## WORLD: CONSEQUENCES FOR SYRIA **P.16** | NATION: BUILDING LEADERS IN CHINA **P.28** JINGRE 📂 🐗 🔏 👫 🛛 WWW.BJREVIEW.COM VOL.56 NO.37 SEPTEMBER 12, 2013

TWO ASIAN GIANTS

One common goal for peace and development







### 12 issues a year at a subscription rate of 180 RMB SUBSCRIPTION HOTLINES

An Africa-oriented English monthly covering China and Africa published by BEUING REVIEW, ChinAfrica is the leading one in China featuring news, views and analysis for an African audience.



**Complex Issue, Hopeful Prospects** Gaining trust to solve the China-India border dispute



**Obama's War** Why striking Syria is a big no

#### THF DFSK » A Common Responsibility 02 THIS WEEK **COVER STORY** » False Discord 15 Are the Chinese and Indian militaries a mutual threat? WORI D » Regional Reassurance 18 Ensuring peace in the Asia-Pacific NATION » Made in China 24 Young people take a different approach » Fatal Temptation 26 Diet pills and their attack on health » Collective Leadership, China's Way 28 Decision making explained

#### BUSINESS

» Elusive Care 32
Seniors need more services
» Pivoting West 36
China-Eurasia ties continue to boom
» Market Watch 40
CULTURE
» Questions That Inspire 44
A science book that pushes kids to think
FORUM
» Will a Homework Ban Make Any





**Like a Furnace** The consequences of the "urban heat island"



Are Foreign Investors Fleeing China? Contrary to popular opinion, they're not

#### ONLINE AT » WWW.BJREVIEW.COM

BREAKING NEWS » SCAN ME » Using a QR code reader

Beijing Review (ISSN 1000-9140) is published weekly for US\$64.00 per year by Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Periodical Postage Paid at South San Francisco, CA 94080, POSTMASTER: Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, POSTMASTER: Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster, Send Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, Send Beijing Review, Send Beijing Revie

## **CONTENTS**

## THE DESK

#### H \* A A BEIJING REVIEW

A News Weekly Magazine Published Since 1958

President & Editor in Chief: Wang Gangyi Vice President: Qi Wengong Associate Editors in Chief: Li Jianguo, Huang Wei, Wang Yanjuan, Zhou Jianxiong, Ding Zhitao Assistant President: Li Zhenzhou Assistant Editor in Chief: Wa Chunfang Executive Editor: Ding Zhitao

Assistant Executive Editors: Yao Bin, Zhang Zhiping, Zan Jifang Editorial Administrators: Zhang Xiaoli, Shi Bosen Opinion Editor: Zan Jifang World Editor: Yan Wei Nation Editor: Yao Bin Business Editors: Yu Shujun, Lan Xinzhen Culture Editor: Liu Yunvun Editorial Consultants: loseph Halvorson, Elvis Anber. Jacques Smit, Kieran Pringle Staff Reporters: Tang Yuankai, Ding Ying, Ding Wenlei, Wang Jun, Li Li, Yin Pumin, Pan Xiaogiao, Yuan Yuan, Wang Hairong, Liu Xinlian, Yu Yan. Yu Lintao, Zhou Xiaoyan, Bai Shi, Deng Yaging, Ji Jing Photo Editor: Wang Xiang Photographer: Wei Yao Art: Li Shigong Art Director: Wang Yajuan Chief Designer: Cui Xiaodong Designer: Zhao Boyu Proofreading: Qin Wenli, Ma Xin

Distribution Director: Pan Changqing Human Resources: Hou Jin International Cooperation: Zhang Yajie Legal Counsel: Yue Cheng

North America Bureau Chief: Huang Wei Deputy Chief: Xu Tao Tel/Fax: 1-201-792-0334 E-mail: hw(@bjreview.com

Africa Bureau Chief: Li Jianguo Africa Managing Editor: Francisco Little Tel: 27-71-6132053 E-mail: casa201208/Ghotmail.com

General Editorial Office

Tel: 86-10-68996252 Fax: 86-10-68326628 English Edition Tel: 86-10-68996259 Advertising Department Tel: 86-10-68995810 E-mail: addpireview.com.cn Distribution Department Tel: 86-10-68310644 E-mail: circulation@bireview.com.cn

Published every Thursday by BEIJING REVIEW, 24 Baiwanzhuang Lu, Beijing 100037, China. Overseas Distributor: China International Book Trading Corporation (Guoji Shudian), P. O. BOX 399, Beijing 100044, China Tel: 86-10-68413849, 1-416-497-8096 (Canada) Fax: 86-10-68412166 E-mail: fp(qmail.cibtc.com.cn Website: http://www.cibtc.com General Distributor for Hong Kong, Macao and Taiwan: Peace Book Co. Ltd. 17/Fl, Paramount Bidg, 12 Ka Yip St, Chai Wan, HK Tel: 852-28046687 Fax: 852-28046409

Beijing Review (ISSN 1000-9140 USPS 2812) is published weekly in the United States for US\$64.00 per year by Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 9400 News Postage Paid at South San Francisco, CA 94080 POSTMASTER: Send address changes to *Beijing Review*, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080

#### ) EDITOR

## A Common Responsibility

Recently, the 16th China-India Boundary Talks were held in Beijing. The two sides had a series of in-depth talks and exchanges of opinions in order to mitigate border tensions and maintain cross-border peace.

