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BIJNGREVIEW

VOL.57 NO.18 MAY 1, 2014



JOINING HANDS

Beijing-Tianjin-Hebei megaplan will better balance regional resources





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

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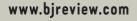
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SH and HK exchanges get closer



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EDITOR'S DESK

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A News Weekly Magazine **Published Since 1958**

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E-mail: circulation@bjreview.com.cn

Published every Thursday by

Overseas Distributor: China International Book Trading Corporation (Guoii Shudian). P. O. BOX 399.

Tel: 86-10-68413849, 1-416-497-8096 (Canada) Fax: 86-10-68412166

E-mail: fp@mail.cibtc.com.cn

General Distributor for Hong Kong, Macao and Taiwan

17/Fl, Paramount Bldg, 12 Ka Yip St, Chai Wan, HK Tel: 852-28046687 Fax: 852-28046409

United States for US\$64.00 per year by Cypress Books Cypress Books, 360 Swift Avenue, Suite 48,

An Opportunity

A development plan for cooperation between Beijing, Tianjin and Hebei Province (Jing-Jin-Ji) has recently been submitted for approval by the State Council, indicating that a solid step is being made toward the unified development of the three locations. This will be a milestone for China's regional economic development as well as representing one of the effective measures to control smoggy weather.

In recent years, in order to make up for the development gaps between different areas, several economic regions have been established, each containing neighboring provinces, autonomous regions and municipalities. Experience indicates that this strategy works well in boosting regional economic growth.

A heavy smog has settled over Beijing and its neighboring regions since last year, impelling the Central Government to coordinate industrial layout and economic development in the three areas. The Jing-Jin-Ji integrated development plan has a promising future once China has completed the measures required to accelerate economic restructuring. It will bring about three benefits, at the very least.

The scheme has the potential to reduce environmental pollution. Hebei, which surrounds Beijing and Tianjin, has an industrial structure mainly relying on the production of steel and cement, in addition to other industries with high energy consumption and high pollution. An important goal for the coordinated development is to reduce smog across the area as a whole. The Central Government requires that the three locations strengthen cooperation in ecological and environmental protection, and, based on the already initiated coordination program for air-pollution control, further improve cooperation campaigns in the building of shelter forests, the protection of water sources, water pollution control and the promotion of clean energy applications.

The scheme will also be able to alleviate the "bloat" in Beijing and balance development in Tianjin and Hebei. Too many resources have been funneled into the nation's capital, causing problems such as a boom in population, traffic jams and a huge strain on resources. Appropriately, cutting the size of Beijing and reducing its economic functions are the key to solving these problems. Moreover, the three locations at present have overlapping industrial structures. The Central Government will require these areas to redefine existing functions, industrial division, urban layouts, supporting facilities and comprehensive communication networks.

For coordinated development, the three locations also need to build and expand public utilities, and companies will need to carry out energy-saving renovation after relocation. These will provide new investment opportunities. Through learning from the experience of developed economies in smog control, green industries can address the urgent needs of the integration process. The integration of the proposed Jing-Jin-Ji area will certainly not be realized within a short period of time. We hope the three locations can together embark on a journey toward coordinated development based on mutual benefit as soon as possible.

WRITETOUS

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北京周报 英文版 2014年 第18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



JOINT MARITIME DRILLS

A task force launches a simulated assault on a "hijacked" ship off the coastal city of Qingdao, east China's Shandong Province, on April 23, as part of multi-national maritime drills. Warships, helicopters and marine corps from eight countries were organized in the water near Qingdao for exercises that focused on joint search and rescue operations.

THIS WEEK SOCIETY



Longer Life

Women from Xiamacheng Community in Hangzhou, capital of east China's Zhejiang Province, walk around the West Lake on March 5.

Data from health authorities show that the life expectancy of Chinese women has increased from 73.33 years in 2000 to 77.37 years in 2013. Maternal death was reduced in the period to 23.2 in every 100,000 women, down 56.2 percent from that of 2000.

Water Pollution

Nearly 60 percent of areas in China that were surveyed were found to have a "very poor" or "relatively poor" quality of underground water last year, a new report showed on April 22.

Among the 4,778 spots across 203 cities that were investigated by the Ministry of Land and Resources, underground water quality was ranked "relatively poor" in 43.9 percent of them and "very poor" in another 15.7 percent last year, according to the report, which is released by the ministry annually.

