

ADDRESSING THE NATION

Premier's first government work report wins praise at NPC and CPPCC sessions





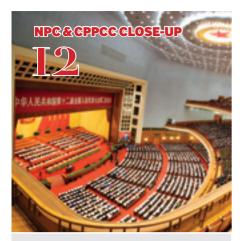


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Government Work Under Microscope Opinions from deputies and members



The Ukrainian Crisis Political turmoil rages on

> Cover Photo: Premier Li Keqiang prepares to deliver his work report at the Great Hall of the People in Beijing on March 5 (CHINA NEWS SERVICE)

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Terror in Spring City Dealing with the aftermath



Electric Car Jolts Market Cleaner transport gaining traction

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EDITOR

Key Words for China

Back in mid-March 2013, at his first press briefing as the Chinese premier, Li Keqiang disclosed that the new government's priorities would include pursuing sustainable economic growth, improving people's standard of living, particularly that of the rural poor, as well as promoting social justice. All of these embodied the crucial tasks laid down at the 18th National Congress of the ruling Communist Party of China held in the preceding year. Naturally, citizens all over the nation are looking forward to learning about how well the government has performed during its first year.

Just as expected, on March 5, the opening day of the Second Session of the 12th National People's Congress (NPC), the premier delivered his maiden work report to the top legislature. He not only reviewed the efforts and accomplishments made throughout 2013, but more importantly, put forth a clear-cut roadmap to guide China's development in 2014.

Statistics released by Li's report showed that China has achieved remarkable progress in all the above-mentioned areas, as well as in other fields, in the past year. On the economic front, for instance, the country has surpassed the three major goals set early last year—registering solid growth amid global recession and weak market demand, putting inflation under firm control, and securing billions of new jobs. Moreover, endeavors have been made to upgrade the country's industrial structure and transform its growth model, which will certainly help China take on a more sustainable and efficient development mode in the days ahead.

Achievements apart, the premier also spoke in unequivocal and explicit terms of the mounting hardships and challenges yet to be overcome by his government. For the purpose of tackling these issues, he outlined nine major tasks for this year, thus winding up his fairly satisfactory "report card" for the nation.

Interestingly, some local media have noted that Li's report is filled with a number of repeatedly used key words, among the most frequently employed being "development" and "reform," mentioned 119 and 77 times, respectively. Indeed, these are the two key words that reflect the theme for China today: China needs to develop more than ever to build itself into a more powerful and prosperous state, and the key to its development lies in deepening its ongoing reforms.

WRITETOUS

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THIS WEEK



ENDURING SPIRIT

Students from the No.5 Middle School in Beijing donate their spare stationery, books, toys, pictures and writing works as items for a charity sale on March 5. The event raised more than 50,000 yuan (\$8,180), which will be donated to a student body of the school for purchasing young trees for a village.

March 5 is Lei Feng Day, a day designated to honor Lei Feng (1940-62), a soldier in the Chinese People's Liberation Army who became a moral model for Chinese for his selflessness, modesty and dedication.

THIS WEEK SOCIETY

International Exchange

A visitor looks at a Qing Dynasty (1644-1911) emperor's ceremonial armor and helmet from the Palace Museum of China collection during the media day of the Exhibition "The Forbidden City: Inside the Court of China's Emperors" at the Royal Ontario Museum in Toronto, Canada, on March 5.

This six-month exhibition brings about 250 treasures of the Palace Museum, which were part of Chinese imperial life, to Canada for the first time, and also provides an opportunity for Canadians to learn about China's long and fascinating history and traditional culture.

Property Registration

The State Council, China's cabinet, on February 28 approved setting up a cross-ministry joint conference working on the establishment of a unified property registration system.

The conference will coordinate major issues concerning the establishment and implementation of a proposed property registration system.

Chaired by the Ministry of Land and Resources, the conference is intended to hammer out guiding principles and policy suggestions, and conduct research on the drafting of related laws and regulations. China aims to build a unified property registration system as part of its efforts to curb excessive speculation on the property market.

Corruption Blow

China investigated and punished 829 judges and other court staff for corruption in 2013, up 42.3 percent year on year, the Supreme People's Court (SPC), the country's highest judicial organ, announced on March 2.

Of the 829 court officials, 157 were transferred to judicial organs for prosecution, the SPC said in a statement. The SPC revealed that 683 judges and court staff turned over illegal gains including cash, securities and payment documents, with a value of 3.32 million yuan (\$543,000), in 2013.

The authority will continue to maintain their "high-handed posture" in the fight against judicial corruption, according to the statement.

Aid for the Homeless

A total of 2,031 relief organizations have been set up to safeguard the basic interests and rights of the homeless, Minister of Civil Affairs Li Liquo announced on February 28. In 2013, 2.35 million homeless people received help, including 159,000 juveniles, Li revealed at a press conference. "Pilot programs have also been launched in 20 regions to protect juveniles with a focus on family custody," he added.