The border between the two countries extends for about 1,700 km. Although the two sides have never officially drawn a boundary line, it was naturally formed and adhered to by the two sides a long time back. However, after India became a colony of the United Kingdom, the British Empire started to expand into along the border.

After gaining independence in 1947, India inherited the areas enveloped by the British Empire. Thus border disputes emerged between China and India, resulting in the two countries clashing in 1962. In the past 30 years or so, the two countries have sought a solution to their border differences, but no breakthrough has been made so far.

Despite this, the situation in the China-India border areas is generally peaceful. Authorities of the two countries have kept close communication.

China and India are the two biggest countries by land mass in Asia. They are neighbors and both are developing countries. In recent years, they have embraced a comprehensive and rapid development in their relations. Since 2005, high-level exchanges of visits as well as exchanges and cooperation in all areas have been increasingly frequent. The leaders of the two countries have identified 10 strategies for deepening cooperation and they singed a common prospect for the 21st century. All these factors present the image of relations marching toward stability.

Currently, China-India cooperation has gone beyond any bilateral scope and is of global significance. Their common development not only benefits their 2.4 billion people but also benefits Asia and the whole world.

China looks forward to taking the responsibility—along with India—of promoting good momentum in China-India relations, clearing away obstacles and deepening mutually beneficial cooperation.

#### WRITETOUS

#### Send an e-mail: contact@bjreview.com.cn

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

CHINA.....RMB6.00 U.S.A.....USD1.70 AUSTRALIA.....AUD3.00 UK.....GBP1.20 CANADA.....CAD2.60 SWITZERLAND.....CHF2.60 JAPAN.....JPY188 EUROPE.....EURO1.90 TURKEY.....YTL5.00 HK.....HKD9.30 NEPAL.....RS40

北京周报 英文版 2013年 第37期 ISSN 1000-9140 广告许可证 0171号北京市期刊登记证第733号 邮发代号2-922 · 国内统一刊号: CN11-1576/G2 国内零售价:人民币6.00元



Available at the App Store

**THIS WEEK** 



# **G20 DEBUT**

Chinese President Xi Jinping arrives in St. Petersburg, Russia, on September 4, prior to attending the Eighth G20 Leaders' Summit from September 5 to 6. This is Xi's first appearance at the G20 Summit as Chinese president. The G20 Summit is a leading forum for cooperation on international issues for member states, including China, Russia, the United States, India and Canada.

## THIS WEEK SOCIETY

## Cooperation Pledge

Chinese Premier Li Keqiang visits the exhibition hall of the China-ASEAN Expo in Nanning, Guangxi Zhuang Autonomous Region, on September 3.

The expo attracted more than 2,300 companies from China and member countries of the Association of Southeast Asian Nations (ASEAN).

This year marks the 10th anniversary of the establishment of China-ASEAN strategic partnership. It has been described as a "golden decade," in which both China and ASEAN nations experienced enormous gains as a result of their cooperation.

Speaking at the opening of the expo, Li said that China and ASEAN nations have the ability to build a "diamond decade."



#### **Discipline Online**

The Central Commission for Discipline Inspection (CCDI) of the Communist Party of China and the Ministry of Supervision jointly launched an official website on September 1. Tip-offs about corruption cases can be submitted to the website, which will publish the latest information from important meetings, campaigns and graft investigations. The public can access a database of Party regulations and laws against corruption through it.

As a major move to improve anti-corruption efforts, the website will be a bridge between the public and anti-corruption agencies, said Wang Qishan, head of the CCDI, when inspecting the operation of the website on September 3.

### Higher Thresholds

Ten provincial-level regions nationwide have been put under a

pilot reform program that raises the threshold of becoming a teacher, the Ministry of Education said on September 3.

Under the program, all teachers could be subject to taking a unified national exam and graduates from teachers' training schools or colleges will no longer be acknowledged straight away as qualified for teaching after graduation.

In addition, life tenure will be scrapped in order to get rid of the safety net allowing under-performing teachers to stay in the education system, and all teachers have to register to stay active educational practitioners every five years.

Initiated in 2011, the program will be expanded to all 31 provincial-level



Table Tennis world champion Wang Liqin competes in the men's team event at the 12th Chinese National Games, held from August 31 to September 12 in northeast China's Liaoning Province. More than 9,770 athletes participated regions on the Chinese mainland by 2015, according to the ministry. China had about 25 million registered teachers at the end of 2012.

### Trademark Law

China's top legislature on August 30 passed a new intellectual property law to crack down on copyright infringements and ensure a fair market for trademark holders.