According to China's underground water standards, water of relatively poor quality can only be used for drinking after proper treatment. Water of very poor quality cannot be used as a source of drinking water.

The result means 59.6 percent of underground water could not be directly drunk last year, up from 57.4 percent from 2012.

On a year-by-year basis, water quality became worse in 754 monitored spots, but improved in 647 areas.

More Patents

On April 22, China's State Intellectual Property Office (SIPO) said the country accepted a larger proportion of invention patent applications in 2013.

Shen Changyu, head of the SIPO, said China accepted 2.38 million patent applications and authorized 1.31 million of the cases last year. The number of patent applications for inventions reached 825,000, up 26.3 percent year on year.

It is the first time in five years that invention patent applications took up more than one third of the three types of applications, Shen commented at a press conference. The other two types are utility models and design.

China ranked third in international patent applications to the Patent Cooperation Treaty, with more than 20,000 submissions last year.

Less Poverty

The number of impoverished people in rural areas of ethnic minority-

"The patent application structure was further improved in the first quarter of 2014, as nearly 40 percent of applications were for inventions."

Shen Changyu, head of the State Intellectual Property Office (SIPO)



inhabited regions decreased by 5.59 million in 2013, China's State Ethnic Affairs Commission (SEAC) said on April 21.

The commission released a statement, saying there were 25.62 million people living in poverty in eight ethnic minority-inhabited provincial-level regions last year.

The regions were Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region, Tibet Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region, and the provinces of Guizhou, Yunnan and Qinghai.

About 17.1 percent of people in rural areas of the eight regions live in poverty, 8.6 percentage points higher than the whole country, according to the report.

Poor people in the rural areas of Guangxi, Guizhou and Yunnan account for almost 80 percent of the total in the eight regions, and about a quarter of the total number of poor people in rural areas across the whole countru.

Animal Conservation

A draft interpretation of China's Criminal Law, tabled for reading on April 21, aims to clear up ambiguities by clearly defining the eating of endangered wild animals, or buying them for other purposes, as illegal.

The bill was submitted for first reading by the Standing Committee of the National People's Congress (NPC), China's top legislature, at its bi-monthly session from April 21 to 24.

The eating of rare animals is not only bad social conduct but also a major reason why illegal hunting has not been stopped despite repeated crackdowns, said Lang Sheng, deputy head of the Legislative Affairs Commission of the NPC Standing Committee, when elaborating on the bill to lawmakers.

Currently, 420 species of wild animals are considered rare or endangered by the Chinese Government. They include giant pandas, golden monkeys, Asian black bears and pangolins.

According to the bill, anyone who eats listed animals or buys them for other purposes, will be consid-

ered as breaking the law and will be sentenced to prison term of five to 10 years, depending on the degree of their offence.

Natural Gas Supply

China will raise its natural gas supply to as much as 420 billion cubic meters per year by 2020 amid rising demand due to urbanization, a government statement said on April 23.

The increased supply will cater to the rising demand for natural gas in people's daily lives, schools, nursing homes, home heating, as well as in buses and taxis, a statement on the Central Government website said.

The supply increase is also driven by the nation's efforts to mitigate air pollution stemming from an overreliance on coal, the statement said.

To expand natural gas production, investment in gas storage facilities as well as their construction and operation will be open to all market players, the statement said.

Meanwhile, companies will also have the option to issue bonds to raise capital for the construction of storage facilities. The government will offer favorable land policies for storage facility projects, the statement said.

Data showed that natural gas consumption in China hit nearly 170 billion cubic meters in 2013.

Glacier Protection

A protected area will be marked out in an attempt to arrest the shrinking of Glacier No. 1 in the Tianshan Mountains

Power of Reading

Two girls from a migrant worker family read a book together in Zhengzhou of central China's Henan Province on April 22. April 23 is World Reading Day





Dragon World

A live show imitating the scenes from the movie *How To Train Your Dragon* preform a costume rehearsal in Beijing on April 21. The show will go on the stage of National Stadium in the capital on May 30

of northwest China's Xinjiang Uygur Autonomous Region, authorities said on April 23.

All mining sites in the 948-sqaurekm protection zone will be shut down within three to five years, and the regional government will restrict vehicles on a national highway section near the zone and ban tourists from entering it.

