQFII system at the end of 2011 with an initial quota of 20 billion yuan (\$3.18 billion). Qualified fund management companies and securities companies are allowed to issue renminbi-denominated funds and invest them into the mainland capital market.

Most of the first batch of RQFII products were launched at the end of March and were mainly invested into the bond market. Benefiting from relaxed money supplies and narrowing interest difference in the mainland market, these RQFII products have performed well.

Public figures from Hong Kong show that the average growth rate for the net value of the first batch of RQFII products is 1.2 percent.

China raised the quota by 50 billion yuan (\$7.95 billion) in April, capping it at 70 billion yuan (\$11.13 billion).

Different from the first batch, the newly increased quota can be used to develop Exchange Traded Funds (ETFs) that are



USING THE YUAN: China is accelerating the process of internationalizing its currency

invested in the stock index of the A-share market. The decision was widely welcomed for satisfying the demand of institutional investors to track the performance of stocks in the mainland market.

In July, the ChinaAMC CSI 300 Index ETF, which China Asset Management (Hong Kong) Limited (CAMHK) listed, was in high demand upon its availability on July 17. Later debuted RQFII products, such as CSOP A50 ETF, EFUND CSI100 ETF and HGI MSCI CN A, were also highly sought after.

The approved quotas for the CSOP A50 ETF and the EFUND CSI100 ETF are 5 billion yuan (\$794.91 million) and 2 billion yuan (\$317.97 million) respectively. Since the capital raised during their initial public offerings had already reached the upper limit, both funds closed for purchase after their debut.

On August 29, the SAFE raised the quota by 3 billion yuan (\$46.95 million) for the EFUND CSI100 ETF, helping it open for purchase. On September 7, the CSOP A50 ETF also saw its quota rise by 2 billion yuan, which was soon digested by the market. On October 24, the CSOP A50 ETF suspended purchase again because its 7-billion-yuan (\$1.11 billion) quota had been used up.

SAFE had approved 21 RQFIIs by September 30. The A-share market is a major source of income for RQFIIs. By November 5, the CSOP A50 ETF had issued 1.05 billion fund units, with a market value of 7.8 billion yuan (\$1.24 billion). The ChinaAMC CSI 300 Index ETF issued 221 million fund units, with a market value of 5.09 billion yuan (\$809.22 million). The EFUND CSI100 ETF issued 116 million fund units, at a market value of 2.57 billion yuan (\$408.59 million). The HGI MSCI CN A issued 244 million units, at a value of 1.94 billion yuan (\$308.43 million). Therefore, since July 17, there have been 18 billion yuan (\$2.86 billion) of offshore renminbi flowing into the A-share market via the RQFII.

The RQFII funds are performing well in terms of investment returns. Open market figures show that all the RQFIIs are making money, with net value growing between 0.17 percent and 3.76 percent. The top three return makers are the EFUND CSI100 ETF, the CSOP A50 ETF and the ChinaAMC CSI 300 Index ETF.

Due to their stable performance and high market demand, many RQFIIs are pressuring Hong Kong's financial authorities to appeal to expand RQFII quotas. According to a report by Hong Kong Phoenix TV, Hong Kong financial authorities also think present RQFII should be further revised.

At present, only fund management companies and insurance companies are qualified for the RQFII, and there are still limits on the investment proportion of stocks. Moreover, the 70-billion-yuan quota was too small compared with the huge offshore renminbi reserves in Hong Kong.

Therefore Hong Kong's financial officials had to seek help from the CSRC, requesting to increase the RQFII threshold.

### **Toward internationalization**

Other good news from the CSRC is that the commission, in cooperation with Hong Kong financial authorities, is studying mutual recognition of cross-border funds.

This policy will allow fund products recognized by supervising authorities from the mainland and Hong Kong to be listed on each other's market without further recognition. Similar policies have been carried out for years in EU countries.

If this policy is adopted, fund products from the mainland can be sold in Hong Kong and vice versa. The renminbi will become the leading currency in the capital markets of both places.

According to a report issued by the Peterson Institute for International Economics in the Untied States on October 22, the renminbi's influence has been greatly enhanced and the renminbi has become the dominant reference currency in East Asia. In this region, seven currencies out of 10 are more closely linked with the renminbi than with the dollar.

The Royal Bank of Scotland (RBS) issued a report on the same day saying that the current global climate favors the Chinese currency as both the U.S. dollar and the euro are under pressure and that global investors are looking for an alternative reserve currency. The RBS expects the renminbi to become fully convertible in the next five years, which will further globalize the currency.