After three readings over the past two years, the revised law was passed at the bi-monthly session of the Standing Committee of the National People's Congress.

The new law, which will go into effect on May 1, 2014, raises the compensation ceiling for trademark infringement to 3 million yuan (\$500,000), six times the previous limit.

It also mitigates the responsibility of trademark holders in providing proof of infringement, saying the alleged offenders shall provide their accounting books or other materials for investigation. Otherwise, compensation could be determined according to the amounts proposed

## THIS WEEK



Sculptures of the Chinese Expeditionary Force soldiers, who helped defeat Japanese forces in Myanmar during World War II, were completed on September 3 and stand on top of the Songshan Mountain in Yunnan Province, which borders the Southeast Asian nation

by trademark holders.

Trademark agencies are forbidden from accepting entrustment if they know or should know that their clients are conducting malicious registration or infringing on the trademark rights of others.

Agencies violating the law will face fines and credit score penalties. Those involved in serious cases will have their businesses suspended.

The new law offers protection for well-known trademarks, giving owners the right to ban others from registering their trademarks or using similar ones—even if similar brand names are available.

China adopted its Trademark Law in 1982 and made amendments in 1993 and 2001.

#### Tibetan Afforestation

Tibet Autonomous Region is planning to invest 30 billion yuan (\$4.9 billion) in an afforestation project along six major rivers in the region, a forestry official announced on August 29.

The project will focus on lands suitable for afforestation along Yarlung Zangbo, Ngulchu, Lhasa, Nyangchu, Nyakchu and Sengye Khabap rivers, said Lei Guilong, head of Tibet's Forestry Department.

The project will start from 2014 and is expected to be completed by 2030. It will help conserve soil and water resources, as well as prevent sandstorms in these areas, Lei said.

### **Translation Contest**

A translation contest of contemporary works in the Chinese language



was launched on September 2.

Organizers of the China International Translation Contest 2013 have chosen 30 award-winning pieces of contemporary Chinese short stories from renowned writers including Nobel Prize winner Mo Yan.

Participants are required to choose one of the 30 stories to translate into English, French, Russian, Spanish or Arabic and submit their works before February 28, 2014.

Organizers said both individual translators and group efforts are welcome to take part.

The top prize for each language will be \$5,000.

#### Patient Database

The National Health and Family

Planning Commission issued on August 29 a document on managing patients suffering illnesses such as schizophrenia, schizoaffective disorder, persistent delusional disorder and paranoid schizophrenia. They are among the six categories of severe mental disturbance in the country's first Mental Health Law that took effect in May.

Patients and those who harm others should be recorded in the national mental illness information administration system, the document said.

The hospital should record the patient in the national system, or submit a written report to a countylevel mental illness prevention and treatment agency, within 10 days after the patient is discharged from hospital, it said.

China had more than 100 million people with some form of mental disorder in 2009, including 16 million suffering severe mental illnesses, according to latest figures from the Chinese Center for Disease Control and Prevention.

### Safe Water

China will ensure the safety of drinking water by the year 2015 in rural areas, where it still remains inaccessible to more than 100 million people, a senior official said on August 29.

By the end of this year, 63 percent of rural residents will have access to safe drinking water, said Li Guoying, Vice Minister of Water Resources.

The government had allocated more than 179 billion yuan (\$29.25 billion) for safe drinking water projects from 2005 to 2012, Li said.

## Car Control

Beijing's first reversible lane is located on Chaoyang Road and was put into use on September 5 as part of efforts to ease worsening gridlock.

Traffic authorities said on September 3 that the city is considering imposing congestion fees for cars in the city center.

Meanwhile, Beijing will restrict the number of new cars on road each year beginning January 2014. By 2017, the number of registered vehicles in the city is expected to be no more than 6 million, but in July of this year, the number had already reached 5.35 million.



## THIS WEEK ECONOMY

## Roof Goes Solar

Wang Xiaogang, a resident in Changxing County, Zhejiang Province, and electricians from a local power department check the grid-connected solar power unit installed on Wang's roof.

The facility consists of 16 solar panels and has an installed capacity of 4 kilowatts. It can generate 15-20 kilowatt-hours (kwh) of electricity on a sunny day.

The National Development and Reform Commission on August 30 issued a 0.42-yuan subsidy for every kwh of electricity produced by distributed solar power generation projects.



#### **Economic Rebound**

China's manufacturing activities posted a strong recovery in August, offering further signs that the world's second largest economy is emerging from the shadows of a protracted slowdown.

The purchasing managers' index (PMI) rose to 51.0 percent in August from 50.3 percent in July, marking the second monthly expansion in a row, and the highest reading this year, according to data jointly released by the China Federation of Logistics and Purchasing and National Bureau of Statistics (NBS) on September 1. A reading below 50 indicates contraction, while anything above signals expansion.

The 0.7-percentage-point monthly expansion also represents the biggest increase since January. In the months prior to August, the data had swayed back and forth.