The regional government has

established a leading team for the construction of the area, where grazing will also be restricted. China has 46,377 glaciers, with 18,311 located in Xinjiang. The autonomous region's glacier melt water accounts for about 25 to 30 percent of its surface run-off, and the thawing of the glaciers could have a disastrous effect on the region, according to the Chinese Academy of Sciences.

Green Oasis

Fengshuiliang Town, which was built in the Kubuqi Desert in north China's Inner Mongolia Autonomous Region, has grown itself into an island of green amongst the sands.

Kubuqi is the country's seventh biggest desert and suffers from frequent sandstorms and droughts.

With support of the local government and enterprises, the Kubuqi Desert, which used to be barren and sandstorm-stricken, is expected to become a green oasis.

Researchers will evaluate the desert's ecology and try to spread successful desert control initiatives to other countries, according to the United Nations Environment Programme.



THIS WEEK ECONOMY

Reserve Ratio Cut

China's central bank cut the reserve requirement ratio for county-level rural commercial banks and rural credit cooperative unions on April 25 to help increase the flow of credit.

The ratio for county-level rural commercial lenders was trimmed by 2 percentage points and that for rural credit cooperatives was cut by 0.5 percentage points.

The adjustment will help enhance financial support for rural development and guide credit flow to rural areas, the People's Bank of China said in an online statement.

However, the central bank did not say how much capital could be freed by cutting the ratio.

More Autonomy

China's State Council announced on April 24 that the country will reduce the government's power in terms of administrative approval for companies' investment projects.

Investment projects will only need to be registered instead of being approved if they can be effectively managed through economic measures and laws in sectors with sufficient competition and where companies have measures for self-regulation, a statement on the Central Government's website said

Allowing companies' autonomy in investment is a necessity in balancing the roles of the government and the market, as well as an important move in utilizing the pivotal role of investment, boosting restructuring through reforms, and maintaining the stable growth of the economy, the statement said.

Private Capital

China announced 80 major public infrastructure projects on April 24, experimenting with wider access for private and overseas investors.



NEW ENERGY

Trial extraction of shale gas proceeds at the Fuling work zone by a branch company of Sinopec, China's largest oil refiner, in southwest China's Chongqing Municipality The decision was made at a State Council executive meeting, the second meeting in a month to focus on infrastructure investment.

The projects will cover railway and harbor construction, new infrastructure needed by the area of information technology, major clean energy projects such as hydropower, wind power and photovoltaic power, as well as modernization projects in oil and gas and chemical industries.

It has been expected that overseas investors are likely to benefit from the new infrastructure investment program along with domestic private-sector investors.

The State Council said private investment will be encouraged to enter fields that are "monopolistic in nature" or those that "used to be dominated by government investment and Stateowned enterprises."

The State Council also decided that oil and gas exploration, public utilities, water resources projects and airport construction will be the next to open to private-sector investment.

Illegal Fund Raising

China will strengthen its efforts in cracking down on illegal fund-raising activities after an increase in such practices last year, a senior legal official said on April 22.

Public security departments prosecuted 3,700 illegal fund-raising cases in 2013, said Liu Zhangjun, Director General of the Office of the Interagency Anti-Illegal Fund-Raising Taskforce, at a press conference in Beijing.

The official said authorities had helped investors recover more than 6.4 billion yuan (\$1.04 billion) of lenders' losses last year.

"Currently we are faced with severe challenges. The numbers of illegal fund-raising cases, total funds raised and those involved remain at high levels," said Liu.

Illegal fund-raising comes in different forms, such as by offering false wealth management products, valueless commemorative coins, stamps and currency notes, as well as the sale of sham stocks by self-proclaimed private banks to investors.



Revitalizing the Silk Road

Loaded with electronic products, a Wuhan-Xinjiang-Europe freight train sets off from Wuhan, capital of central

Loaded with electronic products, a Wuhan-Xinjiang-Europe freight train sets off from Wuhan, capital of central China's Hubei Province. It will cross the border at the Alataw Pass of Xinjiang Uygur Autonomous Region, run across Kazakhstan, Russia and the Republic of Belarus and finally arrive at Lodz, Poland.

After being suspended for one and a half years, the freight train resumed operations on April 23.