However, Guo Tianyong, a professor of finance at the Central University of Finance and Economics, says the global economic recession cannot be the major driving force behind the internationalization of the renminbi.

The internationalization of a currency depends on the world's confidence in it, the convenience of currency settlement and its usage in global trade, says Guo.

Wei Yanshen, a researcher at the Institute of Asia-Pacific Studies at the Chinese Academy of Social Sciences, says the economic strength of a country dictates whether a currency goes international. Therefore, the internationalization of the renminbi should move forward based on China's internal dynamics rather than by external factors like economic recession in the West.

China's economic growth and the progress in multilateral trade have further improved the international status of the renminbi, says Wei. Since entering the WTO, China has been increasingly integrated in the global economy.

Growing economic ties with other countries have increased the demand of the renminbi and pushed forward the process of its internationalization. Today, China takes up 22 percent of all manufacturing trade in East Asia and has become a regional trade center.

As the world's biggest exporter and a net creditor nation for more than a decade, and because of its economic strength and stable environment, China is in excellent shape to internationalize the renminbi.

However, related Chinese departments have made steady progress in internationalizing the renminbi. At the end of February, China extended cross-border renminbi trade settlement to the whole country.

In June, six ministries and commissions under the State Council jointly issued a list of renminbi settlement enterprises in export goods subject to special supervision. The CSRC also said it would further expand the pilot scale of RQFII and investment quotas, accelerating capital account convertibility of its currency.

Wei adds that during the process of promoting renminbi internationalization, the renminbi settlement business for cross-border trade has shown powerful growth. However, China should be fully aware of the problems and risks associated with internationalizing its currency.

For example, the acceptance of the renminbi by foreign traders should be further improved. Moreover, preventing risks and ensuring safe economic and financial operations are also important on the path to internationalize the renminbi.



# On Top of the PC World

Lenovo has overtaken HP to become the world's top computer maker, but the company has even greater ambitions By Zhou Xiaoyan

hina's personal computer manufacturer Lenovo Group Ltd. overtook U.S.-based Hewlett-Packard Corp., or HP, in the third quarter to become the largest seller of personal computers (PCs) in the world measured by shipments, said the IT research company Gartner Inc. in October.

According to the internationally recognized research firm, Lenovo accounted for 15.7 percent of all PC shipments in the third quarter, while HP held 15.5 percent. Another U.S.-based PC maker, Dell Corp., controlled about 10.5 percent of the market during the period.

Yang Yuanqing, Lenovo Chairman and CEO, said Lenovo would not become complacent.

"Although competition has been fierce in the PC market, I firmly believe there is still room for continuous profit growth," Yang said at a press conference on Lenovo's quarterly financial results held in Beijing on November 8. "Becoming a leading enterprise in the PC market is just a milestone in Lenovo's development, as it is also looking to become a leader in other markets."

Lenovo's success is attributed to its long-term focus on emerging markets and successful overseas M&As. Facing a low profit margin in the PC business and fierce competition from tablet PCs and smart phones, the company is embarking on plans to diversify its businesses.

### **Reasons for success**

HP stood atop the rankings as the world's biggest PC maker for the past six years, but its market share loss came amid upheavals in its management and changes in its business plans. At one point, the company had considered spinning off its PC unit, a proposal that was later abandoned by Meg Whitman, HP CEO.

The company has also been hit hard by the world's economic malaise and a shift among customers away from older types of computers toward mobile tablet devices.

Despite a gloomy outlook for PCs, Lenovo's net profit from April to September totaled \$303 million, up 20 percent year on year. During the same period, its sales revenue amounted to \$16.68 billion, up 22 percent, according to Lenovo's quarterly financial statement. PC sales of the company surged 17 percent while those of the whole world shrank by 5 percent.

Lenovo defied the odds because of some of its acquisitions and relatively high exposure to emerging markets, which are outperforming developed markets in sales, Brent Bracelin, an analyst at Pacific Crest Securities Inc., told *China Daily*.

In the past, Lenovo learned from HP, IBM and other Western IT companies, Wang Jiping, a senior analyst from the U.S.-based research firm International Data Corp., told *China Daily*.

Lenovo started to develop its own sales and operations model in 2004 and then acquired IBM's PC division in 2005. Now its business model and strategy have spread to global markets.

