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HAND IN HAND

Indian PM's visit seals enhanced cooperation

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Singh's China Legacy

Border and economic pacts signed



Trust, Trade and Treasure

Sino-Russian ties reach new highs

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New Platform for Whistleblowers

Anti-corruption website now opens



Making Too Much

Reining in excessive production

Cover Photo: Chinese Premier Li Keqiang welcomes visiting Indian Prime Minister Manmohan Singh in Beijing on October 23 (HUANG JINGWEN)

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EDITOR

Partners, Not Foes

Indian Prime Minister Manmohan Singh wrapped up his official visit to China in late October, following a visit to India by his Chinese counterpart Li Keqiang in May, the first stop of his maiden voyage abroad as China's new premier. The past decade has seen fruitful exchanges through a series of encounters between leaders of both countries.

Sino-Indian relations have undergone twists and turns. Owing to similar past experience and a shared goal of national rejuvenation, the two countries remained friendly neighbors during the 1950s. Back then, *Hindi-Chini bhai-bhai*, which literally means "India and China are brothers," proved a popular slogan. After the 1962 border war, however, bilateral ties reached their lowest point, with hostilities and distrust lingering for decades.

Times have changed. While vigorously pursuing development at home, China and India have formed a strategic partnership. Now both nations not only live in peace, but have also benefited enormously from their bond.

Due perhaps to the past war and the psychological wounds left over from it, some people still view China as an immediate or potential threat. They make comparisons, voluntarily or otherwise, with regards to economic strength and military prowess, as well as comprehensive state power. Some Western media outlets have also sensationalized or misinterpreted the status quo of Sino-Indian relations as if the two countries remain confrontational even to this day.

China and India are no adversaries, but rather strategic partners. As the world's most important emerging economies, they now share identical or similar stands on a wide range of global and regional issues. Closer ties between China and India will surely help fulfill the common goal of rejuvenating the two ancient Asian neighbors.

Naturally, any territorial dispute may pose a huge barrier to returning bilateral relations to where they once were, but there is no reason why China and India shouldn't put aside such a thorny issue and focus on further deepening their partnership, which conforms to the best interests of both countries and the world at large. ■

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PEACEKEEPING MISSION

Members of China's riot police squad wave goodbye before leaving Beijing on an eight-month UN peacekeeping mission to Liberia on October 21.

The 140-member force is the first such unit China has sent to Africa. According to the Ministry of Public Security, the squad was selected from field police officers in northeast China's Heilongjiang Province, and passed UN examinations after three months of training.

Since 2000, China has sent 1,946 police officers to other countries on similar peacekeeping initiatives.

Low Visibility

Vehicles move slowly through dense smog in downtown Harbin, northeast China's Heilongjiang Province, on October 22. Meteorological authorities in the province issued an air-quality red alert for the city and neighboring regions.

All schools in Harbin were ordered to suspend classes. The city's expressways and airport were also closed.

At the same time, severe smog shrouded other major cities in the country's northeast, such as Changchun, capital of Jilin Province, and Shenyang, capital of Liaoning Province.



WANG KAI

Message of Change

Comprehensive reforms will be planned during the upcoming Third Plenary Session of the 18th Communist Party of China Central Committee in November, according to a statement by Chinese President Xi Jinping on October 23.

Xi, also General Secretary of the Party's Central Committee, made the remarks when meeting with overseas members of the Advisory Board of Tsinghua University's School of Economics and Management in Beijing.

"We must properly balance

reform, development and stability. With greater political courage and wisdom, we can further unleash and develop social productivity and enhance the creative forces of society," Xi said.

The president added that it is China's basic national policy to invigorate the country through science and technology.

Tibet White Paper

The Chinese Government issued a white paper on Tibet Autonomous Region on October 22. The paper,

titled Development and Progress of Tibet, gives a detailed account of the region's advances over the past 60 years.

According to the white paper, 96 percent of Tibet's local government spending comes from financial assistance from central authorities.

In 2012, the per-capita net income of local farmers and herdsmen was around 6,000 yuan (\$1,000), and 88 percent of the same group lives in government-subsidized housing. Cultural preservation has also been fruitful, with the study and use of Tibetan language and script

protected by law.

More than 90 percent of students in local primary and middle schools receive bilingual education, with Tibetan as the principal language.

Traditional religious activities such as studying scriptures and debate, initiation into monk- or nunhood, *abhisheka* (empowerment ceremony) and self-cultivation are held in Tibet on a regular basis, the white paper stated.

So far, more than 40 incarnated living Buddhas have been confirmed in the region through traditional religious rituals and historical conventions.

Anti-Pollution Plan

Beijing will ban half of all private vehicles and 80 percent of civil servants' work transports from the city's roads if an air-quality red alert is issued, the capital's Information Office said on October 22.

Private vehicles will be barred from using the roads, based on odd and even license plate numbers, when pollution is predicted to linger in the city for more than three days.