Invigorating Investment

An introductory event is jointly held in Beijing for the 18th China International Fair for Investment and Trade by the Ministry of Commerce and the organizing committee on April 24

Meanwhile, online peer-to-peer (P2P) business has also become an area where illegal fund-raising occurs, along with the rising popularity of Internet finance in the country, Liu said. Authorities will enhance crackdown efforts against fraudulent advertisements while educating the public on risks.

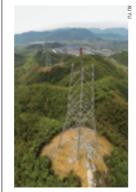
FTZ Rules Submitted

Much-anticipated operational rules for the China (Shanghai) Pilot Free Trade Zone (FTZ), awaiting approval by local legislators, are expected to come into force in the second half of 2014 and lay a legal foundation for further reform. Under the draft, the rules will take effect on August 1.

Jiang Sixian, Vice Chairman of the Standing Committee of Shanghai Municipal People's Congress, told a forum in April that the new rules will be passed by the end of June. As a comprehensive framework, they will cover issues such as investment, trade, finance, tax and the legal environment. They also will legalize reforms already in place, such as removal of the foreign currency deposit rate and permission

POWER GRID

The North Zhejiang-Fuzhou ultra-high voltage project starts in Yuhang District, Hangzhou, capital of east China's Zhejiang Province. The project has a total length



for offshore accounts in the FTZ.

Innovations adopted by the FTZ such as a "negative list" management approach for foreign investment, designed to bring about more transparency and freedom, also will be incorporated.

Tax Reduction

Chinese small businesses eligible for a tax break may enjoy the policy directly without an approval, according to China's taxation authority.

The State Administration of Taxation (SAT) said in a statement on April 24 that small firms with annual taxable income under 100,000 yuan (\$16,030) may have their business income tax halved without approvals.

In early April, China rolled out the tax break, which is valid from January 1 this year until the end of 2016, shortly after a State Council executive meeting, at which the government announced an economic package to address downward pressure.

"Eligible firms are only required to put their financial conditions on

record at local taxation authorities, even though the firms have no complete accounting books," said the SAT statement. Those that had paid business income tax fully before April 8 can get refunds, according to the statement.

Small and micro firms serve as the foundation for continuous and steady economic growth, according to SAT. By the end of 2013, there were about 11.7 million small and micro companies in China, accounting for 76.6 percent of the total number of firms in the country.

Urbanization Up

China will enhance reforms in the management of population data, land, funding guarantees, housing and environmental protection to boost the urbanization process.

Xu Shaoshi, Minister of the National Development and Reform Commission (NDRC), said on April 19 that the rapid urbanization process in China has created problems, such as a huge population transfer from rural to urban areas and low efficiency in urban land use.

The work in population management will accelerate household registration system reform, improve basic public services and build a nationwide population database, Xu said.

The standard of urban land use and planning will be strictly complied with, while the NDRC will explore incentives for increasing and redeveloping urban construction land.

Fiscal and tax reforms will balance government financial resources with public service duties and attract more social capital for city construction through a transparent investment and financing mechanism and healthy bond issuance system, Xu said.

More affordable housing will be provided for basic housing requirements, while the market will play a bigger role in satisfying different consumption needs, according to the NDRC.

Meanwhile, the NDRC will continue to improve ecological urban design and industrial structure with stricter regulations on environmental protection in order to upgrade green development.

http://www.bjreview.com

THIS WEEK WORLD





JAPAN

Citizens of Tokyo walk to a district court to initiate legal proceedings against Japanese Prime Minister Shinzo Abe on April 21, urging the court to declare Abe's December 2013 visit to the war-linked Yasukuni Shrine unconstitutional and stop him from making further visits



A roughly 10-day-old baby giraffe named Madiba (center) stands next to his mother Etosha (left) and another giraffe at Hamburg Zoo on April 16







GUATEMALA

People walk in Guatemala City on April 17 beside a 2,012-meter-long carpet of flowers and colored sawdust, made by municipal employees and volunteers, setting a new Guinness world record

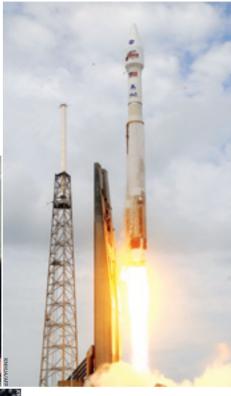




SOUTH KOREA

Lee Joon Seok (center), captain of the South Korean ferry that capsized off the country's southwest coast, walks out of a courtroom in Mokpo on April 19. Lee has been accused of abandoning the ship when it sank with more than 470 people on board three days earlier