According to Li, providing social relief to the homeless has been written into the social assistance regulation, which will come into effect on May 1. The regulation is the country's first legal document to coordinate and regulate the fragmented social assistance system.

The regulation also calls for open, fair and timely help for the needy.

Map Control

China is looking to crack down on sales or uploads of classified maps on the Internet in an effort to curb geographic information leaks, authorities announced on February 28.

The campaign will focus on online trade in classified surveying and mapping results, and digital navigation maps without any confidential treatment, the National Administration of Surveying, Mapping and Geoinformation said in a statement.





Painters draw portraits for female faculty members of Wuhan University of Technology in central China's Hubei Province to celebrate International Women's Day on March 8

THIS WEEK



Students at the Experimental Elementary School in Qianshan County, Jiangxi Province, donate extracurricular books on March 5 in response to a local initiative to assist school libraries in impoverished mountain areas

People found illegally selling or providing classified maps will be harshly punished, while websites containing sensitive geographic information will be shut down, according to the statement.

The administration will also check maps providing tourist or traffic information to make sure they do not carry excessive commercial advertisements, it added.

Anti-Smog Aircraft

Tests of the first China-made parafoil aircraft in tackling recurring smog will be conducted later this month, its manufacturer announced on March 4.

The unmanned aerial vehicle (UAV), which is equipped with gliding parachute, is manufactured by a subsidiary of the Aviation Industry Corp. of China and will perform its first test flights in airports or ports after discussion by industry experts.



The new plane has flexible wings with an aerodynamic structure, which affords ease of control as well as making it able to carry three times the cargo weight of common planes, according to Ma Yongsheng, CEO of the company.

It was also reported that China is considering building two outdoor facilities to help research smog.

On March 2, *The Beijing News* quoted He Hong, a researcher from the Research Center for Eco-Environmental Sciences under the Chinese Academy of Sciences, as saying that the plan to build atmospheric simulation chambers has been submitted to the economic planning body for approval. He is in charge of the project's preparatory work.

The chambers, each with a volume of about 300 cubic meters, are part of a broader environmental

project to be built in Beijing's outer Huairou District to study the formation of smog and develop techniques for controlling it, according to He.

Island Topography

Detailed topographic information and images of all China's islands have been collected using aerial remote sensing, a method allowing the capture of data from a distance.

The completion of the project marks the country's first "systematic and comprehensive" move to collect surveillance information on the more than 10,500 islands within its territory, said the State Oceanic Administration (SOA) on February 28.

The surveillance plan, which was mapped out by the SOA in 2011, requires China Marine Surveillance to conduct remote sensing and collect data on all reachable islands every three years, and also stipulated that such efforts should focus on islands listed for development, rehabilitation and protection.

Barley Genome

Chinese scientists revealed on March 3 that they have sequenced the entire genome of highland barley, an achievement that can help cultivate better breeds of Tibet's staple food and increase yields.

The genome-mapping project, which the scientists said has produced the world's first genetic map of highland barley, was launched in 2012 by researchers with Tibet's Academy of Agricultural and Animal Husbandry Sciences and BGI Tech Solutions in Shenzhen, Guangdong Province.

Highland barley, known in Tibetan as *ne*, has been grown on the Qinghai-Tibet Plateau for nearly 4,000 years.

It makes up 70 percent of all cereal crops harvested in the autonomous region, home to the world's leading barley production base as well as a center for barley diversity research.

Space Shuttle Bus

China is expected to launch an upper-stage aircraft this year that can be used as a "space shuttle bus" to propel payloads into space, according to sources with the country's leading rocket research institute.

The Yuanzheng-1 (Expedition-1) upper-stage aircraft, which would be attached to a carrier rocket, can carry aircraft using its own power system after reaching an initial orbit, said Liang Xiaohong, an official with the China Academy of Launch Vehicle Technology, on March 3.

Yuanzheng-1, which will use liquid propellant, will be able to fulfill several missions while in space and operate as long as 6.5 hours in orbit, said Liang.

Yuanzheng-1 will play an important role in future space exploration as well as orbital transfer and clearing of space debris.

Safety at School

Students at Anwen Primary School in Pan'an County, east China's Zhejiang Province, are at an earthquake drill, on May 23, 2013.

The Ministry of Education on March 3 asked schools and kindergartens to organize evacuation drills on a regular basis to ensure quick response to emergencies such as earthquakes and fires.

Schools are advised to carry out at least one drill each month while kindergartens should do so every three months, according to a guideline issued by the ministry. It asked middle schools to finish each drill within two minutes and primary schools to do so within three minutes.



THIS WEEK ECONOMY

Market Driven

Two staff members assemble a business car at a production base of Beiqi Foton Motor Co. Ltd. in Weifang, east China's Shandong Province.