Public transport, including buses



XIE HUANGLI



APPEAL REJECTED

Bo Xilai, former Secretary of the Chongqing Municipal Committee of the Communist Party of China, hears the verdict during his second trial for bribery, embezzlement and abuse of power at the Shandong Higher People's Court in Jinan, Shandong Province, on October 25. The latter rejected his appeal and affirmed the original sentence of life imprisonment



JUMPING FOR JOY

A model wearing creations by Tony Wear at the Shanghai Fashion Week Spring/Summer 2014 in Shanghai on October 23, the last day of the weeklong show

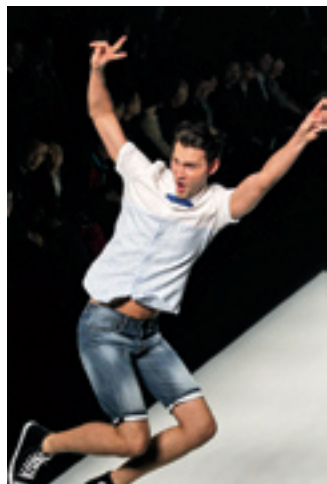
and subway trains, will extend their service by 30 minutes and increase the number of backup vehicles and trains on days of persistent pollution in order to meet increased demand.

The emergency plan, based on the experiences of foreign countries, has a warning system comprising blue, yellow, orange and red alerts. Red alert will take effect when the air-quality index is forecasted to be above 300 for three consecutive days, the office said.

Classes at kindergarten through to middle school will be suspended when air quality is particularly low to protect students' health, with 24-hours notice given before emergency measures are put in place.

Record Maker

An auction held in Jingdezhen City, central China's Jiangxi Province—sometimes known as the nation's porcelain capital—saw the highest total value of porcelain transactions recorded at a single event on October 20, according to claims by



the auction company.

The total transaction value including commission reached nearly 62 million yuan (\$10 million), six times as much as last year, said Jiang Weimin, President of Jingdezhen Huayi Auction Co. Ltd.

More than 100 pieces of porcelain, which were mainly created in the 1950s, 60s and 70s, were sold at the 5-hour-long auction, Jiang said.

The auction was part of the 2013 China Jingdezhen International Ceramic Fair held on October 18-22.

Graft Convictions

A total of 32 ministerial-level officials were investigated for corruption between January 2008 and August this year, according to the Supreme People's Procuratorate (SPP).

Around 13,300 of the 198,781 officials investigated under graft cases during the period were at a county level or above, according to Cao Jianming, Procurator General of the SPP, when delivering a report to a session of the Standing Committee of the National People's Congress, China's top legislature, on October 22.

Approximately 167,000 people were prosecuted for embezzlement and bribery, with roughly 150,000 convicted.

The number of individuals convicted for taking bribes between 2008 and 2012 increased by 19.5 percent from that in the 2003-07 period, while the number of those convicted of handing bribes increased by 60.4 percent, Cao said.

Food Security

The Chinese Government has allocated 600 million yuan (\$98 million) to encourage food production, the Ministry of Finance announced on October 21.

The funds have been allocated to five major agricultural provinces—Heilongjiang, Liaoning, Shandong, Anhui and Jiangxi—to subsidize food production and improve agricultural technology.

China's grain output this summer, mostly wheat, hit a record high of 132 million tons, the National Bureau of Statistics (NBS) said.

The production of maize, harvested in autumn, is similarly

expected to hit a record high, with total yield forecasted to be 215 million tons, according to the State Administration of Grain.

The country's grain output has risen 3.2 percent year on year, hitting 589.57 million tons in 2012, marking the ninth consecutive year of growth, according to NBS data.

Weather Modification

A report submitted to China's top legislature on October 21 said that the country creates about 50 billion tons of artificial rain each year, but extra efforts are required for natural disasters.

The report revealed that a total of 2,266 counties in China use weather modification, with artificial rain used across an area covering 5 million square km, about half of China's total land area.

The State Council, China's cabinet, has actively promoted artificial weather systems, which are operated and coordinated on a large scale, the report said.

At the same time, the country has established a geosynchronous and sun-synchronous satellite system to monitor weather conditions. A total of seven meteorological satellites are in orbit, five of them operating normally.

However, according to the report, present meteorological systems do not meet the demands for disaster prevention and relief, especially in rural areas.

No Visa Needed

Southwest China's Chongqing Municipality will implement regulations allowing 72-hour stays in the city without a visa for some travelers beginning on November 1.

The Jiangbei International Airport in Chongqing will apply the visa-free transit policy to passengers from 45 countries

including the United States, Britain, France, Germany, Canada and Japan, according to a statement by the municipal government on October 23.

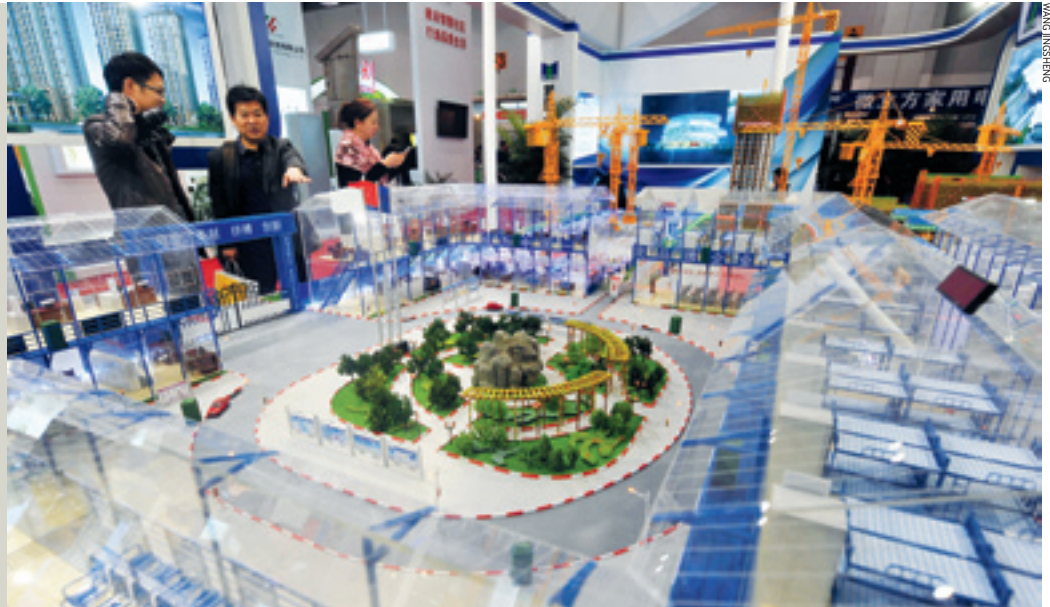
To date, four other Chinese mainland cities—Beijing, Shanghai, Guangzhou and Chengdu—have already implemented the same policy.