Wang said Lenovo in 2009 became the first PC company to classify countries into two categories: emerging markets, such as China, India and Brazil, and mature markets, such as the United States and Japan. Lenovo then developed a different strategy for each. Such a strategy has now been widely adopted among multinational IT companies.

The main reason the company is the top PC seller is its strategy of penetrating into lower-tier cities in China and emerging markets, Wang said.

About six years ago, Lenovo started selling more of its products in China's rural areas, a step that Wang believes will contribute to the company's development in the next five years.

In China, Lenovo has a 34-percent share of the PC market, up 2.4 percentage points



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year on year, and shipments increased 8 percent year on year in the second quarter of 2012, according to a company statement.

In other emerging markets, Lenovo surpassed Dell and HP earlier this year to occupy the top spot in India and announced a few weeks ago that it would cooperate with a company in Brazil to expand its presence there.

Meanwhile, Lenovo has become the top PC shipper in India and is aggressively expanding in Latin American countries with factories in Brazil and Mexico.

While some Chinese IT industry players have tumbled in overseas M&As, Lenovo has witnessed enormous success from its overseas deals.

In 2005, Lenovo acquired IBM's PC business for \$1.25 billion, and it also shouldered \$500 million of the latter's debt. The takeover provided the company with American knowhow to expand globally. By making Lenovo the third largest PC producer worldwide, the acquisition gave Lenovo's PC business a boost.

"We benefited in three ways from the IBM acquisition," said Liu Chuanzhi, former board chairman of Lenovo, in an interview with China Central Television, the country's national TV station. "We got the ThinkPad brand, IBM's more advanced PC manufacturing technology and the company's international resources, such as its global sales channels and operation teams. These three elements have shored up our sales revenue in the past several years."

In August 2012, Lenovo signed an agreement with the U.S.-based data-management company EMC Corp. to develop and sell server and storage technologies.

In September 2012, Lenovo delved into software development after buying the U.S.-based cloud-computing company Stoneware Inc. for an undisclosed amount. Stoneware

FANCY PRODUCT: A Lenovo salesman showcases a laptop—Idea Pad Yoga—at the Las Vegas International Consumer Electronics Show in January 2012

has millions of users in the educational field and the U.S. public sector.

The same month, Lenovo agreed to buy the Brazilian consumer electronics maker CCE in a cash-and-shares-deal worth about 300 million Brazilian reals (\$147 million). The purchase of CCE, Brazil's largest domestic maker of electronics, will allow Lenovo to more than double its share of the PC market in the world's sixth largest economy—from 3.7 percent to 8 percent—and diversify its product portfolio from single PCs to other electronic products such as tablet PCs and smart phones.

The deal will also add mobile phones and televisions to its product line in Brazil, where it recently announced plans to build a factory at a cost of \$30 million.

Lenovo will continue to make acquisitions to boost its growth in global markets, said Lenovo's Chairman Yang.

# A larger ambition

Despite Lenovo's market performance in the PC business, worries abound that the sector's low profit margins will eventually become a burden for Lenovo with the increasing popularity of tablets and smart phones.

In the third quarter, 87.5 million PCs were shipped in the world, down 8.3 percent year on year, said Gartner.

Because of the current global economic slowdown and competition from mobile Internet products, PC shipments have been feeling the squeeze.

Some analysts say tablets will outsell PCs

by 2016 or possibly earlier.

"Becoming the clear leader in global PC market of course remains one of Lenovo's aspirations, but it only represents one more milestone in our journey as a company. We are setting our sights on delivering long-term profitable growth, while leading the way forward into the PC Plus era," said Yang.

Lenovo launched a new strategy this year called "PC Plus" to focus more on other product lines such as mobile devices and build its cloud-computing offerings that allow users to access data remotely or control different devices via a single computer.

Yang said that Lenovo is looking to expand its tablet and smart phone businesses.

In the third quarter, the sales revenue from Lenovo's Mobile Internet and Digital Home Department, such as tablet PCs and smart phones, totaled \$718 million, accounting for 8 percent of the company's total sales revenue between July and September. During the period, Lenovo smart phones held 13 percent of the market share in China, up 11.6 percent year on year and second to Samsung's market share of 15 percent.

The company also plans to sell smart phones in Indonesia, the Philippines and Viet Nam in the near future.

Lenovo will place a greater emphasis next year on increasing profits "rather than grabbing more market share," and aim to lift its pre-tax profit margin by at least 1 percentage point in three years, said Yang.