The production base had exported 8,554 units of business cars to 34 countries by the end of 2013.



PMI Data

China's purchasing managers' index (PMI) for the manufacturing sector dropped to 50.2 percent in February, down from 50.5 percent for January, according to data released by the National Bureau of Statistics (NBS) and the China Federation of Logistics and Purchasing (CFLP) on March 1.

The index shows the manufacturing sector is expanding, but the rate of growth is slowing down, said Zhao Qinghe, a senior analyst with the NBS. A reading below 50 indicates contraction, while that above 50 signals expansion.

Zhao attributed the decline to the Spring Festival holiday, when most enterprises suspended production and workers went back home for the holiday.

The PMI for China's nonmanufacturing sector rebounded in February after dropping for three consecutive months. The index reached 55 percent in February, up 1.6 percentage points from January.

CFLP Vice Chairman Cai Jin attributed the rebound mainly to



robust business activities after the Spring Festival holiday (January 31-February 6).

FTA Talks

China, South Korea and Japan started the fourth round of negotiations on a trilateral free trade agreement (FTA) in Seoul on March 4.

The fresh round of negotiations, lasting from March 4 to 7, focused on modalities of tariff reduction, ways of opening service trade between the three countries and investment as well as certain areas and fields of the agreement, according to the Chinese delegation.

South Korea's Trade Minister Yoon Sang-jick said although these talks may not always go smoothly, the negotiations are "moving toward



An airplane stops beside a bay in Sanya, Hainan Province. Low-altitude flight travel has become very popular in the city an end."

South Korean farmers previously opposed such an agreement, fearing that a free trade pact would flood the market with cheap produce.

The three Asian countries talked about the trilateral FTA's modality such as how to make a draft of liberalization for goods at the third round of negotiation held in Tokyo in 2013.

China, South Korea and Japan have seen increasingly close economic and trade relations and have become important partners and markets to each other.

The FTA is expected to create one of the world's largest markets, as combined gross domestic product of the three countries will account for 20 percent of world total and the combined imports and exports volume will account for 17.5 percent of global trade.

Coal Demand

China's coal consumption will peak in 2020 at about 4.7 billion tons, forecast Li Ruifeng, General Manager of the Coal Industry Planning and Design Research Institute on March 4.

THIS WEEK



Farmers carry oranges in Yunyang County, southwest China's Chongqing Municipality. The county has 80,000 *mu* (5,333 hectares) of orange trees, and oranges are sold to Beijing, Shanghai and southeast Asian countries

Coal demand will grow by an average of 3.9 percent annually before 2020 and then decrease by about 0.43 percent annually, Li said.

He predicted that annual coal demand would drop to 4.56 billion tons in 2030.

Li advised coal producers to adjust investment strategies to cope with decreases in coal demand after 2020.

China's coal consumption witnessed a slower growth of 2.6 percent year on year to 3.61 billion tons in 2013, according to the China National Coal Association.

Walmart Backing Off

The world's largest retailer, Walmart Stores, closed an outlet in southwest China's Chongqing Municipality on March 4.

A staff member, who declined to be named, said the closure was decided by Walmart China because the store had been losing money for a long time. Poor site selection has



been given as a major reason for the store's slow trade.

Walmart entered Chongqing 10 years ago, and this was its first closure in the city.

Walmart China closed 10 stores nationwide in November and December last year.

The emergence of online shopping has been seen as an increasing challenge for firms like Walmart. Walmart's stores also face competition from local retailers. Chinese grocery retailer Yonghui Superstores has been in talks to rent the site that Walmart has vacated in Chongqing.

New Trading Model

No timetable has been set for the launch of the T+O trading model, a tool to increase the vitality and liquidity of the capital market, according to a securities watchdog official. T+O means financial products can be bought and sold on the same day. "T" stands for the first letter of the word "trade."

There are no legal barriers, but the trading model needs smooth coordination, said Wang Xian, deputy head of the China Securities Regulatory Commission's market department.

The model can stimulate the market and add fluidity, but can also cause frequent trading, market fluctuation, speculation and manipulation, Wang said.

Currently, T+1 is adopted for share trading on the Shanghai and Shenzhen bourses. T+1 means shares bought on one day can only be sold the next trading day at the earliest.

The Shanghai bourse in 1992 and the Shenzhen bourse in 1993 introduced T+0 models, but they shifted to T+1 in 1995 to guard against market risks.

Numbers

12.54 mln

Number of registered privately owned companies in China by the end of 2013, up 15.5 percent from 2012

1.9 bln yuan

Total subsidies that have been given to passengers and drivers during a subsidy war between Didi Dache and Kuaidi Dache, two leading taxi-booking apps in China

100,000 tons

Transaction volume of the pilot Shanghai carbon-trading platform during the first 100 trading days starting from November 26, 2013, when the platform was put into use

Digging Deeper

Machines lay on the ground in Dingping Village of Suining, southwest China's Sichuan Province. The largest-ever natural gas reserve was recently discovered in the village.