Green Home

Visitors look at a housing model during the 12th China International Housing Industry Exhibition held in Beijing from October 23 to 25.

The expo attracted over 340 housing companies showcasing their latest projects, including some fitted with solar panels.



WANG INSHEUNG

Housing Price Hikes

Prices of both new and existing homes continued to rise in most Chinese cities in September, according to official data released on October 22.

Of a statistical pool of 70 major Chinese cities, 65 saw a month-on-month rise in the cost of new homes, down from 66 in August, the National Bureau of Statistics (NBS) said.

According to the NBS, 63 cities reported month-on-month price gains for existing and second-hand homes in September, compared to 58 in August.

Growth rates in first-tier cities were significantly higher compared to second- and third-tier cities. New home prices in Beijing, Shanghai, Guangzhou and Shenzhen rose by an average 1.4 percent month on month while those in 35 third-tier cities rose by 0.6 percent on average, according to the NBS.

Tax Revenue Rises

China's tax revenue, a major source of the government's fiscal income, grew 9 percent year on year in the first three quarters, the Ministry of Finance (MOF) announced on

October 21.

During the January-September period, the government collected tax revenue totaling 8.44 trillion yuan (\$1.38 trillion). The growth was 0.4 percentage points higher than the rate seen in the same period last year.

The MOF attributed the steady growth to a low comparison base, improving economic strength, as well as the booming property market that has lifted related tax incomes.

The revenue from domestic value-added tax (VAT), a type of tax levied on the difference between a commodity's retail price and production cost, increased 8.2 percent to 2.08 trillion yuan (\$341.1 billion), thanks in part to the VAT reform.

Consumption tax revenues saw slower growth in the first nine months, gaining merely 3.8 percent

year on year due to a sluggish tobacco and alcohol market, said the MOF.

Turnover tax revenues grew 10.9 percent, while growth for corporate and personal income tax moved up 14.3 percent and 10.8 percent, respectively. Notably, turnover and deed taxes in the property sector surged 37.4 percent and 40.4 percent, respectively, on the back of robust transactions.

Bid Successful

CNOOC Ltd., China's largest offshore oil and gas producer, announced on October 22 that it has won a 35-year production-sharing contract to develop a pre-salt oil discovery in Brazil's Libra oil field.

The company gained the bid as part of a consortium comprising Petrobras, Shell, Total SA and China National Petroleum Corp. (CNPC), according to CNOOC.

CNOOC will pay 1.5 billion Brazilian reals (\$700 million) for a 10-percent share. The operator Petrobras will have a 40-percent stake, followed by Shell and Total with 20 percent each, and CNPC with 10 percent.

The Libra field is located in the



XUE YUJIAN



WEST CHINA ON DISPLAY

A light aircraft draws the attention of visitors at the 14th West China International Fair, held on October 23-27 in Chengdu, capital of Sichuan Province



LAND AHOY

A ship with 20,000 tons in deadweight enters the waters in Qinhuangdao, north China's Hebei Province



WANG HANZHI

Santos Basin, about 170 km off the coast of Rio de Janeiro, Brazil. The oil field has recoverable resources of between 8 and 12 billion barrels of oil and total gross peak oil production could reach 1.4 million barrels per day.

Beijing-HK Ties

The 17th Beijing-Hong Kong Economic Cooperation Symposium was held in Beijing on October 23-24, with the aim of enhancing further cooperation between the two cities.

A total of 370 investment projects in Beijing covering finance, trade, cultural and creative industries, innovative technology, logistics and tourism, were promoted during the symposium.

Investment from Hong Kong reached \$3.1 billion in the first nine months of 2013, accounting for 40.7 percent of Beijing's paid-in foreign direct investment, according to the Beijing Investment Promotion Bureau.

By September, Hong Kong had established a total of 12,468

companies in Beijing, with an actual investment of \$27.83 billion.

Hong Kong is also the top investment destination outside the mainland for Beijing-based companies. In the first nine months of this year, Beijing's direct investment in Hong Kong reached \$742 million, up by 572.24 percent year on year.

Auto Joint Venture

Chinese automaker Dongfeng Motor Group and Germany's Getrag Group launched a joint venture on October 23 to produce advanced dual-clutch transmissions.

The new company, Dongfeng Getrag Transmission Co. Ltd., is based in Wuhan, capital of central China's Hubei Province. Each partner holds a 50-percent stake.

The first phase of the plant, with

investments of 120 million euros (\$165 million), is expected to be operational in the first quarter of 2016 with an annual production capacity of 250,000 units.