Zhao Qinghe, a senior statistician with the NBS, said the figure shows the manufacturing activities have stronger growth impetus, and the economy is firming up in a more evident way.

China's non-manufacturing PMI fell to 53.9 percent in August from 54.1 percent for July, according to data released on September 3.

### China's Top 500

The 2013 edition of the Top 500 Chinese Enterprises list was unveiled at a press conference in Kunming, capital of southwest China's Yunnan Province on August 31, with China's oil giant Sinopec Group topping the list.

The list was compiled by the China Enterprise Confederation and the China Enterprise Directors



#### DIRECT FLIGHT

Flight crew head to the boarding gate of a Hainan Airlines flight from Beijing to Chicago. On September 3, Hainan Airlines launched China's first non-stop flight between the two cities Association based on the 2012 revenues of Chinese companies.

Sinopec Group took the lead for a ninth year with a total revenue of 2.83 trillion yuan (\$458.6 billion) in 2012.

China National Petroleum Corp., the parent company of China's top oil and gas producer, PetroChina, followed closely in second place with revenues reaching 2.68 trillion yuan (\$440 billion) in 2012.

The two were joined by eight other state-owned companies to dominate the top 10: State Grid, Industrial and Commercial Bank of China, China Construction Bank, Agricultural Bank of China, Bank of China, China Mobile, China State Construction and China National Offshore Oil Corporation.

A total of 123 companies, including 16 privately owned enterprises, reported revenues of more than 100 billion yuan (\$16.34 billion) last year, up from 107 companies a year earlier.

#### **GDP** Revised

The National Bureau of Statistics (NBS) on September 2 lowered



## THIS WEEK



Spectators snap photographs of an air show at the Second China Helicopter Exposition, held in Tianjin from September 5 to 8

China's growth rate for 2012 to 7.7 percent based on its preliminary verification.

The revised GDP came in at 51.89 trillion yuan (\$8.41 trillion), down 38 billion yuan (\$6.21 billion) from the preliminary calculation figure that put the annual rate at 7.8 percent, said the NBS.

Primary industries took up a 10.1percent share in the GDP structure, while the secondary and tertiary sectors accounted for 45.3 percent and 44.6 percent, respectively, remaining unchanged from the preliminary calculation.

The NBS calculates each year's GDP three times—a preliminary calculation, a preliminary verification and a final verification that is due several months later.

### Cotton Trade Hub

Cotton processors in northwest China's Xinjiang Uygur Autonomous Region are planning to build a trad-



ing center in the country's largest cotton planting area.

The center will be located in the Xinjiang Huijin Logistics Garden in south Xinjiang's Korla City. It will be jointly supported by 17 cotton purchase and processing enterprises with a total investment of 1.5 billion yuan (\$242 million).

The first phase of the project, with an investment of nearly 300 million yuan (\$49 million), will have a storage capacity of 600,000 tons, while the second-phase project will bring that capacity to 3.6 million tons.

The center will also cooperate with other cotton futures centers in the country to better facilitate cotton logistics, trade and transactions. Xinjiang is China's most important cotton planting area, with its output accounting for more than half of the national total.

### Tax Adjustment

China has increased the value-added tax from 4 percent to 5 percent on imports of planes with an empty weight of above 25 metric tons, the Central Government announced on September 2.

Meanwhile, for imported planes with an empty weight between 25 and 45 metric tons, the import tariff rate has been adjusted from the previous 1 percent to 5 percent.

The country has also scrapped its zero-tariff policy on imports of lignite, a form of low-rank coal. Instead, a 3-percent tax has been resumed.

## Numbers

### 523 mln yuan

Fine that Everbright Securities received from the country's top securities regulator, the largest ever given to a securities brokerage firm, for insider trading, release of misleading information and poor risk controls

### **10,442** yuan

Average new home price per square meter in August in 100 major cities surveyed by the China Index Academy, the research arm of Soufun, China's largest property website

## 67

Number of papermaking enterprises that will cease operations due to outdated capacity

## Trend Technologies

Visitors inspect the latest gaming software on display at the ninth China (Nanjing) International Software Product and Information Service Expo held in Nanjing, capital of east China's Jiangsu Province on September 5-8.

The expo, under the theme Software and Smart Life, attracted more than 1,100 software companies from 30 countries to showcase their latest products.



### 274

Number of illegal websites containing pornographic and violent content that have been shut down since mid-July

## **THIS WEEK WORLD**



President Ibrahim Boubacar Keita (center) pays his respects in front of the Independence Monument after taking the oath of office on September 4







Protesters wearing masks of German Chancellor Angela Merkel (right) and her challenger Peer Steinbrück demonstrate against energy policies of both candidates in Berlin on September 1



Diana Nyad (center), 64, emerges from the Atlantic Ocean after completing a 111-mile swim without the security of a shark cage from Cuba to Key West, Florida, on September 2







Indian artists make final preparations of an idol of the Hindu God Lord Ganesh in Hyderabad on August 30



Onlookers spray water on participants of the color run in Medellin on September 1







A birthday cake is displayed next to the anime character, Doraemon, to celebrate his birthday during the Fujiko F. Fujio exhibition in Tokyo on September 3

## THIS WEEK PEOPLE

"For students who are 12 or younger, spending six to seven hours a day at school is already physically stressful. They need more time to sleep and exercise, to develop their curiosity and hobbies."