79

Number of mines that Xinjiang Uygur Autonomous Region will shut down in 2014 to improve the environment

THIS WEEK WORLD



A visitor attends an art exhibition illustrating the suffering of women forced into sex slavery by Japanese invaders during World War II in Seoul on March 1









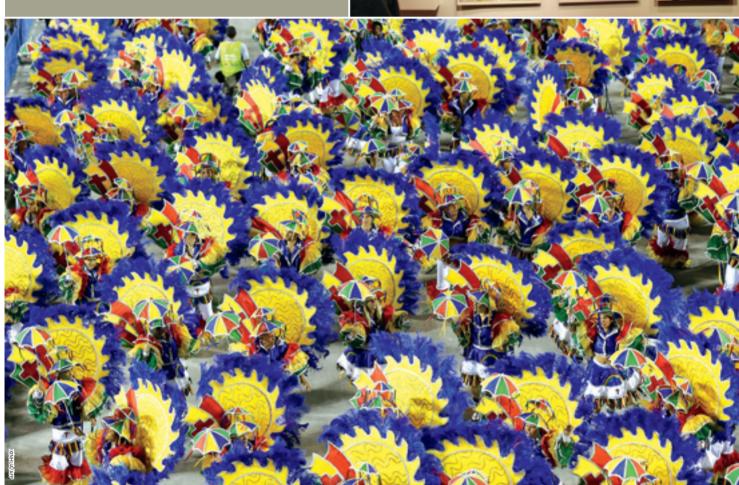


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내가 체로바 그라는가 앞도 그리 **





Revelers from a samba school perform on the first night of the Rio de Janeiro Carnival parade on March 2









A serviceman kisses his son following a homecoming ceremony in Fort Knox, Kentucky, on February 27. About 100 U.S. soldiers returned home after a nine-month combat deployment in Afghanistan



A man receives his voter ID card in Baghdad on March 5. Electronic voter ID cards have been distributed nationwide ahead of Iraq's first parliamentary election since the 2011 withdrawal of U.S. forces, which is scheduled for April 30







Kuala Lumpur's landmark Petronas Twin Towers on March 4 are seen covered in haze, which descended on the capital city and its surroundings due to fires caused by a recent drought as well as pollution from factories and motor vehicles

THIS WEEK PEOPLE

"The spread of the H7N9 virus in Guangdong Province signals the need for stricter management of the poultry industry by promoting industrialized chicken raising and processing and encouraging the public to consume frozen products instead of live poultry."

He Youlin, a deputy to the National People's Congress (NPC), explaining his motion to this year's annual session of the NPC

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"The bases of energy and chemical industries at the middle and upper reaches of the Yellow River produce the bulk of industrial solid waste, which remains unprocessed. The waste has polluted air and will pollute soil and underground water in the long run."

Zhang Shuzhi, a member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) from Ningxia Hui Autonomous Region, during the annual session of the CPPCC

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"China is central to the makeup of the world system today in ways that are well understood on the level of geopolitics but have not yet been fully elaborated in the realm of culture ... this section aims to change that."

Philip Tinari, Director of Beijing-based Ullens Center for Contemporary Art, which will curate contemporary art from China at the 2014 Armory Show in New York



The 84-year-old Chinese agricultural scientist and educator Yuan Longping was nominated for the 2014 Nobel Peace Prize for his contributions to food safety in Asia.

Yuan, known as the Father of Hybrid Rice in the Chinese media, is known for developing the first hybrid rice varieties back in the 1970s. These rice species yielded significantly more than common species at the time and were able to withstand water shortages. Yuan's hybrid rice is now used in more than 20 countries and in over 50 percent of China's rice fields. Yuan is currently the director general of the China National Hybrid Rice R&D Center and a member of the Chinese Academy of Engineering. He has received numerous awards and honors for his work, including the 2004 World Food Prize and the 2004 Wolf Prize in Agriculture.



The Chinese Football Association announced the appointment of Frenchman Alain Perrin as new head coach of the Chinese National Football Team at a press conference on February 28. The 57-year-old French native will take over the position from Chinese caretaker Fu Bo, who has been in charge of the team after Antonio Camacho was sacked following a humiliating 1-5 loss to Thailand.

MEDIA DIGEST **This week**





Internet Investment Boom

Lifeweek Magazine February 24

Chinese Internet operators are expanding into the financial business by launching various Internet-based fund products. Online investment services, such as e-commerce giant Alibaba's Yu'ebao and Internet icon Tencent's

WeChat-based Licaitong, have appeared to overtake the traditional bank deposit to become the preferred method for many investors.