Its production capacity is to gradually grow to 1 million units, according to an agreement signed between the two companies back in October 2012.

The first product of the joint venture will be an all-new six-speed dual-clutch transmission.

The transmissions produced by the joint venture will cater to both the domestic and international markets. They also set up a research and development center.

Getrag is one of the world's largest transmission manufacturers, while Dongfeng Motor is one of China's top automakers by sales volume.

Numbers

161.2 bln yuan

New yuan-denominated loans issued by China's micro-credit companies in the first three quarters

155.19 mln tons

China's crude oil output in the first three quarters, up 2.3 percent year on year

2.8 bln yuan

Funds that China's Ministry of Finance has allocated as interest discounts to importers, up 12 percent from last year

Travel in Yunnan

Several women dressed in traditional Yunnan costumes introduce their hometown of Honghe to a visitor at the China International Travel Mart held in the province on October 24-27.

The Travel Mart, which began in 1998, is the most influential travel fair in Asia.



LIANG ZHIQIANG

6.33 bln yuan

Money allocated for irrigation and water conservation projects nationwide

THIS WEEK WORLD



MEXICO

A group of clowns pose for a photo at the Latin American Clown Convention in Mexico City, on October 23. At least 500 clowns took part in the event



BRAZIL

Soldiers stand guard in front of the hotel where Brazil's National Petroleum Agency auctioned the drilling rights to one of the world's largest offshore oil discoveries in Barra de Tijuca, Rio de Janeiro, on October 20



CUBA

A Cuban shows Cuban Pesos CUP and Convertible Pesos CUC on October 22 in Havana. The Cuban Government announced that day the beginning of the unification of the two separate currencies in use in Cuba for 19 years





BRITAIN

An aerial picture shows Britain's largest land artwork, entitled *Wish*, at the Belfast Titanic Quarter in Northern Ireland on October 23. The artwork spans 11 acres



THE UNITED STATES

A child helps his mother ahead of Halloween by pushing a wagon filled with pumpkins at the 20th annual Cal Poly Pomona Pumpkin Festival on October 20 in Pomona, California

XINHUA/APP



XINHUA/APP



XINHUA/APP



AUSTRALIA

A giant birthday cup cake is displayed on the steps of the Sydney Opera House as the world heritage-listed building celebrates its 40th birthday on October 20

“We need to innovate ways of monitoring and strengthening supervision of Party officials, especially top leaders at the local level.”

Wang Qishan, head of the Central Commission for Discipline Inspection of the Communist Party of China, commenting on the upcoming second round of disciplinary inspections at a meeting in Beijing on October 23



“I didn’t expect the smog to get even worse. I cannot even see the faces of those standing just 5 meters away.”

Liu Liwen, resident of Harbin, Heilongjiang Province, commenting on the dense smog in the city on October 21



“Last year, the working-age population dropped for the first time, a signal that China needs to make better use of its human resources.”

Hu Xiaoyi, Vice Minister of Human Resources and Social Security, commenting on a possible extension of the retiring age to ease strain placed on pensions by China’s aging population in Beijing on October 21



“There is no other country in the world where people attach so much importance to mastering a foreign language as the Chinese people studying English.”

Cheng Fangping, professor of education at Renmin University of China, supporting the Beijing Municipal Commission of Education’s decision released on October 21, to downplay the role of English proficiency in admitting students to high schools and colleges



MARATHON CHAMPION



Chinese runner Zhang Yingying clinched the women’s title with a time of 2 hours, 31 minutes and 19 seconds at the 33rd Beijing International Marathon on October 20, putting China on top for the 22nd year. Zhang, 23, also represented China at the 2008 Beijing Olympic Games in the 5,000-meter and 10,000-meter events.



OFFICIAL FIRED



Ji Jianye, former mayor of Nanjing, capital of east China’s Jiangsu Province, was sacked, the latest move in a nationwide crackdown on corruption, on October 19. Ji stood down two days after it was announced he was being investigated for serious breaches of the law. He was removed from his post for suspected disciplinary violations, and is under investigation for corruption. Reports say that his case may involve more than 20 million yuan (\$3.28 million). Ji initiated a massive facelift campaign for Nanjing in 2009, bringing forth a torrent of complaints from residents over expensive bills and inconveniences to travel.



New Development in Kashgar

Oriental Outlook
October 24

In Kashgar, an inland city in northwest China's Xinjiang Uygur Autonomous Region, two 58-story tall towers will be constructed and crowned the highest buildings in Central Asia.

The highest building in a province usually tends to stand in the provincial capital, highlighting its importance in promoting the economy and development. Kashgar is an exception to this, much like Shenzhen in south China's Guangdong Province.

Like Shenzhen, Kashgar is to be developed into a "special economic development zone," and is expected to grow into the economic engine of Xinjiang. Kashgar may even potentially become the economic center of Central Asia

as a whole in the next 20 years, revitalizing and even surpassing the economic benefits brought by the Silk Road 1,000 years ago.

These tall buildings in Kashgar are only part of the latest developments in the city and the rest of the region. Over the past three years, the local governments of Kashgar and Shenzhen joined forces in infrastructure developments in areas such as land, communications, city planning and industrial development. This was followed by a huge inflow of capital. Together, they generated an economic growth rate exceeding 20 percent.