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# **BUSINESS MARKET WATCH**

## **OPINION**

# **Diversifying Sources of Financing**

Improving the structure of social financing, a broad measure of funds raised by entities in the real economy, has always been a major issue in China's financial reform.

Effective control of new yuan-denominated loans and the expansion of credit bonds and trust indicate an improved structure of social financing. The process has been accelerating recently in China.

Statistics show that last year, the ratio of new yuan-denominated loans to total social financing amount was 58.22 percent. In the first 10 months of this year, the ratio fell to 55.53 percent. The ratios were 63.24 percent, 61.44 percent and 47.46 percent, in the first, second and third quarters, respectively.

In October, social financing became more active. Statistics released by the People's Bank of China (PBC) suggest that in October new yuan-denominated loans dropped to 505.2 billion yuan (\$81.14 billion), a record low in the past 13 months and far less than the market expectation of 600 billion yuan (\$96.36 billion), while social financing climbed to 1.29 trillion yuan (\$207.17 billion). The ratio of yuan-denominated loans against social financing in October fell to a record low of 39.2 percent. Meanwhile, the proportion of trust, bill and corporate bonds rose to 40.5 percent, exceeding new yuan-denominated loans, which reflects a more balanced financing structure.

The PBC also plans to control the total new yuan-denominated loan amount between 8 trillion yuan (\$1.28 trillion) to 8.5 trillion yuan (\$1.37 trillion).

Spurred by deregulation and increased demand, the amount of credit bonds and trust underwent a significant rise. Market data from the Shanghai Stock Exchange show that since the beginning of this year, credit bonds—including short-term financing bills, mediumterm notes and corporate bonds—have

reached 2.94 trillion yuan (\$472.16 billion), a sharp increase of 162.5 percent year on year.

Most of the issuers are government agencies and local enterprises in infrastructure investment like railways and expressways. The solid performance of credit bonds is based on constantly growing demand.

Since regulators have begun to loosen regulations over financial and assets management products, the demand for high-yield bonds has begun to surge.

Third-quarter figures from the China Trustee Association suggested that by September 30 the total amount of trust assets had registered 6.32 trillion yuan (\$1.02 trillion), a year-on-year increase of 54 percent, hitting a record high. The size of the trust industry is almost the same as that of the insurance industry, China's second largest financial industry with a total asset of 6.9 trillion yuan (\$1.11 trillion).

Overdependence on bank credit may lead to narrow channels of investment and financing, which will not only hinder the spread of risks, but also reduce the efficiency of capital utilization.

China's financial reform should focus on boosting the proportion of bonds, stocks and trust against social financing and enriching the sources of investment and financing.

For now, improving the structure of social financing is speeding up. As financial reform continues to deepen, deregulations accompanying the upgrading of financial innovation and the release of investment and financing demands will sustain the accelerated diversification of social financing.

This is an edited excerpt of a report by Anbound, a Beijing-based research company, published on the website of *Caijing Magazine* 

yushujun@bjreview.com

18.1 trillion yuan

The total amount of China's private fixedasset investment from January to October, up 25.2 percent year on year.

8.07 trillion yuan

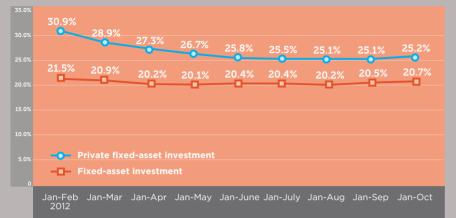
The amount of private fixed-asset investment in service industry from January to October, up 21.6 percent year on year.

3.65 trillion yuan

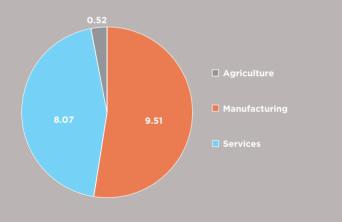
The amount of private fixed-asset investment in west China from January to October, up 29.5 percent year on year, the fastest among all regions.

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### Private Fixed-Asset Investment by Industries, Jan-Oct (trn yuan)



### Private Fixed-Asset Investment by Regions, Jan-Oct (trn yuan)



(Source: National Bureau of Statistics)

### THE MARKETS

# **Falling Stockpiles**

Stockpiles of iron ore slid at 25 major Chinese ports during the week ending November 12, according to Xinhua's latest iron ore price report.