THE UNITED STATES

U.S. Space Exploration Technologies Corp.'s Falcon 9 rocket lifts off at Florida's Cape Canaveral on April 18, carrying its *Dragon CRS3* spacecraft on a resupply mission to the International Space Station



IRAN

Soldiers march during the annual Army Day military parade on April 18 in Tehran

THIS WEEK PEOPLE & POINTS

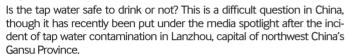
RUMOR SPREADER SENTENCED



Internet rumormonger **Qin Zhihui**, known by the handle Qinhuohuo online, was sentenced to two years on defamation charges and a further year for disturbing the peace.

Qin was found guilty of spreading rumors about several celebrities as well as the former Ministry of Railways, via Sina Weibo, China's Twitter-like microblogging platform, from 2012 to 2013. He is the first person to appear in court on rumor mongering charges.

Tap Water Woes Oriental Outlook April 24



Currently, the contamination of water source locations is the biggest issue, said Liu Wenjun, a Chinese expert on drinking water safety. The envi-

ronmental state of a water source decides the quality of tap water. After more than three decades of reform and opening up, the deterioration of China's environment has been as quick as its industrialization. Many water source locations have suffered as a result.

Compared to decades ago, water contaminants have changed greatly. The major contaminants in China are inorganic and organic matter. Of them, the organic contaminants are worth special notice. In the past few decades, human beings have created millions of organics. As a double-blade sword, these organics have brought both benefits and caused lasting contamination.

Faced with this new situation, upgraded treatment of tap water is needed. However, most water suppliers are still using the traditional water treatment technology, which is unable to remove the new soluble contaminants and ammonia nitrogen from the water.

The incident in Lanzhou is just an example of the failure of traditional water treatment technology. Benzene's density is higher than water's, so it sinks at the bottom. It can be removed by activated carbon, which is a new method. Traditional water treatment technology, however, can't do this. It is time for cities that have not upgraded their water treatment technology to take action.



Anxious Civil Servants Outlook Weekly April 14

Currently in China, a large number of civil servants are unhappy with their jobs. They complain that the work does not give them a sense of professional recognition and achievement. The heavy workload and few promotional opportunities gradually kill their morale and throw them into a state of anxiety.

This anxiety comes from three reasons: work pressure, low recognition from management and misunderstanding from citizens. In the municipal administration service center of Nanjing, capital of east China's Jiangsu Province, more than 100 cases are handled per day, creating a huge workload for civil servants. However, the biggest problem stems from the constant complaints and criticism by citizens.

Many civil servants complain that their work performance is unrecognized. They have to do much extra work, and the heavy workload narrows their social circle to their workmates. But the fierce competition between workmates keeps them apart. Many civil servants say they feel lonely at work.

The misunderstanding by citizens also

"HSBC's latest survey shows that parents from the Chinese mainland devote 37 percent of their economic support to children on educational expenses. About 97 percent of parents expect their children to receive higher education and 74 percent expect their children to enter postgraduate programs. This is higher than global averages."

Wang Haojing, a senior executive of the retail banking and wealth management department of HSBC Bank (China)

"Good writers are thinkers, like Gabriel Garcia Marquez, who was an excellent storyteller and shared his own way of looking at life."

Renowned writer **Liu Zhenyun** at a forum at Huazhong University of Science and Technology, commenting on the death of Colombian writer and Nobel laureate Gabriel Garcia Marquez



Reading Habits
People.com.cn
April 23
Recently, the Chinese Acad

Recently, the Chinese Academy of Press and Publication released the 2013 national reading survey, which showed Chinese children read more than before outside class. According to the survey, the average number of books that children read in 2013 was 6.97, up by 1.48 compared to that in 2012.

Specifically, the group aged 14-17 read the most, on average 8.97 books in the year; the group aged 9-13 about 8.26 books, and the group aged 0-8 about 5.25 books, all more than adults. This is really good news for the country. Children's reading is the starting point of the whole

nation's reading.