Hu Ruiwen, a member of the National Education Advisory Committee, in response to new national education guidelines that aim to reduce students' workload



### "Few people are interested in mooncake gift packages worth 500 yuan (\$81) or more, while large orders by government bodies are no longer a reality."

Li Aihua, who owns an online mooncake franchise shop in Chengdu, Sichuan Province, commenting on August 29 on declining sales of luxury mooncakes ahead of the Mid-Autumn Festival when the sweet treat is given as a gift to friends and family

 $(\downarrow)$ 

"With an increase in high-calorie, high-fat, high-sugar, and high-sodium diets, a decrease in physical activity and a more sedentary lifestyle, all factors that lead to weight gain, diabetes and other chronic diseases are now reaching epidemic proportions in China."

Guang Ning, Vice President of Ruijin Hospital, affiliated with the Shanghai Jiaotong University Medical School, on September 3

 $(\downarrow)$ 

### "Laws should be made to clarify that guardians cannot leave children under a certain age unattended."

Qin Qianhong, a law professor with Wuhan University in Hubei Province, in response to a recent slew of child injuries and deaths across the country, on September 4

#### OFFICIAL REMOVED FROM OFFICE



Jiang Jiemin has been removed from his post as head of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council for alleged disciplinary violations. Jiang, born in 1955, is the first member of the 18th CPC Central Committee to be investigated for corruption. Before being appointed SASAC minister in March, Jiang was chairman of the China National Petroleum Corp., the country's leading oil and gas producer. Jiang worked in the petroleum industry from December 1972 until June 2000, and from April 2004 to March 2013. He was deputy governor of Qinghai Province between June 2000 and April 2004.





Gao E won the Women's Trap event at China's 12th National Games on September 1 despite being 51 years of age.

Gao started practicing shooting in 1976 and has won gold medals at many major sports events. Her only regret is that she hasn't won an Olympic gold. Gao said if rules permit, she hopes to take part in the 2016 Summer Olympic Games in Rio de Janeiro, Brazil.

## MEDIA DIGEST **This week**





### Crisis Shadowing Asia Again?

*Caixin Magazine* August 26

Since May 22, when U.S. Federal Reserve chairman Ben Bernanke made indications that there would be adjustments to their quantitative easing policy, which could in turn potentially cause interest

rates to rise, currencies in emerging economies have sharply devalued against the U.S. dollar. To make things worse, slowing foreign demand and sharply rising oil prices have further deteriorated many countries' current accounts and trade deficits have accelerated the depreciation of some currencies. Currencies of emerging economies are facing the most severe challenge since the 1997 Asian Financial Crisis.

In India, depreciation of the rupee has spun out of control, putting the central bank on high alert. The Indian Government and central bank have unveiled numerous policies that act to restrict the transfer of money abroad and similarly restrict overseas investment while raising the import taxes on precious metals such as gold and silver. In order to stabilize the currency, the central bank increased interest rates from 8.25 percent to 10.25 percent.

However, these efforts have had limited effects. On August 22, the exchange rate of the U.S. dollar to the rupee rose to over 65 rupees to the dollar, indicating that the rupee had devalued by nearly 20 percent compared to early May. Cash is flowing out of the country and the stock market has also taken a hit, with SENSEX dropping by over 10 percent.

However, India is not alone. Indonesia and Thailand also face similar problems. As these emerging countries fall into the middle income trap, problems such as inadequate infrastructure, corruption, widening wealth gaps and poor standards of education will start to emerge. Where the future of the emerging currencies lies becomes increasingly unclear.

#### Real-Name Registration System

Beijing Times September 2

China's real-name registration system for all new telephone users went into effect on September 1. Realname registration system is a universal policy across the world to control illegal practices. But it doesn't necessarily spell the end of junk messages and nuisance phone calls.

For instance, those omnipresent advertising messages for real estate, beauty products and fake invoices are unlikely to be deterred by real-name registration. In addition, many junk messages that have flourished in recent years are the result of the conspiratorial actions of telecoms operators and some companies. In this regard, the system alone will be unable to control this profitdriven impulse.

Supporting supervisory measures and strict implementation of the regulation are essential. The government should strengthen protection of phone users' personal information, preventing their private details from falling into the wrong hands.

#### Housing Tax

Guangzhou Daily September 2

Xu Shaoshi, head of China's National Development and Reform Commission, recently announced that China will launch pilot property tax programs in more cities. He affirmed that the policy will be scheduled for the second half of 2013.