Inventories of imported iron ore at the ports stood at 97.43 million tons, down 480,000 tons from a week earlier. The price index for 63.5-percent-grade iron ore imports rose 1 point to 123 points during the period, while the index for 58-percent-grade imports also climbed 1 point to stand at 105 points.

In the first three quarters, given the gloomy economic climate both at home and abroad, domestic consumption of iron ore was growing slowly.

Import prices of iron ore were supported by speculations that the government may adopt more measures to bolster the slowing economy, and the prices will be relatively steady in the near-term with the consumption off-season approaching.

### **Property Boom**

Amid the recovery of Beijing's real estate market, commercial property sales in the capital increased by over 30 percent year on year to 13.1 million square meters in the first 10 months, according to statistics released by the Beijing Municipal Bureau of Statistics.

Home sales in Beijing soared by over 45 percent year on year to 10.1 million square meters during the same period.

The sales surge comes as the city's property market continues to recover since May, when potential buyers snapped up bargains in the cooling market out of fears that housing prices would rise.

The buying was further boosted by two interest rate cuts since June, which reduced mortgage costs and strengthened market expectations that further loosening policies would trigger a stronger real estate market rebound.

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Luxuriant water gardens and a courtyard highlight the Hotel's low-rise setting. The unique decoration and design, as well as strong service culture, have made Jianguo the city's leading brand hotel, attracting guests from around the world.



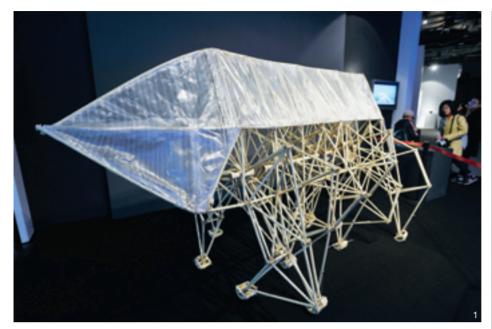


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# Two Worlds Become One

A Look at the Third Art and Science International Exhibition and Symposium By Ji Jing

he closer you stand to this garment, the more transparent it becomes," said Daan Roosegaarde, an artist from the Netherlands, introducing his hi-tech apparel to the audience at the Third Art and Science International Exhibition and Symposium at the China and Science and Technology Museum on November 1.

The garment, named Intimacy, is made of opaque smart e-foils developed by Studio Roosegaarde. Smart sensors are woven within the material, causing the e-foils to become transparent through social interaction.

Daan continued, "This garment points to the future of fashion." His workshop has created a second-generation Intimacy garment, which becomes more transparent as the wearer's heart beats faster. "So if a man wearing this garment tells a lie to a woman, the garment will become transparent and expose his chest," Daan explained.

Daan has merged science and modern technology with his artistic imagination in developing his Intimacy dress.

"Since the 1960s, new technologies have given way to new forms of art. No matter what form artwork takes, the purpose of art remains unchanged, which is to inspire people to think about the relationship between humankind and nature and inspire changes to society," Qu Meng, a Chinese artist, told *Beijing Review* at the exhibition, which runs until November 30.

The exhibition has more than 100 displays in the form of new media, product design,

architectural and environmental design, and visual design from 22 countries. The theme of this year's exhibition is "information, ecology and wisdom."

Theo Jansen—another Dutch artist—demonstrates his wisdom in creating a new life form, which he calls *strandbeest*, or "beach beast."

The beach beast is made of plastic tubes and lemonade bottles. It can walk on its own in a beach environment on both wet and dry sand and get its energy from the wind, which moves the feathers on its back and drives its feet forward.

As soon as it walks into either the sea or dry sand, it stops and walks in the opposite direction. When a storm comes, it drives a pin into the ground to stay put.

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- 1. STRANDBEEST: The "beach beast," made by Dutch artist Theo Jansen, can walk on its own in a beach environment and get its energy from the wind
- 2. BREATHING LAMP: The lamp, created by Chinese artist Qiu Song, transforms inhaled dirty air into fresh air
- 3. THE SEA CHAIR: The sea chair is made from plastic debris, which is collected and processed by Studio Swine and Kieren Jones from Britain
- 4. INTIMACY: The closer one stands to this garment, the more transparent it becomes. The garment is designed by Dutch artist Daan Roosegaarde
- 5. MUSICAL LOOM: Hong Kong artist Kingsley Ng has turned a 250-year-old French loom into a musical instrument with an infrared radiation camera and ultrasonic distance sensors. Hands placed in midair above the loom's threads cause it to create sounds



"Eventually I want to put these animals out in herds on the beaches, so they will live their own lives," according to a quote by Jansen on his website.