According to scientists, if a child fails to form a habit of reading before age 10, he will never do so. Actually, in recent years, many countries have attached great importance to helping children establish a reading habit. The UK has a program named Bookstart. It was the world's first program aimed to provide reading service for preschool children. Since it was launched in 1992, it has been devoted to helping children make reading a lifetime habit. So far, many countries, such as Japan, Australia, the United States, Italy and others have joined the program.

Compared to developed countries, China still has a long way to go, despite its big progress. Although the ways of reading are undergoing big changes, people's appetite for reading has not changed.

makes civil servants frustrated. A female civil servant from northeast China's Liaoning Province said most citizens thought civil servants received a high salary, work little and squander the government's budget. The deeds of a few corrupt officials have been extended to the civil servants. This has made a large number of ordinary civil servants feel uncomfortable. They hope people can accept them as ordinary citizens.

♦ INTERNATIONAL RECOGNITION

Chinese actor **Ge You** received the Chevalier medal in the Order of Arts and Letters of France in Beijing on April 17.

A native of Beijing, the 57-year-old actor is one of the most recognizable acting personalities in China and has played major comedy roles that have made him a well-known name throughout China.

Ge won the Best Actor Award at the 1994 Cannes Film Festival for his role in the Zhang Yimou movie *To Live*, making him the first Chinese citizen that has obtained this honor.



"China intends to approach World Bank's standard for high-income countries or even become one by the end of 2020."

Xu Lin, Director of the Development Planning Department of National Development and Reform Commission (NDRC) "The reform of the country's household registration system will focus more on former farmers in urban areas with better basic services. Urban residents without local household registrations will also be provided with improved social welfare and public services."

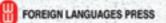
Xu Shaoshi, Minister of the NDRC, addressing a forum on China's urbanization in Shanghai on April 19

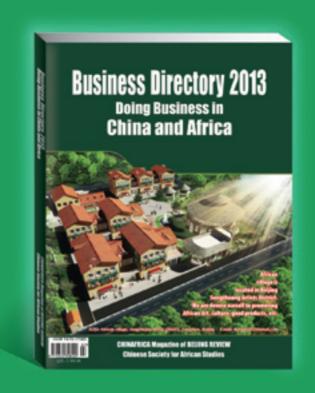


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A PHOTOGRAPHER'S PERSONAL EXPERIENCES







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COVER STORY

A TRIO BANDS TOGETHE

It's time for Beijing to lose some economic weight and synergize with neighboring Tianjin and Hebei Province By Deng Yaqing



R



fter being laid aside for a decade, the Jing-Jin-Ji development plan, which proposes fusing the areas of Beijing, Tianjin and Hebei Province, has resurfaced under the new moniker of the Capital Economic Circle. In February, President Xi Jinping called for the coordination and integration of the economic zone surrounding Beijing, and noted the need for balancing development, the environment, population and resources, thus signaling that planning will be officially being put on the fast track

The planned area encompasses Beijing, Tianjin and part of Hebei Province in north China, a cluster inhabited by over 100 million people, three times as many as that of the Tokyo Megalopolis. The area boasts a combined GDP of over 6 trillion yuan (\$980 billion) and covers an area of 216,000 square km.

The economic circle represents an answer to the "urban diseases" currently afflicting Beijing, such as traffic jams and air pollution. With a population of more than 20 million, the city is the political, economic and cultural center of China. Furthermore, it has the largest number of famous universities, well-established hospitals and the largest hi-tech industrial center.

"Beijing should stop trying to be the champion in every aspect, and transfer some resources to its neighbors," said Yang Weimin, deputy head of the Office of the Central Leading Group on Finance and Economic Affairs, which is affiliated to the Communist Party of China Central Committee.

As President Xi pointed out, Beijing ought to retain its status as the political, cultural and diplomacy hub of China, and at the same time, move some non-essential industrial sectors like high-polluting manufacturing outside the city gradually. Beyond that, the excessive concentration of financial, medical and education resources should also be alleviated. For example, every year, numerous people flock to Beijing for better medical treatment, which adds to the pressure on the city's traffic management and social security systems.

Distinctions

The integration of the Jing-Jin-Ji region has been deemed as the first economic circle in north China, and the third engine to drive economic growth following on the heels of the Pearl River Delta and the Yangtze River Delta, in south and east China respectively.