Thanks to the reform and opening up, Chinese citizens are richer than ever before. However, their property forms are so limited that real estate is the major—and almost the only—form for them. Now an additional housing tax is on the way, meaning that

ordinary citizens will have to pay extra for their sole property.

China's current policy states that a person who buys an apartment has to pay 12 taxes and more than 50 fees. Therefore, imposing a housing tax has the aura of double taxation.

The imposing of a housing tax also arises concern

over property risk. Currently, the trend of migration is on the rise in China. And most of these people are the country's newly rich elites. Many of them continue to work in China with a foreign nationality. They put their careers in China but purchase property outside of China. This reflects their concerns over the controllability and risk of their properties in China.

#### The Dream That Changed a Nation China Newsweek September 2

On August 28, 1963, the African American civil rights leader Rev. Martin Luther King Jr. delivered his world renowned speech titled I Have a Dream in front of the Lincoln Memorial to 250,000 people who took part in the march on Washington for Jobs and Freedom.

In the 50 years since the speech was made, King has been removed from the FBI blacklist as a dissent and is widely recognized as a civil rights movement hero by not only Americans, but also people the world over. His birthday has been designated as a national holiday in America and a statue commemorating him stands among those of several American presidents in Washington. The racial segregation he fought against has weakened and the country's first African American president Barack Obama is currently serving his second tenure. However,

despite all the progress achieved, Vincent Harding, an African American historian, told *China Newsweek* that the United States is still far from realizing King's dreams. Since slavery had a history that lasted over 300 years in America, it's unrealistic to expect the elimination of racial discrimination within only 50 years. As King declared in his speech, 'we need to fight constantly and regard the March on Washington not as the end but as a new beginning.''



# COVER STORY COMPLEX ISSUE, HOPEFUL PROSPECTS

Settling the China-India border dispute depends on mutual trust By Wu Zhaoli



India's recent announcement to develop unilaterally and independently the disputed China-India border region without loans from the Asian Development Bank once again spurred public concern over the Sino-Indian border disputes following the "tent confrontation" incident between the two armies this April. The region, which China calls Zangnan (South Tibet) and India calls Arunachal Pradesh, is currently under Indian control. It is undeniable that overheated media reports on Sino-Indian border disputes in recent years are partly exploited to attract attention, but it also shows that the border dispute is one of the most sensitive issues in terms of Sino-Indian relations.

Although a final settlement over the border issue cannot be immediately achieved, both sides share a similar willingness to resolve the dispute as their stances gradually converge. The key to resolving the issue completely is to enhance mutual political trust.

#### **Creeping progress**

The Sino-Indian border dispute is a complicated historical issue. The two countries have lived in peace with each other in spite of no official boundary in the contested area. However, it is not a coincidence that the border issue became **BOUNDARY ISSUES:** Chinese State Councilor Yang Jiechi (second right) and Indian National Security Adviser Shiv Shankar Menon (second left) attend the 16th round of China-India special representative meeting on the disputed border region in Beijing on June 29

a major barrier impacting bilateral relations over the past six decades.

Historically, the two countries have formed a traditional borderline in the east based on the traditional living habits of the two peoples and the boundary of administrative jurisdiction of each country. For over 2,000 years, the two peoples have respected this fixed borderline and developed a kind of permeable relationship. However, starting with British colonial rule in South Asia, the British Empire sought to expand the borders of its colony of British India to surrounding countries. British colonists also illegally signed a Simla Accord with China's Tibetan local government and set the so-called McMahon Line to define the China-India eastern border. Following independence, India inherited the British colonial legacy and advanced its borderline with China to the McMahon Line in the 1950s. In the meantime, India also put forward its territorial claim in the western part of the China-India border. After the China-India border war in 1962, the two countries formed the current line of control in their respective borders.

The settlement of bilateral border disputes has been always a top priority of bilateral relations. Since the two countries began border talks in 1981, the two sides have successively established vice-ministerial level talks, joint working group talks, China-India border issue diplomats and military experts' panel meetings, special representatives meetings as well as the Working Mechanism for Consultation and Coordination on India-China Border Affairs. These platforms have made gradual progress. In 1993, China and India signed the Maintenance of Peace and Tranquility along the Line of Actual Control in the India-China Border Areas; and later in 1996, the two sides signed the Confidence Building Measures in the Military Field along the Line of Actual Control in the India-China Border Areas. The two pacts allowed both sides to lay a solid foundation for maintaining long-term peace and security in the disputed area.

Special representatives were also appointed with the political mandate to steer negotiations

in 2003, discussing the framework on settling the border issue. The first round of the special representative meeting established a three-step development strategy over the border dispute settlement: making the guiding principle, and then setting up a framework agreement to implement the guiding principle and setting the borderline at last. During the fifth round of special representative talks in 2005, the two sides finally reached the Agreement on the Political Parameters and Guiding Principles for the Settlement of the Boundary Question. Though no consensus has been reached over the framework, the objective of the second stage is very obvious for the two sides-that is, setting up the framework as soon as possible.