"Leonardo da Vinci (1452-1519) was both an artist and a scientist. Art and science are very close," Julian Stadon, a media artist from Australia told *Beijing Review*. "A lot of artists use scientific methodologies in their artworks. Art is in humanities; however, I think art should be in science because art is experimental, as science is."

"Art and artists make unique and particular contributions to ways of exploring the world around us, and art is in fact a way of knowing," Gordon Knox, Director of the Arizona State University Art Museum, said at the art and science symposium. "Similar to

science, art is a highly disciplinary form of inquiry. Artists approach the world around them with a curiosity to know as scientists do."

However, art is also separate from science because art approaches ambiguities.

"It's all right for each of you to have a different interpretation of a painting or poem. A work of art may have deep meaning, but it is not quite clear what it is to each of us," Knox said. "Scientists need to check and confirm that everything they know is correct. Art is personal and subjective."

At the exhibition, much of the art confronts such problems as pollution, which echo the "ecology" theme of this year's exhibition. The "breathing road lamp" by Chinese artist Qiu Song aims to reduce air pollution. The lamp transforms inhaled dirty air into fresh

air, thereby replicating the function of a tree. Qiu hopes to alleviate air pollution in China, a growing and increasingly serious problem in the country.

Daan told *Beijing Review* that art of today should not just stay in the comfort of a museum but should go outside and confront the world. Artists should use imagination and innovation to figure out new ways of dealing with modern-day problems. "It's not about the medium, it's about the message you tell," Daan said.

(Photos by Wei Yao)



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# **Opportunities Prevail**

By Li Junru

he Communist Party of China (CPC) first put forward the concept of the "important period of strategic opportunities" in the 16th CPC National Congress in 2002. This period covers the first 20 years of the 21st century. In the past 12 years, many changes have taken place in the world. Whether the important period of strategic opportunities still exists is a big question that must be asked before development planning is implemented.

# **Rising status**

China has been rapidly rising in the past 12 years. Along with the country's rise come two kinds of "theories" in the international community: One is the "China threat theory" and the other is the "China collapse theory."

China is often embroiled in disputes with big economies like the United States over trade and the currency exchange rate, and with neighboring countries over border issues. At the same time, China's internal social and economic development has begun to see a widening gap between the rich and poor, an outdated social structure, as well as mass conflicts. As a result, some people think that China's period of strategic opportunities has come to an end ahead of schedule.

China has already moved from the margins to the center of the world stage, with its international status rising to an unprecedented high. Particularly, the Chinese economy is contributing more and more and exerting a growing influence on the world economy. There exist conflicts and frictions between China and big powers like the United States, but the mutually beneficial pattern has already taken shape. China's cooperation with other developing countries is also extensive. The common interests between China and its neighboring countries outweigh their conflicts. Major events like the 2008 Beijing Olympics, the celebration for the 60th anniversary of the People's Republic of China in 2009, the 2010

World Expo in Shanghai, as well as China's effective responses to the massive earthquake in Wenchuan of Sichuan Province, the earthquake in Yushu of Qinghai Province and the mudslide in Zhouqu of Gansu Province from 2008 to 2010, have greatly burnished China's image and encouraged the Chinese people.

All these prove that despite all the newly emerged conflicts and problems, China's rapid development is still blessed with strategic opportunities.

# **Objective judgments**

In light of the changes happening within China and in the world, the CPC Central Committee has made two judgments following comprehensive, objective and calm analyses: First, China's development is still in the important period of strategic opportunities; thus, there is still extensive space for China's further development. Second, China is faced with a variety of foreseeable and unforeseeable risks and challenges. Based on the two judgments, the CPC proposed to strengthen the sense of opportunity and the sense of crisis. We have unified our minds based on the "two judgments" and "two senses." Then we'll be able to remain confident in the face of complex and variable situations.

Given the present economic and social development in China as well as the international environment, we must keep a clear mind. We face huge challenges and tests. In terms of the international situation, the global economy is recovering very slowly while the financial crisis is still ongoing. In some countries, the sovereign debt crisis is unlikely to find relief in the short run. Meanwhile, major developed economies are plagued by high unemployment rates, lacking the driving force for economic growth, while emerging economies are under the double pressure of inflation and a slower economic growth pace. The exchange rates of major currencies are sharply fluctuating and commodity prices are The author is former Vice President of the Party School of the CPC Central Committee, and the article is an edited excerpt first published in the Beijing Daily



on a roller coaster ride. Protectionism in international trade and investment is mounting.

