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TARGET IN FOCUS

China aims to intensify anti-corruption efforts through international cooperation

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EDITOR'S DESK

02 No Place to Hide

THIS WEEK

COVER STORY

WORLD

22 The Korean Quandary

Pyongyang-Moscow meeting under the microscope

NATION

26 Not a Spectator Sport

Giving promising sector a sporting chance

BUSINESS

34 Calling Private Investors

Will relaxed policy open investment floodgates?

36 Green Desert

From arid wasteland to fertile wonderland



14 COVER STORY

Coming Together Against Corruption

China sniffs out graft suspects abroad

WORLD

P.20 | Necessary Negotiations

Seeking a solution to Iran nuclear issue

BUSINESS

P.32 | Safeguarding Deposits

Protecting interests of China's banking customers

38 Ecologically Invested

A conversation with China's top eco-business innovator

40 Market Watch

CULTURE

44 The Sound of Hunan

An operatic revival takes place

FORUM

46 Statesman to Statesman

Veteran German politician offers appraisal of Xi's new book

EXPAT'S EYE

48 Right on Track

In defense of China's transportation system



WORLD

P.18 | A Multifaceted Friendship

South African president on collaboration with China



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No Place to Hide

China's hunt for former officials suspected of corruption who are living overseas has recently received a boost. At an APEC event in Beijing in early November, major Asia-Pacific economies agreed to adopt the Beijing Declaration on Fighting Corruption and to establish the APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies. Coupled with China's ongoing anti-graft measures, these new initiatives will make it more difficult for officials who have absconded to continue avoiding prosecution for alleged criminal acts. For those who intend to preemptively flee in order to evade such charges, a number of escape routes have now been blocked.

Although corruption exists in many countries, China has perhaps the largest number of individuals suspected of corruption who have fled overseas. From 2008 to 2013, China arrested 6,694 alleged perpetrators of corruption who had traveled abroad to escape charges, representing only a small portion of those who have done so. Intercepting such fugitives is but one measure in China's intensified efforts to battle corruption and build a clean and transparent system of governance.

On July 22, the Ministry of Public Security launched the Fox Hunt 2014 campaign targeting economic fugitives. On September 26, the Supreme People's Procuratorate launched its own six-month campaign to apprehend those suspected of work-related crimes that currently reside in other countries. The nation's top prosecutorial body has stated it now requires procuratorates at

all levels to spare no effort in pursuing and bringing into custody suspects based abroad and to use the tools of the law to seize illegal assets.

Pursuing suspects of professionally related crimes overseas and seizing illegal assets are both complicated processes. Cooperation between law enforcement authorities from different countries should be increased. China needs to bolster ties with other nations in terms of public security, foreign affairs, legal matters and banking so as to build coordination mechanisms for pursuing those suspects. The formation of the APEC anti-corruption network marks a new step toward forming a regional network against corruption.

At present, former Chinese officials suspected of graft and other economic fugitives can live in some Western countries and escape charges—either because China has not signed criminal judicial assistance treaties with these countries or owing to these countries' refusal to repatriate them out of misgivings concerning China's judicial system. But this should not dissuade China from establishing and improving anti-corruption cooperation systems with partner nations. In this way, the benefit of the two aforementioned campaigns can be maximized.

Since China's economy has become increasingly globalized, it is imperative that the country enhance international judicial cooperation in order to ensure that perpetrators of corruption and other white-collar crimes, will soon have nowhere left to hide. ■

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SOWING THE SEEDS OF LAW

Staff members of the People's Court of Yunyang County, southwest China's Chongqing Municipality, distribute a printed version of the Constitution to students of a local primary school on December 2, two days ahead of China's inaugural Constitution Day.

The idea of holding nationwide activities to promote the Constitution was put forward at a Communist Party of China meeting on the rule of law in October. China has enacted four constitutions since the founding of the People's Republic in 1949, with the current one having been adopted on December 4, 1982.



XIE HUANGCH

Against AIDS

Chinese Premier Li Keqiang visits medical workers at Beijing's Youan Hospital, home to a center for HIV/AIDS treatment, on November 30, one day ahead of World AIDS Day.

The number of people living with HIV/AIDS in China had hit 497,000 by the end of October with 154,000 deaths, according to latest official figures.

Li promised more work on the prevention and treatment of AIDS and is willing to cooperate with other countries to combat HIV. Li also said the government would work to ensure HIV-positive patients' access to equal employment and medical treatment, and to improve their quality of life.