In Kashgar, there is a "gold rush" atmosphere like that in the air of Shenzhen in the early 1980s. New opportunities are everywhere, as long as you are brave enough to take risks.

Genetically Modified Foods

ynet.com
October 21

On October 19, more than 300 people attended the First National Gold Rice Tasting at Huazhong Agricultural University in Wuhan, capital of Hubei Province, with volunteers savoring the genetically modified product. Earlier in July, 61 Chinese scholars signed a petition to state leaders, requesting the government to promote industrialization of transgenic rice.

However, the event also aroused anxiety among citizens opposed to genetically modified food. The government needs to respect people's right to question such produce, guarantee their right to refuse it, and promote diversified consumption.

Food safety is a significant issue. It is normal to be suspicious of unfamiliar, genetically modified products. The public needs to know exactly what genetically modified technology and processing entail, as informed by government departments and scholars.

With regards to the public right to refuse potentially unsafe genetically modified food, authorities should clearly label such products to ensure awareness. If people have sufficient choice in terms of what they eat, anxiety would fade.

Heating Fees

Xi'an Evening News
October 21

With temperatures falling, most of north China will soon enter the heating season. However, as coal prices have dropped since last year, many wonder why heating fees remain the same.

It can't be denied that labor, transportation and environmental management costs have

risen, but coal prices, which account for 65 to 75 percent of the total heating figure, have dropped dramatically.

With the upgrading of heating facilities, labor costs have largely declined. In turn, ongoing urbanization has expanded heating areas, which means bigger profits for suppliers. Therefore, high fees are absurd.

Heating suppliers are public utility enter-

prises and need to operate out in the open. On the one hand, their services influence people's daily life while their fees are usually decided by the government. On the other hand, such enterprises in many cities receive financial subsidies. Thus, heating enterprises should take responsibility for making their use of subsidies clear. Therefore, it is urgent to promote cost transparency among public utility enterprises.

The War on Milk Powder

Caixin
October 14

China's Ministry of Industry and Information Technology (MIIT) issued a document in May on improving the quality of milk powder and boosting consumer confidence, sending a message of support for China's domestic milk powder. The State Council held a special meeting on improving quality and safety checks for infant milk formula in the month, the results of which are expected to be used as springboard for the rebuilding of domestic milk powder brands. It was also put forward in the meeting that the merging and reorganization of the dairy industry must be carried out.

In June, the MIIT clearly expressed support of mergers and acquisitions between dairy producers. The Ministry of Agriculture also announced subsidies for cow pastures that would be transferred to milk powder companies.

In July, China's Development and Reform Commission launched an anti-monopoly investigation against milk powder manufacturers. During August and September, the Ministry of Commerce began to encourage the sale of milk powder in drugstores, with new market access regulations and standards being set up. These actions gradually made clearer and clearer the authority's stance: to curb foreign milk powder brands that possess 75 percent of the Chinese market, to shake off small and medium-sized domestic dairy producers and to support big domestic milk powder brands.

Due to the melamine incident, China's dairy industry, particularly the infant milk powder sector, has suffered from consumer distrust for more than five years. How many dairy producers see a new era? The final say depends on the market.



OPPLE



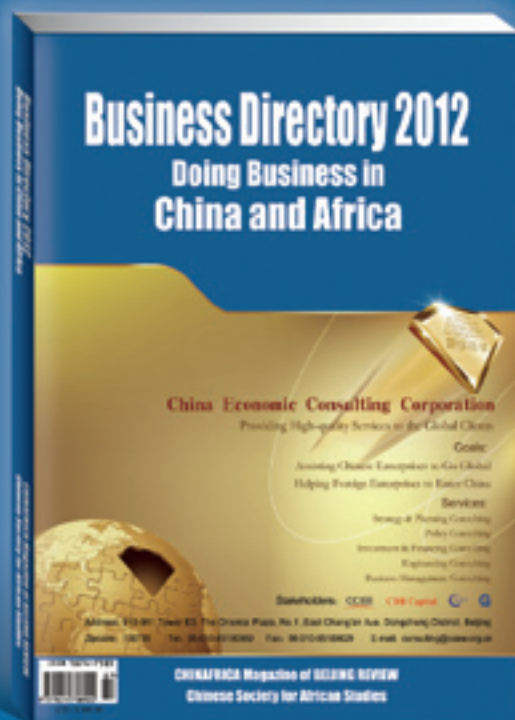
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COVER STORY

SINGH'S CHINA LEGACY

Indian Prime Minister's Beijing trip significant for bilateral relations By Yu Lintao



GRACIOUS HOSPITALITY: Chinese President Xi Jinping (second right) and his wife Peng Liyuan (right) pose for photo with Indian Prime Minister Manmohan Singh and his wife Gursharan Kaur after their meeting in Beijing on October 23

October 22 might be one of the busiest days for the Protocol Department of China's Foreign Ministry as three prime ministers of neighboring countries—Russia (See story on page 16-17), Mongolia and India—started their visits to China on the same day. Despite the arrangement described by the Foreign Ministry as coincidental, observers claimed the intensive visits of the three foreign heads of government, along with President Xi

Jinping and Premier Li Keqiang's recent trips to Central Asia and Southeast Asia, highlighted China's thriving diplomacy with its neighbors.

For the 81-year-old Indian Prime Minister Manmohan Singh, the latest trip to Beijing would possibly be the last for him in visiting China as India's government head. However, with nine agreements signed on not only economic cooperation, but also cultural exchanges as well as border security, it will surely contribute to his China legacy.