During Chinese Premier Wen Jiabao's official visit to India in December 2010, the two sides reached consensus and signed an agreement on the Working Mechanism for Consultation and Coordination on India-China Border Affairs. It mainly provides channels for communication and exchange between the two sides and ensures the peace and stability of the disputed area to create good conditions for a final border dispute settlement.

The two sides have formed an overall roadmap for dispute resolution. First, the two countries established the principle of settling the disputes through peaceful means; second, the two reached consensus that they should resolve their differences over the issue in a fair, reasonable and mutually acceptable way; third, they set a three-step strategy with high operability; fourth, they made up the principle of resolving the problem eventually as a package rather than step by step; and last, the two agreed to guarantee peace and stability on the border to create a good atmosphere for the final resolution of the issue.

#### Mutual trust needed

Objectively speaking, India's enhancement of its defensive strength in the border region is understandable and undisputable. However, **>>** 

MENDING FENCES: A Chinese army officer (left) works with an Indian soldier to secure a fence at the Nathula Pass at the border on July 5, 2006



some Indian media and analysts and the Indian military frequently use the "China threat" as an excuse for India's military build-up. This shows that the mutual trust between China and India is insuffi-

cient. A recent survey shows that 9.5 percent of China reports in the Indian media are negative, 4.2 percent are positive, and the rest are neutral, among which the so-called Chinese army "invasion" of India is the most frequently reported topic. In comparison, negative reports are more likely to occupy the front pages. But in China, 16.2 percent of India reports in the Chinese media are positive and only 1 percent is negative.

The border dispute between the two countries is undoubtedly the major cause of the low mutual trust, while the development gap between the two countries also leads to anxiety on the Indian side.

In a recent China-India media exchange program held in Beijing co-hosted by the *Global Times* Foundation and the India-based Observer Research Foundation (ORF), Chilamkuri Raja Mohan, renowned Indian columnist for the *Indian Express* and expert on strategic research at ORF, made a comprehensive conclusion about the bilateral mutual trust insufficiency from the perspective of the Indian side. He said that Indian media and people are always expressing five "sentiments" about China—India admires China's rapid rise; both countries have an important influence over Asia and the world; India is trying to learn from China's economic growth; Indian people are yearning for more opportunities in China; and India is scared of China's rise, especially its swelling military strength. In the last 25 years, the increasing exchanges between India and China, as the first four sentiments indicate, have brought back to life a lot of unresolved issues, such as border issues, which led to the fifth sentiment.

It is not so worrying that there are differences, competition and even conflict between the two countries. The key problem is how the two sides try to enhance mutual understanding and create a cooperative atmosphere with trust. The proper settlement of the "tent confrontation" incident of the two armies reflects that the militaries and foreign affairs departments of the two countries are able to have close and timely communication with each other through the established working channels to deal with the problems. It also shows the two countries have the wisdom and capacity to continually develop the bilateral cooperative and friendly relationship while managing existing divergences.

Nevertheless, we should not deny that the military exchange between China and India is far from that of India with other countries, including

Historically, the two countries have formed a traditional borderline in the east based on the traditional living habits of the two peoples and the boundary of administrative jurisdiction of each country the United States. The bilateral military relationship should be further expanded. Fortunately, the bilateral high-level military exchange which was suspended in August 2010 has been resumed in 2011 and will continue again this year. It is a positive signal. But the development of India's national defense should not be based on hyping the China threat, which could only fan the flames of nationalism and destroy an already fragile political mutual trust.

China and India are neighbors as well as the world's two largest developing countries. The successive rise of the two countries has become the most significant event in the Asia-Pacific region and the Indian Ocean region. The two have become the major driving forces for the future development of the world economy. Their development also promoted the gradual integration of the Asia-Pacific region. But the insufficient mutual political trust caused by the half-century long border dispute is still the major obstacle of bilateral relations. Under the context of the U.S. rebalancing strategy, the development environment of China and India is also changing. It adds complexity to the variation of the future regional pattern of the Pacific-Indian Ocean region together with the border dispute-affected China-Indian relationship. As long as both China and India follow the threestep roadmap for settling the border dispute and give full consideration to historical factors, a final settlement on the China-India border dispute is no doubt possible.

The author is a research fellow with the Institute of Asia-Pacific Studies under the Chinese Academy of Social Sciences

liuyunyun@bjreview.com

## COVER STORY FALSE DISCORD China poses no threat to India, despite claims from the West By Zheng Ming

hina and India are two long-standing Asian civilizations, each with a rich history lasting thousands of years. Since ancient times, the two peoples have been connected by land and sea, particularly through the Silk Road and this connection has allowed for friendly cultural and economic exchanges. The Chinese navy and the Indian navy are also not strangers to one another. As early as 1958, the Indian cruiser INS Mysore had paid a friendly visit to Shanghai for military exchanges at a time when most Western countries had policies of boycotting and containing China. This friendly gesture from the Indian Navy was very encouraging for the newly born People's Republic of China. The scenes from that time are still fresh in the memories of those senior Chinese sailors.