Easier E-Banking

China's electronic banking service is required to provide easier access for the disabled, according to a set of guidelines co-issued by China Disabled Persons Federation (CDPF) and China Banking Association on December 1.

The guidelines instructed banks to promote accessibility primarily for three kinds of disabled people using e-banking services such as phone and online banking.

For visually impaired users, e-banking should provide a specially designed shortcut touch menu, active ID recognition and easy verification codes.

For deaf customers, the primary concern will be offering multiple visual

facilities and instant short message services.

For the physically disabled, the bank will establish a long-distance self-service system allowing them to open accounts from home, which traditionally requires a physical presence at the bank.

The guidelines come as a holiday gift for the 85 million disabled people in China, allowing them to avail themselves of the convenience of technology just ahead of the International Day of Disabled Persons observed on December 3 annually, said Lu Shiming, Vice Chairman of the CDPF.

Traffic Website

The Ministry of Public Security (MPS)

WHITE DESERT

Tourists riding on camels enjoy the snow-covered landscape in Dunhuang, Gansu Province, on November 30. Dunhuang welcomed its first snow of the year on that day



ZHANG XIAOLIANG

kicked off the first nationwide traffic management website on December 2, according to a ministry announcement.

Coinciding with the country's annual Traffic Safety Day that falls on December 2, the website www.122.cn will provide real-time traffic data to the public, especially useful for private car owners.

The website will base its data on the information collected and reported by the nation's 270,000 traffic policemen and video surveillance records to ensure traffic safety.

The public can instantly consult with traffic police online and learn about traffic control, said the head of the Traffic Bureau of the MPS.

The traffic department will make policy and enforcement adjustments in line with the suggestions submitted online, he said.

The website will also play a role in road safety education, giving traffic knowledge lectures and safe travel tips to the public.

There was no national official traffic information inquiry website in the past. Previously, the only option was to log onto local websites or go to the city's transport administration to inquire about records, causing inconvenience for the public and creating loopholes for information tampering.

Elderly Services

The official website of the Ministry of Civil Affairs (MCA) on December 2 published a circular to encourage foreign investment in China's elderly care services.

Foreign investors can set up senior care institutes for profit independently or in cooperation with Chinese enterprises, said the circular, jointly issued by the MCA and the Ministry of Commerce.

Before setting up such centers, foreign investors should submit an application to provincial-level organs in charge of commercial affairs, it said.

Foreign investors are also welcome to take part in the reform of state-run care organizations, and to develop high-quality chains of institutes, it added.

Foreign investors will enjoy the same favorable tax policies and administration fee deduction policies as domestic investors, the circular said.

By the end of 2013, the population at or above 60 years of age had hit 202 million in China, accounting for around 15 percent of the total population. The figure is expected to exceed 300 million by 2025.

Smoking Ban

Beijing adopted anti-smoking legislation to ban smoking in all indoor public places, workplaces and public transport vehicles on November 28.

The draft regulation was passed by vote at a meeting of the Standing Committee of Beijing Municipal People's Congress. It is scheduled to become effective on June 1 next year.

According to the bill, smoking is also prohibited on the grounds of kindergartens, schools, child welfare institutions, women and children's hospitals, fitness and sports venues, and cultural relic protection sites that are open to the public.

Tobacco advertisements are not allowed to appear outdoors, in public places and transport, nor in any form of media including radio, TV, films, newspapers, books, and Internet. All forms of tobacco promotions and title sponsorship are banned.

According to the regulation, legal representatives and people in charge of government agencies, public institutions and social organizations will be given the authority to implement the smoking ban in their workplaces.

As the world's largest tobacco maker and consumer, China has more than 350 million smokers and another 740 million people exposed to second-hand smoke each year. The population

"I admit that smokers have the right to smoke, but you should not harm non-smokers' health. Every non-smoker should say No to smokers in public spaces."

Wu Yiqun, an anti-tobacco campaigner with the Think Tank Research Center for Health Development, an NGO committed to tobacco control in Beijing



Jobs in the Government

Candidates prepare for examination at Nanjing Forestry University exam site in Nanjing, Jiangsu Province, on November 30.

As many as 1.4 million people have applied for government jobs this year and the figure is the lowest in five years.

Earlier reports said most positions open in government agencies above provincial level have required two years of grassroots working experience. About 10 percent of all vacancies will be set aside for college graduates who have served as village officials.

of smokers in Beijing alone exceeds 400,000.