As for the domestic situation, the task to solve systemic and structural conflicts for more balanced, coordinated and sustainable development is becoming increasingly urgent and difficult. New problems keep cropping up in the country's economic development. For instance, China's economic growth is under the pressure of slowing down. Its consumer prices remain high. The government's macrocontrol over the real estate market is at a critical stage. It is difficult for agriculture to realize stable development and for farmers to keep increasing their incomes. Employment is under structural pressure. Some businesses, particularly small businesses, are facing problems in operation. The problem of excess capacity in some industries is becoming more striking. The total consumption of energy is rising too fast. Some long-term conflicts are getting intertwined with short-term issues, while internal and external problems are getting mixed up. Thus, China's macro-control has to be conducted in a more complex con-

# **Global changes**

We need to realize that China is blessed with many favorable conditions for its stable and rapid economic growth over a relatively long period of time. In the second decade of the 21st century, China is still in the important period. Why?

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# Despite all the newly emerged conflicts and problems. China's rapid development is still blessed with strategic opportunities

First, it was pointed out in the 16th CPC National Congress held in 2002 that the first two decades of the 21st century is an important period of strategic opportunities. What is the basis of this phrase?

In the international arena, peace and development remain the themes of the times. Global multi-polarization and economic globalization are moving forward in a zigzagging way. Development of a more balanced economy is making progress with each passing day. The competition in comprehensive national strength is becoming increasingly fierce. In the domestic arena, China has successfully reached the first-step and second-step targets of the "three-step" strategy of modernization. The Chinese people are now living relatively well-off lives. This marks a great success for the socialist system and a new milestone in China's history. The first two decades of the 21st century are critical for the improvement of the socialist market economy system and the further opening up of the country.

Second, the profound changes occurring in today's world economy and politics are on the whole conducive to China's peaceful development.

In terms of politics, major changes include the United States' return to Asia. Washington has adjusted its strategy, extending NATO's antenna to China's neighboring areas. Also, the U.S. subprime credit crisis has caused the global financial crisis and later the sovereign debt crisis occurring in some European countries have negatively impacted the world economy and affected the world's political pattern. Particularly, it has weakened the United States' control over the world. While the multi-polarization of the world pattern becomes clearer, China insists on the road of peaceful development and holds a greater influence in the world.

In terms of economy, the world economic recovery from the financial crisis has been better than expected, but the real estate sector and the financial sector in major developed countries have been seriously hurt. Family debt rates and unemployment remain high in developed countries, especially in the United States. As a result, there is less demand. Moreover, developed countries' excessive reliance on the financial industry is unlikely to continue. The global economic pattern that features energy supply from the Middle East, production in Asian countries like China and consumption in American and European countries is to be adjusted. In order to stimulate economic recovery, some countries insist on an expansionary monetary policy. This might lead to even more serious fluctuations in the international financial market and a heavier blow to emerging economies. New breakthroughs are made in science and technology innovation, with an accelerated pace of industrial upgrading. With more complex global competition, China is under heightening external pressure.

While the overall situation remains unchanged, profound changes have hit the world economy and politics. This is the world we are living in today. There are many opportunities as well as challenges.

Third, China's economic and social development has already reached a new historical point. On the one hand, we are faced with a series of striking conflicts and difficulties. For example, although China's GDP growth rate stays high, its per-capita income is still very low. There exists an imbalance between investment and consumption, with a relatively low consumption level. China's scientific innovation is lagging behind developed countries. Meanwhile, the country's input in education, medical services, affordable housing and social welfare is limited, unable to cover everyone equally. The social gap is widening and social conflicts are increasing.

On the other hand, the second decade of the 21st century is equipped with better development conditions than ever before since reform and opening up started in the late 1970s. China's development road has obvious advantages. After 30 years' reform and opening up, China's economic power and comprehensive national strength are on a rapid rise. Since the 16th CPC National Congress, China has abolished the agricultural tax, implemented free compulsory education, and set up a social security system covering both urban and rural residents.

On the whole, China faces more opportunities than challenges. In the face of so many complex challenges, the key is to seek out the opportunities created by the challenges and to be confident in the final success.