Recently, using the launch of India's first indigenously built aircraft carrier *Vikrant* as an opportunity, some Western media have begun to sow discord between China and India. They claimed that the unveiling of *Vikrant* symbolizes India's defeat over its regional rival China by joining the elite club of nations able to design and build their own aircraft carriers.

At the same time, a senior Indian Navy chief

of staff published an article highlighting the fact that "the ship was independently designed and built. It holds a huge advantage ahead of China, whose experience and capabilities in regards to aircraft carriers is still far behind us."

The author of the article told the truth and inadvertently refuted the "Chinese naval threat theory" concocted by the West. The Indian aircraft carrier poses no threat to its neighbors or to the world, nor does China's recently completed aircraft carrier, the *Liaoning*.

There are three points worthy of our attention concerning the new development of an Indian aircraft carrier.

First, India's top leaders have the foresight to adhere to the development of an aircraft carrier. As an emerging developing country, all previous and current generations of Indian leaders have attached much importance to the Indian Ocean, making the development of aircraft carriers a national strategy and a national aspiration. Overall, the Indian Navy and its carrier does not pose a threat to the Asia-Pacific waters or cause major disputes, it only strengthened the country's self-confidence and status as a great power both in Asia and the world.



NAVAL EXCHANGE: Indian naval soldiers pose alongside their Chinese counterparts following a visit to Chinese missile destroyer Ma'anshan in Shanghai on July 14, 2012

Second, India has explored and practiced its own unique path to develop aircraft carriers and its navy. Making good use of the current international environment, India has drawn good support from most world sea powers for diplomatic, economic, military and technical assistance. It had purchased an aircraft carrier from other countries early on, which helped India a lot in gaining related experience and staff training, It also brought in aircraft carrier designing technologies at the right time, laying a good foundation for the development of the indigenously built aircraft carrier. All were achieved step by step and on schedule.

Third, India has had maintenance experience related to aircraft carriers and related technologies for decades, and it has promoted a balanced and comprehensive development of its navy air equipment, taking advantage of the development and maintenance experience resulting from having aircraft carrier. The Indian Navy has made considerable achievements in developing nuclear submarines, conventional submarines, destroyers and frigates.

When India unveiled the newly built aircraft carrier *Vikrant*, some Western media tried to insinuate that the major impetus for India's naval expansion is China. The argument is both groundless and derived from a lack of good will. It is nothing but an old trick to cash in on the China-India border dispute.

Both China and India are independent countries, and they have the right to choose their own road in pursuing national defense and securing their national security whilst not infringing upon the territory and sovereignty of other countries. China and India are by no means a threat to each other. Since both are emerging developing countries, the two should construct and develop their own militaries in accordance with their own strength and security needs. They should not be incited into conflict by Western exaggeration of a two-way military threat.

liuyunyun@bjreview.com

The author is a retired rear admiral in the Chinese Navy and former head of the Navy Equipment Department



## Pooling Global Capital, Piloting Investment Trend

Xiamen·China 2013.9.8-11

#### Spansor:

Ministry of Commerce, PRC

#### Co-sponsors:

United Nations Conference on Trade & Development (UNCTAD) United Nations Industrial Development Organization (UNDO)

World Trade Organization (WTO)

Organization for Economic Cooperation & Development (OECD) International Finance Corporation (IFC)

World Association of Investment Promotion Agencies (WAIPA)

#### 17th China International Fair for Investment & Trade (CIFIT)

Exhibitions, Capital Matchup, Release of Authoritative Information, and High-level Networking

#### A premier forum that sets trends for global capital

Themed on "Reshaping the Global Value Chain and Pursuing Innovation-driven Growth" - the International Investment Forum 2013 comes into spotlight

Scores of high-level forums themed on "trade in services", "BRICS cooperation", "outward investment", and "innovation-driven development" will be staged, and various authoritative documents, notably the World Investment Report 2013 and the China Foreign Investment Index Report, will be released, facilitating global investment decision-making.

#### Investment projects worth more than US\$ 100 billion will be unveiled, presenting opportunities for cooperation across the world.

Exhibition floors totaling 100,000 square meters will be dedicated to themed exhibitions for tourism, real estate, wine, franchising and emerging industries, and more than 50 foreign countries and regions, as well as all Chinese provinces, municipalities and autonomous regions, will participate in the exhibition.

#### 10,000 matchmaking sessions will be hosted to help investors identify optimal capital projects.

With some 50,000 trade visitors from across the world, 36,000 investment project, 1,000 investment institutions, and tens of thousands of matchmaking sessions and roadshows, participating enterprises, investors and project owners will be able to explore unlimited opportunities.

We are looking forward to welcoming you to the world's premier investment promotion event, where you can showcase your investment climate and locate potential partners.

Brand Cooperation: +86-592-2009853; Tel:+86-592-2009828; Fax:+86-592-2009830; E-mail: cift@chinafair.org.cn

www.chinafair.org.cn