Compared to the Yangtze River Delta and the Pearl River Delta, the Jing-Jin-Ji urban agglomeration is less open to the outside world. In 2012, export accounted for 15.12 percent of its gross domestic product (GDP), much lower than the 60.44 percent in the Yangtze River Delta and the 63.37 percent in the Pearl River Delta.

The industrial cluster in the Pearl River Delta took shape in response to the country's call for reform and opening up during the 1980s, while the Yangtze River Delta began to mold its own industrial structure in the 1990s, when local governments were assigned with more power and became increasingly connected to the market. The formation of the Jing-Jin-Ji urban agglomeration has been largely fueled by government planning with strong administrative monopoly.

Li Tie, Director General of the China Center for Urban Development of the National Development and Reform Commission, claimed the economic circle was uniquely threatened by a number of factors.

Hebei Province cannot match Beijing and Tianjin and is at a relatively disadvantageous place in terms of administrative rank. In addition, in coordinating the development of the Jing-Jin-Ji region, proposals akin to the Bohai Economic Rim have been put forward to ensure the pivotal position of Beijing in the process, further exacerbating the imbalances in allocating resources and opportunities.

The three members of the Jing-Jin-Ji region are also quite differentiated from each other, according to Li. The supreme administrative power Beijing has been endowed with has helped it evolve into a hub for the service industry, while Tianjin still sticks to a path of industrial development. Hebei Province, dwarfed by Beijing's glory, is not only unable to profit from its geographic advantages, but is also subject to losing manpower resources to the capital. The dilemma that Hebei faces has forced it to seek growth from local resources like iron and steel in the past.

Li said that since almost all the cities concerned hope to attract quality resources rather than high-polluting and labor-intensive industries from Beijing, competition has been intensifying recently. As a consequence, it's difficult to balance distribution of benefits and foster resource complementation among cities on the periphery of Beijing.

He went on to explain that due to the large gap in per-capita fiscal revenue, income and infrastructure, it's almost impossible to compare ▶▶



GRAY SKY: Smoke rises from the chimneys of a steel plant next to a viaduct on a hazy day in Tangshan, Hebei Province on February 18, 2014

Tianjin or Hebei *hukou*, or permanent residency permit, with that of Beijing.

Quality economic and social resources flow into Beijing all the time owing to the city offering the best level of public welfare in the country.

At present, as hordes of young workers and college graduates continue to flood into Beijing, a cluster of satellite towns have come into being in its vicinity, such as Tongzhou and Changping districts. Since these small towns don't have independent economic functions, local residents have to commute for hours to get to offices downtown, which has severely aggravated urban afflictions such as traffic gridlock. To reduce the population, the city should cut down the economic and administrative functions it wields.

Zhou Benshun, Secretary of the Communist Party of China Hebei Provincial Committee, said that Hebei would be the largest beneficiary of the Capital Economic Circle, and should exploit all opportunities available to become a new economic growth center.

For years, Hebei has gotten used to viewing itself as a vegetable basket for, or an affiliate to, Beijing and because of this, it hasn't set about formulating a long-term practical and sustainable development

strategy and has gradually lost its edge as a coastal province. Now, it should be able to make a difference.

As Zhou noted, Hebei needs to serve the general benefit of the Jing-Jin-Ji area and at the same time, forge its own competitive edge by taking some functions, industries and resource factors from Beijing. "The rising of Hebei in the drive will exert a far-reaching effect on its future development," he said.

On the other side, Song Limin, deputy chief of the Hebei Provincial Development and Reform Commission, argued that Hebei would not bring in outdated production capacity from the capital. "The province will only introduce industries which have already had a solid industrial foundation and keep pace with national industrial policies. It is an process of evolution and progress," said Song.

Recently, Xu Heyi, Chairman of BAIC Group, a Beijing-based automobile giant, suggested that the company had planned to move its manufacturing facilities to Huanghua, Hebei, while gearing its Beijing-based headquarters toward technological innovation, sales services and high-end car production.

Yet, things don't always go on as planned. Like what happened during the drafting of the Yangtze River Delta development plan, most neighboring cities now elbow to introduce highyield industries from Beijing, such as real estate programs, which hinders the complementary resource allocation in the region and, in turn, intensifies competition.

Integration

In addition to industrial coordination, efforts should be made in building an efficient traffic network to get Beijing, Tianjin and the cities in Hebei fully connected, a move which will jump-start the integration in days to come.