Homegrown GPS

A Chinese company has rolled out a chip that can help smartphones access to the country's homegrown answer to GPS—the Beidou System.

The 40-nanometer chip, developed by Shanghai Beiga Satellite Technology Co., was revealed at an exhibition event in Shanghai that promotes civilian use of military technologies.

Wang Yongping, General Manager

of Beiga, said they are currently doing tests with smartphones, and they expect to begin mass production of devices with the chip in them next year, according to a report by China News Service.

The chip is a sign that China's independently developed Beidou System will be applied to consumer electronics field. Previously, chips using the Beidou System were too large and consumed too much power for commercial applications.

According to the company, the chip can also be used on tablet computers and wearable devices.

History Textbooks

Senior high school students read textbooks about the Nanjing Massacre in Nanjing, capital of Jiangsu Province, on December 1.

The textbook, entitled *Warning and Thinking*, was officially issued on December 1. In addition, the primary school edition, called *Memory of Blood and Fire*, and the junior middle school edition, *Historical Truth*, were also published.

To help students better understand the massacre, experts from the Education Bureau of Nanjing, the Memorial Hall of the Victims in Nanjing Massacre by Japanese Invaders, as well as a Nanjing-based publishing media group compiled these textbooks.



PMI Results

Growth in China's manufacturing sector remained moderate in November, according to data released by the National Bureau of Statistics (NBS) and the China Federation of Logistics and Purchasing (CFLP) on December 1.

The official manufacturing purchasing manager's index (PMI) slipped to 50.3 in November from 50.8 in October but remained above the 50-point mark that separates growth from contraction on a monthly basis.

Although the November PMI fell slightly, it remained above the boom-bust line, suggesting the manufacturing sector was generally expanding, NBS analyst Zhao Qinghe said.

The breakdown of the official PMI showed that downward pressure on domestic demand was increasing while external demand was decelerating, said Bob Liu, analyst at the China International Capital Corp.

According to Liu, temporary factory shutdowns imposed in Beijing and

neighboring regions in early November to ensure cleaner air during the Asia-Pacific Economic Cooperation Leaders' Meeting may have helped to aggravate the slowdown in that month.

Among the sub-indices, the production index posted at 52.5, down from October's 53.1. The index of new orders slipped from October's 51.6 to 50.9 while that of new export orders fell to 48.4 in November from 49.9 in the previous month. The employment sub-index declined from 48.4 in October to 48.2.

On the other side of the equation, China's service sector activity slightly recovered in November. The PMI for the non-manufacturing sector rebounded to 53.9 in November from 53.8 in October, according to the NBS and the CFLP.

Tax Scrutiny

China will establish a comprehensive system to monitor foreign companies' profitability in order to curb cross-border tax evasion, the State Administration of Taxation (SAT) announced on



GREEN MOVE

A production line operator examines high-density fiberboards made of leftover materials in the timber logging industry in Chengde, Hebei Province, on December 1

December 1.

The move is one of several steps against tax avoidance taken by the agency to protect the country's interests as the world's top destination for foreign direct investment.

The system will allow the agency to acquire profit information on foreign companies so that it can launch "targeted actions" and use information technology to prevent companies from shifting profits overseas, said Zhang Zhiyong, Deputy Director of the SAT.

The ongoing campaign against corporate tax dodging has rippled through the foreign business community in China, following the government's move to levy \$140 million in back taxes on U.S.-based Microsoft Corp. Microsoft has denied that it practiced tax avoidance.

Data Link

On December 3, China's Huawei Technologies Co. Ltd., a global leader company in information and communications technology (ICT), and Belgium-based nanoelectronics research center Imec announced their strategic partnership on optical data link technology.

Their joint research on silicon-based optical interconnection is expected to deliver benefits including high speed, low power consumption and cost savings.

"This is an important next step in our collaboration with Huawei on silicon photonics. This collaboration shows that our silicon photonics research is important for advancing next-generation high-bandwidth ICT solutions," Imec President and CEO Luc Van den Hove said.

Silicon photonics is a key technology expected to revolutionize optical communications by enabling the creation of highly integrated, low-power optical transceivers used for data transmission and telecommunications.

In 2013, Huawei acquired photonics company Caliopa, jointly created by Imec and Ghent University, thereby adding silicon photonics research to its European research and development (R&D) portfolio.