Emerging online investment services draw depositors because of their more convenient services and better returns than traditional banks. By investing in these new financial products, small amounts of money in the hands of millions of private investors are no longer sitting idle. Furthermore, the risks of these new investment products are alleged to be well controlled.

Yu'ebao has attracted over 300 billion yuan (\$49.18 billion) since last June. Its success is due to Alibaba's two biggest strengths, the mature e-commerce platforms Taobao and Tmall, and its trusted online payment system Alipay, where e-shoppers are already accustomed to depositing money.

The new wealth management products initiated by Internet companies have changed China's financial landscape dramatically. In particular, they change small sums of common people's money from deposits into investment, greatly expanding the range of investment services. For years, China's financial market has been dominated by traditional banks, which have strict regulations on interest rates, loans and returns. With rapid economic growth, banks cannot satisfy increasingly strong demands for verified financial services. Non-market oriented bank rates have long been a bottle neck in Chinese financial market reform. However, emerging Internet investment products have taken the lead in reforming China's financial market.

Education Dilemma

Guangzhou Daily

March 3

In the past decade, China's graduate students have grown tenfold. Does China really need so many graduate students?

Indeed, remarkable achievements in many areas can be attributed to people who have received higher education. However, a growing number of graduate students will not necessarily be a good thing. Not only will it squeeze the job market further, but it will also lead to a waste of education resources.

The current program and course arrangement at universities do not match the Chinese market's requirement for graduate students, and a certain number of graduates find themselves unable to find suitable jobs as a result. There are also not enough qualified tutors to cope with the sudden surge in graduate students. If colleges continue to expand their admissions, graduates will find it even more difficult to find proper jobs.

Improving or reforming current graduate student education modes is now an urgent matter and the focus should be moved from the quantity to quality of the students, or society will have to endure severer employment pressures.

Advocating Filial Piety

Legal Daily March 4

Wuhan, the capital city of central China's Hubei Province, is exploring the possibility of setting up a system where those who display filial piety will be praised and those who do not will be put on a black list and condemned, so as to promote filial piety in society as a whole. Some other cities in the country also have similar systems in place and even stipulate that those who are put on the black list will not be able to be recruited as civil servants.

Filial piety will never lose its value or significance. China is fast becoming an aging society, with more and more old people left behind in rural areas while their children have moved to the cities to make money. A family that has filial piety not only brings a happy life to the family's elderly, but also brings harmony and happiness to everyone else in the family. Moreover, when taking care of their parents, they are also setting examples for their own children. When they themselves become old, their children will be also kind to them. Families are microcosms of society and harmonious families join together to form a stable and harmonious society.

Recent years have seen the government pay more and more attention to filial piety, such as the issuing of laws that demand children "must often go home to look their old parents," and filial piety is used as a rigid criterion when selecting civil servants. These may read as a positive response to the aging of the society.

Canada's New Immigration Policy China Newsweek March 3

Canada's recent cancellation of its 28year-long Investor Immigrant Program (IIP) has had an impact on Chinese millionaires wishing to immigrate to the country.

IIP allowed wealthy individuals to buy permanent residency by making an 800,000 Canadian-dollar (\$730,897) interest-free loan to the government of the province where they intended to reside, excluding Quebec. They also needed to prove they had a net worth of at least 1.6 million Canadian dollars (\$1.45 million).

Rapid economic growth over the past decades has created tens of thousands of millionaires in China. Emigrating to countries like Canada and the United States is increasingly popular among the rich. There is no question that the IIP was a shortcut for rich Chinese to move to Canada. More than 130,000 people have migrated there through the scheme since 1986.



But now Canada hopes to tighten immigration criteria to attract more highquality foreign entrepreneurs with a new business visa policy. The new immigration policy is a blow to both Chinese applicants and Chinese communities in Canada. Traditionally, Chinese immigrants have strong links with their motherland and home towns. Wealthy Chinese immigrants generally relocated their families in Canada through the program but still work or do business in China. The trend has given the Canadian Government a reason to reject China's rich.





Chinese Premier Li Keqiang delivered the government's annual work report during the opening meeting of the Second Session of the 12th National People's Congress (NPC)—China's top legislature—in Beijing on March 5. *Beijing Review* reporters Zhou Xiaoyan, Deng Yaqing, Zeng Wenhui, Miao Xiaoyang and Hou Weili spoke to NPC deputies and members of the 12th National Committee of the Chinese People's Political Consultative Conference (CPPCC)—China's top political advisory body—to hear their viewpoints on topics covered in the report. Edited Excerpts follow:





Deepening reform

Xu Shousheng, NPC deputy, Secretary of Communist Party of China (CPC) Hunan Provincial Committee



The government work report reflects the fresh mindset held by the new leadership on how to govern the country. It's a pragmatic and inspiring report, which accurately addresses all of the problems that are of deep concern to Chinese citizens. As for the obstacles in the way of China's future reform, the report doesn't avoid talking about them or attempt to cover them up. It specifically lists all the problems and spells out how to take on these challenges.