Lan Jianxue, a research fellow on South Asian studies at China Institute of International Studies (CIIS), said top Chinese and Indian leaders have already had many formal and informal meetings earlier this year. Apart from the consideration of its domestic schedule, Singh's latest trip to Beijing within the year itself shows the importance the two countries attach to each other and the continued warming of bilateral ties.

'What is worthy of noting is that it is the first

time since 1954 that the Chinese premier and Indian prime minister have visited each other in the same year," said Lan. Premier Li paid a visit to New Delhi in May, the first leg of his foreign trip after taking office in March.

Progress on border issue

Indian media can now feel more relaxed after the signing of the China-India Border Defense Cooperation Agreement (BDCA), which confirmed the practice and experience of such issues in law. Before Singh's China trip, what concerned Indian media most was undoubtedly the border question.

The BDCA, among the nine agreements reached during talks between the two governments, was top of the list. It is seen as an important step between the two Asian giants. The agreement includes regular joint military exercises, periodic meetings between the officers and clarification on doubtful activities.

Chinese Foreign Ministry spokeswoman Hua Chunying remarked that signing the agreement reflected the will and resolution of both sides for a friendly and cooperative relationship. "This is of great significance for friendship and trust between both sides as well as for peace and stability on the border," Hua said.

Both Chinese and Indian observers believe it is a landmark deal that will help build mutual trust between the two countries. They agree a peaceful border will translate into better relations in other areas.

Lan said that border disputes could be seen as one of the core issues between the two countries, while the BDCA bears important implications for bilateral ties. It is helpful for both sides to manage and control emergent incidents and maintain peace and stability in the border regions.

"The agreement would help reduce instances of stand-off between defense forces from either side such as the 'tent confrontation' in April," Lan told *Beijing Review*.

Sun Shihai, a senior scholar on South Asia studies with the Chinese Academy of Social Sciences (CASS), noted that it is the first time the two sides have signed a border issue agreement in "cooperation."

"It is so positive. Neither side wants the border issue to affect overall bilateral relations," Sun said.

Dipankar Banerjee, an Indian expert on strategic affairs, was quoted by Xinhua News Agency as saying, "It was a very significant step taken by the two heads of government in furthering India-China relations. Our talks on the settlement of border issues between special representatives remain ongoing; patrols from both sides crossing boundaries sometimes create tension along the line of actual control.

I expect that this border defense cooperation agreement would definitely help reduce such tensions in future."

Professor Srikanth Kondapalli, a famous scholar on Chinese studies at Jawaharlal Nehru University in New Delhi, also told Xinhua News Agency that he believes the BDCA will stabilize border area disputes.

"For example, the trailing of patrols is one area both sides will verify. Secondly, there is a hotline at military headquarters level. Thirdly, there will be also tactical military exercises," the professor said.

Economic cooperation

In a written interview with Chinese media before setting foot in China, Singh said India faces an unsustainable imbalance in its trade with China, and one of the ways of overcoming the deficit is for India to attract larger flows of foreign direct investment from China. He added that India welcomes Chinese investment.

During Singh's trip to Beijing, China and India agreed to expedite talks on the establishment of industrial zones in India to provide platforms for development of enterprises from each country, a move observers suggested as India trying to attract more Chinese investment.

"On the whole, setting up Chinese industrial zones in India is a new field for pragmatic bilateral cooperation," Lan said.

What's more, Lan claimed that the move benefits India, which is now at a transitional period and needs large amounts of external funding.

"China is rich in funds and has advantages in many industries such as manufacturing and infrastructure construction. Attracting more Chinese investment could not only make up for fund shortages, but also reshape the economic structure of India," Lan said.

In addition, Sun, with the CASS, claimed that industrial zones could also help increase employment in India and cure its trade deficit with China.

Sun added that Chinese plants in such zones could employ Indian workers and sell their products directly to local markets to meet the demands of Indian people, which would help reduce imports from China. It could be a good way for India to balance trade with the latter.

During his May visit to India, the Chinese premier proposed exploring the possibility of a Bangladesh-China-India-Myanmar (BCIM) economic corridor to connect the two countries via the southern Silk Road.

In the joint statement issued during Singh's Beijing trip, both countries reiterated that they would continue to discuss the establishment of the economic corridor. China and India have each set up a study group on the corridor,

while the first BCIM joint study group meeting is scheduled for December "to study specific programs" for the initiative.

Singh remarked in the written interview that "We believe that the BCIM economic corridor could potentially reinforce existing connectivity initiatives and we expressed our support of the idea during Premier Li's visit to India."

"The economic corridor would play a very important role in promoting regional integration as well as interconnectivity between China, South Asia as well as Southeast Asia," said Professor Su Hao at the Beijing-based China Foreign Affairs University.

Swaran Singh, an expert on Chinese studies at Jawaharlal Nehru University, remarked in a story published in Shanghai-based *Oriental Morning Post* that the economic corridor is conducive to stabilizing the regional situation and easing India's concern of being contained by China.

Exchanges growing

Observers said that with the increase in exchanges between the two countries, mutual trust is deepening.