"Having acquired cutting-edge expertise in the field of silicon photonics thanks to our acquisition of Caliopa last year, this partnership with Imec is the logical next move toward next-



Garden Expo Coming

The Tangshan International Garden Expo undergoes construction on December 4 in Tangshan, north China's Hebei Province. Construction for the event started from July, with a total investment of 2 billion yuan (\$325 million). The main projects of the expo will be completed before October 2015.



Better Connection

Construction of a tunnel for the Zhijin-Nayong Railway in Guizhou Province is in full swing on December 2.

generation optical communication,” CEO of Huawei Belgium Hudson Liu said.

Huawei’s products and solutions are available in more than 170 countries, serving more than one third of the world’s population. The company currently has a staff of more than 7,700 people in Europe, 850 of whom are working in R&D.

FTZ Trial

Starting from December, businesses in Shanghai’s pilot free trade zone (FTZ) are allowed to open bank accounts to guarantee tax payments as local Customs authorities move to streamline clearance procedures.

The enterprises need to deposit a certain amount of funds in the accounts upon opening and have a letter of guarantee issued by a bank before they are able to make delivery of goods prior to paying tariffs.

When a company transfers goods outside the zone with duty payment

SWEET SEASON

A worker loads up sugarcanes in a sugar factory in Liucheng County, Guangxi Zhuang Autonomous Region, on December 3. This year, Liucheng has produced 2 million tons of sugarcane so far



certificates, the bank will deduct the amount that is payable. As soon as Customs authorities confirm that the duty is paid, the bank will refund the amount automatically into the account.

The new account will cover Customs matters such as centralized declaration, exhibition, inspection and maintenance of bonded goods outside the zone and processing trade on a trial basis.

Bank of China, Bank of Communications, China Minsheng Bank, China Merchants Bank and the Bank of Shanghai are the first batch of banks to operate such accounts for FTZ-based businesses.

Merger on Track

China’s two largest train makers, China CNR Corp. and CSR Corp., have submitted the first draft of their merger plan to the State Council, China’s cabinet.

CSR will buy all CNR shares through a secondary public offering, and the latter will delist from the

capital market, *21st Century Business Herald* reported on December 3, citing anonymous sources at the State-owned Assets Supervision and Administration Commission of the State Council.

The new company will be named China Railway Vehicle Corp, the report said.

On October 27, CSR and CNR said that they were preparing for a major development. Their shares were suspended from trading in Shanghai and Hong Kong at the same time.

The merger will create a new train manufacturing giant, which is expected to hold assets of more than 300 billion yuan (\$48.74 billion).

According to official statistics, the two corporations hold the lion’s share in the world’s high-speed train market, with total sales revenue equal to that of the rest of the world’s top five makers combined.

Cloud Computing

China’s leading smartphone maker Xiaomi Corp. and software company Kingsoft Co. Ltd., both co-founded by Chinese billionaire Lei Jun, announced on December 3 that they would invest \$222 million in 21Vianet Group Inc., the largest carrier-neutral Internet data center service provider in China.

Kingsoft will take an 11.6-percent stake in 21Vianet as a result of the transaction, while Xiaomi will take 3.4 percent. Temasek Holdings, the Singaporean Government’s investment arm, also agreed to pour \$74 million into 21Vianet.

Teaming up with a major local cloud computing provider will enable Lei to put more mobile services on smartphones made by Xiaomi and software products developed by Kingsoft.

“The 21Vianet investment is one of the key steps in Kingsoft’s cloud strategy for the next three years,” said Lei, who serves as chairman of Kingsoft. “We believe that cloud services will be the critical breakthrough for the company.”

Xiaomi is the second largest smartphone vendor in China by shipment at present, closely following South Korea-based Samsung Electronics Co., said research company Analysys International.