China's economic structural adjustment has made marked progress. The proportion for which the service industry accounts for has surpassed that of the manufacturing industry for the first time. The growth rate in the less developed central and western parts of the country was much higher than that in the richer eastern region in 2013, signaling more balanced development across the board. An array of measures have successfully helped to deepen reforms, such as using value-added tax to replace turnover tax and setting up the pilot Shanghai free trade zone. China's fast development in 2013 has proved the doomsayers wrong.

I have two suggestions. Firstly, the institutional reform in the State Council should be accelerated. Right now, certain departments under the State Council still have overlapping functions. This has led to inefficiency and a buck-passing work style. Any department that needs dismantling should be dismantled as soon as possible.

Second, the central region of China has been positioned as a transportation hub. Building such a hub requires hefty investment, which results in central provinces being heavily indebted. Such debt should be shouldered by the Central Government and local governments together rather than local governments alone.

Innovation-driven growth



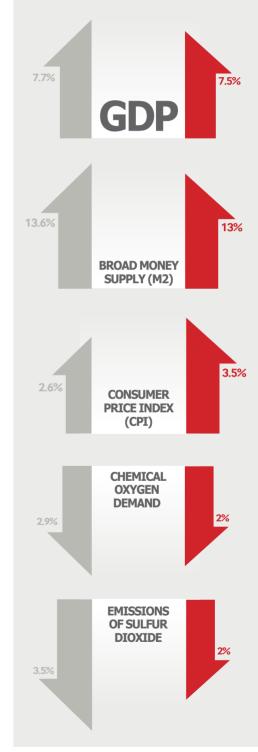
Huang Boyun, NPC deputy, an academician with the Chinese Academy of Engineering

Premier Li's work report has mentioned "innovation-driven growth" a lot. How exactly to marry economic and technological development and how to transform scientific achievements into productivity represent the main issues?

Progress has been made in that regard. But more needs to be done. First, stock ownership incentives should be implemented in innovation parks so that scientists can enjoy more benefits from the fruits of their research. Second, approval of innovation-related issued should be delegated to provincial governments.



Achieved in 2013Goals for 2014



Economic transformation



Huang Taiyan, NPC deputy, President of Liaoning University

China can absolutely meet the GDP growth target it has set itself for 2014 but faces lots of challenges in terms of the CPI limit. Firstly, it takes time to digest the excess currency that the central bank issued to stimulate growth. Secondly, the prices of the labor, land and raw materials are constantly increasing in China.

China experienced three decades of super-fast growth at the expense of cheap labor costs. Now, it faces more restrictions from limited natural resources and an aging society. Domestic consumption should be the new growth engine.

In the past, many Chinese would buy several suitcases of luxurious products during their overseas trips. This shows Chinese people have the ability to consume, but that the domestic market presents some problems. Therefore, the core of China's economic transformation should be "made-in-China" products, and focus should be placed on their quality, branding and credibility.

Enriching ethnic people



Nyima Zhoima, NPC deputy, Secretary of the CPC Haibei Tibetan Autonomous Prefecture Committee, Qinghai Province

Although not lengthy, Premier Li's report has concisely summarized government work in the past year as well as paving the road ahead for government work this year. The proposed growth targets are in line with the reality of China's situation. Colloquial words and proverbs have been used in the report so that everyone can easily relate to the report.

As an NPC deputy from a minority ethnic group, I am especially thrilled by the Central Government's proposed measures regarding regions inhabited by ethnic groups. Uniting people from all ethnic groups has been high on the priority list in the government work agenda.

I think that can be achieved by factoring in the following three aspects—building community-level connections with these ethnic groups, strengthening social security and, most importantly, economically enriching them.

Development is key to solving all of the problems currently faced in China. Similarly, development can also be the "silver bullet" to all the issues that regions containing different ethnic groups are now facing. In Haibei Tibetan Autonomous Prefecture, we have greatly cultivated our tourism industry, which created many jobs and greatly increased local incomes.

Legal system for the market



Li Ruogu, CPPCC member, Chairman and President of the Export-Import Bank of China

Before streamlining administration and instituting decentralization, the government should build a complete system of laws to keep the market in order.

In the past, similar campaigns were launched to reduce government intervention, but rarely worked. Without governmental administration, the market should be supervised and controlled by law. Hence, the existing legal system should be renovated to ensure justice and equity. For example, independent bankruptcy courts should be set up to handle bankruptcy cases and to prevent local protectionism.



Supporting SMEs



Chen Dongzheng, CPPCC member, President of the Shenzhen Stock Exchange

Further economic growth will largely come from small and medium-sized enterprises (SMEs), which contribute more than 50 percent to China's GDP, tax revenue, export and investment, and create roughly 80 percent of jobs in the country. For this reason, the government should mobilize all available financial resources to support their development.