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# Journey to the West

Yunnan is a remote place of profound spiritual mystery and delicious yak kebabs By Evan Z. Hall



o west, young man, go west and grow up with the country," is a phrase most commonly attributed to newspaper editor Horace Greeley in 1865, as American westward expansion hit a fevered pitch at the end of the U.S. Civil War (1861-65). The romantic ideological spirit of manifest destiny inspired the occidental ambitions of many young people seeking new opportunities.

As a young man graduating from university, and one fully aware of the imperialistic conceits informing that period of American history, I did with the slogan what Karl Marx did with G.W.F. Hegel's idealism, and turned it on its head: In my search for an approximation of the American Dream, I went so far over the Pacific that I ended up finding work in bustling Beijing.

So what is a small-town American expatriate to do in order to escape the manifest density and breakneck pace of modern Chinese urban development in search of a little inner peace? I took a few pages out of the Chinese epic *Journey to the West*, because although I'm not nearly as strong or as clever as Sun Wukong, the mischievous Monkey King of legend, I'm equally hirsute and almost as handsome.

Journey to the West recounts the adventures of a monk named Xuanzang on a quest to find an original Buddhist manuscript in India and bring it back to China. The epic tale is allegorical of Buddhism's deeply rooted compatibility with indigenous Chinese Taoism. Sun Wukong, an infamous trouble-

maker, with protecting Xuanzang, as many monsters along the path considered the monk the "longevity monk" a tempting meal. At first an unwilling bodyguard frustrated by his ward's naivete, by the conclusion of the journey Sun Wukong redeems his past transgressions and attains enlightenment

with help from his friends.

But I didn't retrieve any lost sutras during my week visiting Buddhist sites in Thailand. I certainly didn't find much peace during the grueling series of bus trips through the unforgiving karst landscape of Laos. And when I crossed the border to Xishuangbanna of southwest China's Yunnan Province, I felt a lingering earthly attachment to the ubiquity of fresh bread and other Western staple foods in the former French colony I had so recently exited.

Perhaps this is what it would have been like if Sun Wukong traveled unsupervised by Xuanzang, and instead relied solely on his 108,000 *li* (54,000 km) cloud somersault to get from point A to point B. It was not until I arrived in Lijiang, northern Yunnan, that I was reunited with some of my friends from Beijing, and really began to enjoy my journey.

# The other 'white' people

Shaxi Town is located in Jianchuan County, Dali Prefecture, a few hours southwest of Lijiang. This quiet village is situated on the Ancient Tea Horse Road. Along this trade route, mule caravans exchanged Chinese tea for Tibetan ponies. I thought I was loaded for bear with my 70-liter backpack, but the bundles of tea bricks carried by ancient traders dwarfed my meager burden.

It was also a destination for troublesome scholars, exiled from the ancient capitals by imperial authorities, to live out their days reciting poetry. As we looked for accommodations, we were approached by a kindly old lady from the Bai ethnic minority group, who invited us to stay at her home for a quarter of what we might have paid to stay at a youth hostel. For the next few days we awoke to the crowing of roosters in this tiny courtyard enclosing a quaint vegetable garden.

In Chinese, *Bai* literally means "white." After I overcame my typical linguistic confusion to understand that I am *bairen* (white people) and they are *baizu* (Bai ethnic group), I came to realize that although my whiteness tends to make me stick out like a sore thumb, of China's many ethnic minority groups, the Bai people are among the most seamlessly integrated into mainstream Chinese society.

I fully realized this back in Lijiang's Ancient City District, in the company of a bar owned by a young Bai fellow, who serenaded us with a love song in his native language while playing Western folk guitar, all before decisively trouncing me in a Chinese drinking game. Chinese drinking etiquette gets me every time!

Yet for its remoteness, certain aspects of Shaxi-not the least being the Bai and Yi people's warm hospitality—made me feel quite at home. After a punishing bike trek through mountainous terrain at a far higher mean elevation than I'm accustomed to, my friends and I stopped to dine at a courtyard home. There was no menu, but the family served purple potatoes and a local delicacy called rubing, fried goat cheese. While my Chinese friends were nonplussed, my hankering for Western comfort food of potatoes 'ni' cheese was immediately supplanted by a powerful yearning for more of the local flavors, to the point where I begged my companions to inquire about rubing at every single restaurant we visited hence. So much for overcoming earthly attachments!

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