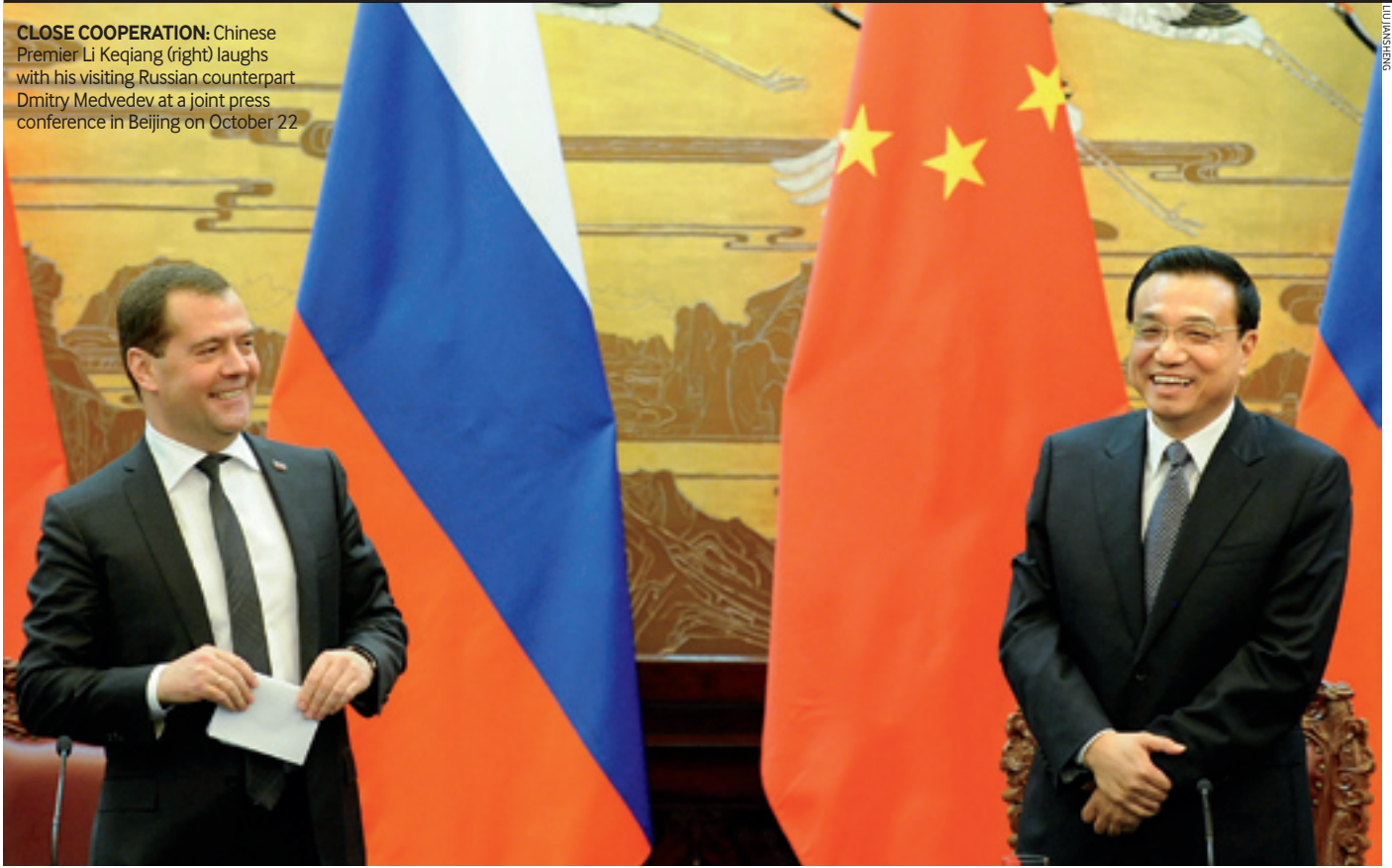
Lan said that, despite Indian media preferring sensational topics when reporting on China, "their coverage is more objective and positive during Singh's trip to Beijing and on future bilateral ties," which is possibly the result of recent China-India media forum in New Delhi, where participants called for more extensive and objective media reporting on each other for the sake of trust.

To further boost mutual understanding, both sides decided during Singh's Beijing trip to encourage provincial and sub-regional exchanges, continue rooting exchanges for the next five years and celebrate 2014, the 60th anniversary of the announcement of the Five Principles of Peaceful Coexistence, as the Year of India-China Friendly Exchanges.

According to the Chinese Embassy in New Delhi, both countries will hold a series of cultural exchange events in 2014, including Spring Festival celebrations, film festivals and youth delegations.

The improvement in political trust, practical cooperation and people-to-people exchanges cast light on the prospects for China-India relations. Singh noted during the joint media conference with Premier Li that "when India and China shake hands, the world notices. I believe that my visit to China has put our relations on a path of stable and speedy growth." ■

CLOSE COOPERATION: Chinese Premier Li Keqiang (right) laughs with his visiting Russian counterpart Dmitry Medvedev at a joint press conference in Beijing on October 22



Trust, Trade And Treasure

China and Russia initiate trade and investment plans for shared prosperity and a firmer partnership

By Ding Ying

Both China and Russia are aware that mutual cooperation will allow both sides to realize their development goals. They are seeking to heat up relatively “cool” economic cooperation and create a bilateral comprehensive strategic cooperative partnership.

Perfect timing

Chinese Premier Li Keqiang and his Russian counterpart Dmitry Medvedev co-chaired the 18th annual meeting between the Chinese

and Russian heads of government in Beijing on October 22. This is the first meeting between them since China’s new government took office in March. The annual meeting has been an important platform for mapping out cooperation between the two countries since December 1996.