Currently, a total of 1,100 enterprises have been listed on the SME board and ChiNext, the growth enterprise board, at the Shenzhen Stock Exchange, and some of them have played a leading role in the business world, despite the fact that they also encounter an array of problems arising from environmental protection, product quality, and so forth.

The growth of SMEs can also propel the urbanization of small towns and villages. The government should put more favorable policies in place to facilitate their development.

Bottleneck of rural development



Du Ying, CPPCC member, Vice Minister of the National Development and Reform Commission

Agriculture is the basis of China's economy. On many occasions, the government has reiterated that our population of 1.3 billion should strive to realize food self-sufficiency.

Although China's grain output has increased for 10 consecutive years to 600 million tons, rural development is plagued by three problems. Firstly, the rising cost of agricultural products press domestic crop prices to exceed international market prices. In recent years, the cost of agricultural products has been increased at a pace of 10 percent year on year, while labor and land costs have risen sharply, which pushes the government to continuously boost its minimum purchase and temporary reserve prices. On the other side of the equation, the government will find it difficult to sell agricultural products purchased from domestic farmers, for they are more expensive than imports.

The problem can be efficiently solved by introducing an agricultural target price system. That's to say, agricultural subsidies will be distributed according to grain prices in the domestic market. A pilot program for a soybean target price system will be established in northeast China.

Secondly, since it's difficult to further expand farmland, farmers need to advance their per-unit area yield. The overuse of chemical fertilizer has resulted in severe pollution of rivers and soil. Therefore, a plan should be formulated to tackle such issues. Of course, money and technology are indispensable elements.

Thirdly, the agricultural operation system should be overhauled. For example, in the United States and Australia, a family farm can cultivate thousands of acres of farmland, while a Chinese farmer only takes care of less than a hectare.

Energy consumption

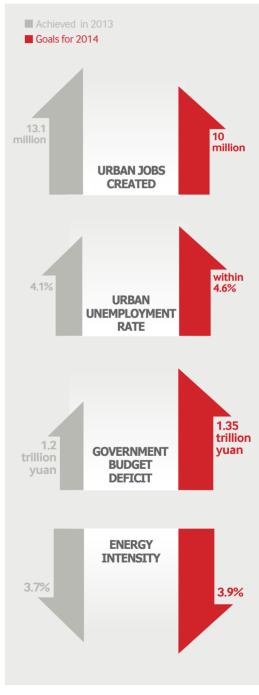
Xie Kechang, CPPCC member, Vice President of Chinese Academy of Engineering



China's energy security has been threatened by its high dependence on oil and gas imports, huge energy demand and the high proportion of fossil fuel against total volume.

To overcome this challenge, the government has decided to optimize the mix of energy consumption by promoting the use of renewable and chemical energy. ■

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AGENDA FOR 2014

In his Government Work Report to the Second Session of the National People's Congress on March 5, Premier Li Keqiang pledged to deepen reform so as to create a powerful impetus, and said that structural adjustments should be made a main priority and improving people's wellbeing be a fundamental goal. The following are excerpts from the nine major tasks listed in Li's work report.

Make breakthroughs in reform in important areas

Reform is the top priority for the government's work this year. We will focus on economic structural reform, advance it on different fronts in a targeted way in light of different conditions, take key measures that will have an overall impact, strive to make substantial progress and reap more benefits from reform.

- Deepen reform of the administrative system.
- Give high priority to reforming the fiscal and tax systems.
- Deepen reform of the financial sector.

• Enhance the vitality of economic entities under all forms of ownership.

Make domestic demand the main engine driving growth

Boosting domestic demand is both a major force driving economic growth and an important structural adjustment. We need to fully leverage the basic role of consumption and the key role of investment, foster new regional economic mainstay belts, stimulate both supply and demand, and establish a permanent mechanism for increasing domestic demand.

- Focus on boosting consumption.
- Take investment as the key to maintaining stable economic growth.

• Make developing new regional economic belts a strategic step for stimulating development.

Steadfastly promote land and marine development in a coordinated way.

Usher in a new phase of China's opening to the outside world and ensuring its high standard performance

Opening up and reform have been launched as integral parts of the same initiative as they are mutually reinforcing. We will foster a new open-economy system and advance a new ground of opening up to embrace the international market. This will lead to deeper reform and structural adjustment and enable us to enhance China's ability to compete internationally.

- Open China wider to the outside world in all areas.
- Make it a strategic priority to upgrade exports and promote balanced growth of foreign trade.

• Increase China's competitiveness through expanding its overseas business presence.

• Engage in bilateral, multilateral and regional opening up and cooperation in a coordinated way.