It's expected that by the year 2020, the Jing-Jin-Ji traffic network will comprise 9,500-km railways and 9,000-km expressways, keeping travel times between any major cities in the regions under one hour by train or three hours by car.

According to the Outline of Beijing Traffic Development (2004-30), Beijing is committed to building a large outer ring road running 940 km and high-speed channels in six directions to link it to adjacent areas. So far, roughly half of the outer ring road has been completed, leaving 490 km still under construction.

Tianjin has also gotten its teeth into weaving its own traffic grid, including Binshi Expressway,

Jingtai Expressway, Jingqin Expressway, the first phase of Tanglang Expressway, the second phase of Tangcheng Expressway and Jishan Expressway, ensuring that there are three highspeed channels between the cities of Beijing, Tianjin and Shijiazhuang,

Teaming up with Beijing, Hebei will concentrate on building the large outer ring road in order to relieve the capital's inward and outward traffic pressures, because 850 km of the 940 km ring road lies in the territory of Hebei, linking the Jingzhang, Jingshen, Jinghu, Jingtai, Daguang and Jingzhu expressways.

As the Central Government reiterated, integrating regional prevention and control of air pollution as well as infrastructure construction should top the agenda in molding the Jing-Jin-Ji economic circle.

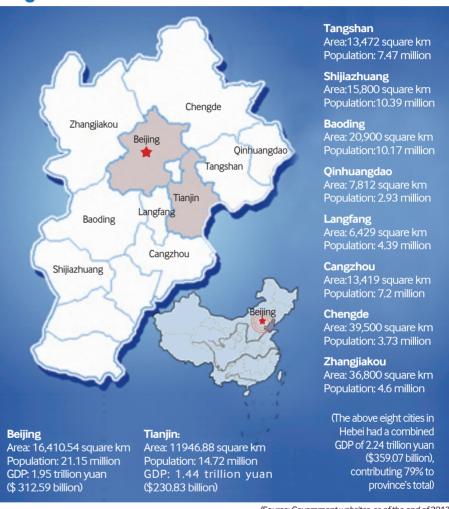
The crux lies in the elimination of overcapacity. Among the three major city agglomerations, the Jing-Jin-Ji circle is lagging far behind in air quality with 69 percent days in 2013 failing to reach the national airquality standard. In the past years, Beijing witnessed a decline in coal consumption, Tianjin held steady while Hebei swallowed the largest share of coal burning, which can be as high as 80 percent of the total volume the region consumed. The geographical proximity of the three areas means the air quality in Beijing is substantially affected by Hebei's resolution in industrial restructuring and capacity reduction.

As, Yin Guangping, Deputy Director of the Hebei Environmental Protection Bureau, suggested Hebei phase out a production capacity of 60 million tons in iron and steel, 61 tons in cement, and 40 million tons in coal, and help 123 heavy- pollution enterprises transform production mode or move them elsewhere by 2017

Some experts insist that cutting production capacity bode ill for GDP growth, fiscal revenue and employment. In 2012, Hebei scored high by ranking sixth in GDP nationwide, underlying which are the mushrooming heavy chemical industry and mounting energy consumption. Despite this, the province has still opted to crack a tough nut.

"The Jing-Jin-Ji region is most afflicted by air pollution, with Hebei taking the most blame. As far as it's concerned, excessive emissions are the prime culprit," said Yin, who appealed for restructuring energy consumption and steering away from the existing energy-intensive growth mode in Hebei.

Jing-Jin-Ji Overview



(Source: Government websites, as of the end of 2013)

On the other hand, progress still needs to be made in the joint prevention and control mechanism. "Since industrial structure and pollutant emission are quite divergent in different parts of the region, it's hard to promote a universal standard for the elimination of outdated capacity," said Zhuang Zhidong, Deputy Director of the Beijing Environmental Protection

In 2012, major sources of air pollution in Beijing, Tianjin and Hebei were nitric oxide generated by motor vehicles, sulfur dioxide discharged by coal burning, and industrial

manufacturing, respectively. In many ways, the joint prevention and control mechanism can be expensive and costly.

Song Guojun, professor on environmental policies and planning from Renmin University of China based in Beijing, advocated that a special institution be established to take charge of drawing up plans, holding discussions, sharing and disclosing information. He stressed "the body needs to be independent, efficient and impartial."





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