The timing could not be better. The two neighbors are both at a crucial phase in their development. Russia has been implementing an ambitious development strategy in their Far East and East Siberia areas, aiming to reach

or approach developed countries’ level of per-capita gross domestic product by 2020. China, meanwhile, is in a fresh stage of reform wherein it will actively change its development pattern. It is engaged in expanding domestic demands, while pushing forward West Development Strategy in its vast western region.

Chen Yurong, a researcher on European-Central Asian studies with the China Institute of International Studies, said the China-Russia relationship has entered a new phase during which pragmatic cooperation is carried out comprehensively.

“Upholding the principle of mutual trust and mutual benefit, the two sides are boosting cooperation in energy, transport, infrastructure and technology, with such cooperation creating momentum,” Chen said.

During their meeting, Li and Medvedev released a joint communiqué and agreed on over 20 cooperative documents. “China and Russia are good neighbors and strategic partners, both in name and in essence,” said President Xi Jinping as he met with the visiting Russian prime minister on October 22. In his first foreign trip since taking office, the Chinese president visited Russia in March. Xi and President Vladimir Putin drew a blueprint for the development of bilateral comprehensive strategic partnership of coordination. Xi and Putin made it clear that a major task for the two sides is to turn high-level

political relations into fruitful results.

The task for the upcoming Li-Medvedev meeting is to carry out consensus reached during the Xi-Putin meeting, said Li Dong, Deputy Director of the Institute of Russian Studies, China Institutes of Contemporary International Relations (CICIR). According to the joint communiqué, the two sides will expand use of local currencies, facilitate trade and investment, and promote cooperation on aeronautics, astronautics, nuclear energy, hi-tech, agriculture and infrastructure construction. Moreover, agreements signed during Medvedev's visit included discussing detailed measures to realize goals in trade, expanding energy cooperation, deepening cultural exchanges, and facilitating personnel exchanges.

China and Russia have been coordinating on global issues from a position of mutual trust. "Sharing same or similar stances on major issues concerning the interests of the international community, China and Russia will continue strengthening coordination on foreign policies," said the communiqué. It stated that the two countries hold that international issues, including the Syrian crisis, the nuclear issue on the Korean Peninsula and the Iranian nuclear issue, should be resolved through peaceful means and political dialogue. In the joint communiqué, China and Russia also claimed the outcomes established by the UN Charter and international law should not be challenged, urg-

ing "the countries concerned" to be committed to an atmosphere of mutual trust, friendship and cooperation.

Sharing opportunities

Observers believe that boosting bilateral trade and investment is expected to change the current status of China-Russia cooperation, which is described as "hot politics, cool economy."

During Xi's visit in March, the two countries agreed to boost their annual trade volume to \$100 billion by 2015 and \$200 billion by 2020. The Chinese premier expressed confidence that the two countries will fulfill the first trade target in 2015. His Russian counterpart Medvedev echoed later that day during an online chat with Chinese netizens that the \$100 billion goal is not the maximum. "We can even reach \$150 billion, \$200 billion or more," he said. According to the latest statistics, bilateral trade reached \$66.1 billion in the past nine months. China has been Russia's biggest trade partner since 2011.

Li Dong from the CICIR pointed out that trade is a current priority of China-Russia cooperation. "Bilateral trade development has leapt forward," he said. "Growing energy cooperation is the guarantee of future boost of trade. Furthermore, as the two sides agreed during the meeting, innovation, agriculture and science and technology will be the highlight of upcoming cooperation."

Energy cooperation protruded in Medvedev's visit. "Energy cooperation between China and a third party will not affect cooperation between China and Russia," Premier Li told the press after their meeting, adding that the Sino-Russian energy cooperation is of long-term strategic significance.

According to documents signed, a Russian petroleum company will supply an extra 10 million tons of crude oil, valuing \$85 billion, to China every year. Moreover, the countries reached a basic understanding on pricing natural gas that Russia will transport to China through pipelines. Their energy cooperation broke the bottleneck of traditional resource supply with the planned launch of a hi-tech joint oil refinery project in Tianjin, which will process 16 million tons of crude oil every year.

Li Dong noted that agriculture will offer big potential for bilateral cooperation. He said that Russia plans to become a major food exporter in the future to ensure its food security. To China, protecting world food security is also a key issue. He suggested boosting investment to promote bilateral cooperation. China is Russia's fourth largest investor, and Russia is China's 12th.

China and Russia also agreed to expand cultural exchanges. The two countries should stick to the ideal of good-neighborly friendship and mutual support and increase experience sharing on state governance in pursuit of common prosperity and the welfare of the people, Chinese President Xi said to Medvedev.

During the meeting, the two premiers approved an inventory of activities of the China-Russia Youth Year of Friendship Exchanges in 2014-15. China and Russia will send 10,000 students to each other as part of the event, which was agreed upon by Xi and Putin during Xi's visit to Russia in March.

Since 2006, the two countries have held reciprocal cultural events, including the Year of Russia in China in 2006, the Year of China in Russia in 2007, language years in 2009 and 2010, followed by tourism years. "We should let the Chinese youth know that the Sino-Russian friendship is not ancient history," Premier Li said to his Russian counterpart Medvedev. "Although the talks were focused on economic cooperation, they are not all about money." ■



CASUAL EXCHANGE: Visiting Russian Prime Minister Dmitry Medvedev attends an online chat session with Chinese netizens in Beijing on October 22



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