Advance agricultural modernization and rural reform and development

Agriculture is important for expanding domestic demand and making structural adjustment, and it is a sector vital for ensuing China's stability and maintaining public confidence. We must make doing a good job in our work relating to agriculture, rural areas and farmers the number one priority in all our endeavors and accelerate agricultural modernization in order to ensure China's food security and increase farmer's incomes.

- Strengthen policies for supporting and protecting agriculture.
- Strengthen the foundation of agricultural and rural development.
- Vigorously push forward rural reform.
- Explore new ways to alleviate poverty through development.

Carry out a new type of people-centered urbanization

Urbanization is the sure route to modernization and an important basis for integrating urban and rural structures. We must improve the system and mechanisms for integrating rural and urban development and embark on a new path of urbanization. This new type of urbanization should have the following features: putting people first; integrating the development of industrialization, IT application, urbanization and agricultural modernization; improving the spatial layout; protecting the ecological environment; and carrying forward Chinese culture.

We must follow the natural law concerning urbanization, carry it out actively and prudently, and work harder to raise its quality. For some time to come, we will focus on three tasks, each concerning 100 million people: granting urban residency to around 100 million rural people who have moved to cities, rebuilding rundown city areas and villages inside cities where around 100 million people live, and guiding the urbanization of around 100 million rural residents of the central and western regions in cities there.

• Grant urban residency in an orderly manner to rural people who have moved to cities.

 Increase support for a new type of urbanization in central and westem regions.

• Strengthen management innovation and institutional development pertaining to urbanization.



Use innovation to support and lead economic structural improvement and upgrading

Innovation is the motive for adjusting and upgrading the economic structure. We need to make innovation the core of China's development endeavors, promote the full integration of science and technology with economic and social development, and elevate China's industries to the high range of the global value chain.

 Accelerate reform of the science and technology management system.

We will strengthen the leading role businesses play in making technological innovation and encourage enterprises to set up research institutes and take the lead in establishing industry-academia-research collaboration in making innovation.

 Rely on reform and support growth in some sectors while curbing excess and outdated production capacity in others in the process of industrial structural adjustment.

Accelerate the development of education, health, culture and other social programs

Boosting the development of social programs is an effective way to promote social justice and increase people's happiness. We need to deepen reform of the social system and promote coordinated economic and social development by increasing spending and adopting stronger measures.

• Give high priority to developing education and making it more equitable.

We will continue to allocate more education resources to the central and western regions and rural areas and promote the balanced development of compulsory education. We will comprehensively improve conditions in poorly built and run schools providing compulsory education in poor areas.

Deepen medical reform.

We will consolidate the national basic medical insurance system and integrate the basic medical insurance system for rural residents with that for non-working urban residents through reform. We will improve the mechanism for the government, employer and employee to share the costs of basic medical insurance.

• Continue to deepen reform of the cultural sector, improve policies pertaining to the cultural economy, and enhance China's overall cultural strength and competitiveness.

Promote innovation in social governance.

We will focus on law-based governance and involve all parties in social governance.

Make coordinated efforts to ensure and improve people's well-being

The people are the foundation of a nation, and a nation can enjoy peace only when its foundations are strong. The fundamental goal of a government's work is to ensure that everyone lives a good life. We will continue to build institutions, improve weak links, help those in need of subsistence assistance, ensure everyone has access to basic necessities, and improve people's living standards and quality of life.

• Steadfastly implement the strategy of giving top priority to employment and business startup environment, and foster business startups in an innovative way so that they can create more jobs.

Deepen reform of the income distribution system and strive to narrow the income gap.

• Focus on advancing reform of the social assistance system, continue to raise subsistence allowances to rural and urban residents, implement the system of provide temporary assistance nationwide, provide safeguards to enable extremely vulnerable groups to meet their basic living needs, and improve social services so that people can focus on their work.

- Improve the mechanism for providing adequate housing.
- Give our full attention to workplace safety.

Build China into a beautiful homeland with a sound ecological environment

Fostering a sound ecological environment is vital for people's lives and the future of our nation. Smog is affecting larger parts of China and environmental pollution has become a major problem, which is nature's red light warning against the model of inefficient and blind development. We must strengthen protection of the ecological environment and resolve to take forceful measures to complete this challenging task.

• Take strong measures to strengthen pollution prevention and control. We will fully implement the plan for preventing and controlling air pollution, with the focus on mega cities and regions with frequent occurrence of smog. We will start by reducing PM10 and PM2.5 emissions, and focus on the following key areas: improving the industrial structure, raising energy efficiency, reducing vehicle exhaust emissions, and preventing and monitoring wind-borne dust.

We will improve the new mechanism involving government, enterprises and the general public, coordinate prevention and control efforts in affected regions, and fully implement the action plan for preventing and controlling air pollution.

- Change the way energy is produced and consumed.
- Move forward with ecological protection and development.

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