SOMALIA

Security forces rush to the site of a blast near the heavily fortified gates of the Aden Adde International Airport in Mogadishu on December 3, after a suicide bomber rammed a car packed with explosives into a UN convoy and killed at least four people



ISRAEL

Prime Minister Benjamin Netanyahu arrives at the parliamentary building in Jerusalem for a meeting with lawmakers from his Likud party on December 3. Israel is to hold a snap election on March 17, 2015, following the breakup of Netanyahu's fractious coalition government



FRANCE

A flash of lightning lights up the sky above the Baie des Anges in Nice, southeast France, on November 30



THE CZECH REPUBLIC

A woman arranges figures of a nativity scene made of gingerbread on November 30 in Zdounky, where 10 women used 45 kg of dough and 120 eggs to manufacture a total of 1,806 gingerbread pieces in a little over a month



JAPAN

An employee of jeweler Tanaka Kikinzoku Jewelry displays a pure platinum-made calendar for 2015 at the company's Ginza shop in Tokyo on December 3



EGYPT

Protesters chant slogans as they gathered in Tahrir Square in Cairo on November 29 to denounce a court's decision to drop a murder charge against ousted President Hosni Mubarak

ENTERTAINMENT TITAN'S NEW CAREER

Chen Tianqiao, Chairman and founder of Shanghai-based Shanda Group, which was one of China's top online entertainment giants, has made his symbolic exit from this industry by selling his stake in Shanda Games. It was reported that Shanda has been transformed into an investment firm focusing on finance and the Internet.

Chen, born in May 1973 in Shaoxing, east China's Zhejiang Province, is numbered among China's top IT leaders. He graduated from Shanghai's Fudan University in 1993, one year earlier than his classmates owing to his status as an outstanding student. He started Shanda in 1999 with 500,000 yuan (about \$60,000 at that time) and 20 employees. Five years later, the company became listed on NASDAQ, and since then, its fortunes have skyrocketed to the point where Chen has become one of China's Top 100 richest individuals.



More Tolerance, Less Discrimination

Beijing Morning Post
December 1

This year's World AIDS Day looked to increase tolerance to people living with HIV/AIDS and address people's discrimination against the disease. HIV/AIDS has long been regarded as an incurable disease like cancer, though perhaps more terrifying in that it is contagious. Misunderstandings about how it is transferred between people have become one of the main reasons why people with HIV/AIDS are discriminated against.

Thanks to rapid medical progress, HIV can be controlled to a large degree if discovered at an early stage and treated with anti-viral medication. People with the virus can live a normal

life. However, the number of people infected with HIV is growing. In Beijing for example, cases of HIV increased by 21 percent in the first half of this year compared to the same period of last year. Of the newly discovered cases, 49.6 percent were transferred from homosexual intercourse.

Because of the discrimination in Chinese society against people with the disease, many of those who have been infected are afraid of telling others or going to hospital for treatment, which increases the possibility of further infection to their sexual partners or anyone who may come in contact with their blood such as medical personnel.

Discrimination against HIV/AIDS will not easily be overcome. It's important to increase people's understanding of the disease and encourage safe sex practices. To meet the goal of "getting to zero," tolerance and a healthy way of life are needed.

Critical Illness Headache

Outlook Weekly
November 24

For a certain number of middle- and low-income families in China's rural areas, their attitudes toward disease are similar: Trivial little diseases are neglected, serious diseases are to be endured and extremely serious diseases are a trip to hell and back. The difficulty in getting medical treatment and high medical costs are a tough topic most people have to face up to. Although the country is trying to improve its medical insurance system, on which impoverished patients' biggest hopes are pinned, numerous problems make this dream difficult to achieve.

In poor areas, patients with serious diseases, particularly incurable ones, will have to give up medical treatment and wait to die. The poorer the family is, the more likely the treatment will be delayed and the more serious the disease will become. Some diseases are at first treatable, but owing to the delays they become fatal.

The new rural cooperative medical system has been strengthened in recent years, which encourages rural patients to seek better medical treatment. However,

"Our Asian neighbors are paying a great deal of attention to how the Japanese Government and leaders will handle next year and what kind of messages will be delivered."

Tang Jiakuan, former State Councilor and now President of the China-Japan Friendship Association, speaking on December 3 at a meeting of the 21st Century Committee, an advisory panel on Sino-Japanese relations

"The merger is not just about making a change, but represents a large step forward in preventing unhealthy competition in overseas markets."

Liu Youmei, a railway transportation specialist with the Chinese Academy of Engineering, commenting on the merger plan of China's two biggest train makers, China CNR Corp. and CSR Corp., on December 3



a shortage of quality medical resources, insurance and aid still looms over their heads. Due to huge capital demand and limited resources, it's not possible for China's basic healthcare insurance system to meet all patients' needs. Civil affair departments may provide families with up to 30,000 yuan (\$4,900) in aid, but such a sum can do little to help patients with critical diseases.

Industrial Design Matters

Oriental Outlook December 4

Industrial design, the act of creating new products, is empowering Chinese manufacturing enterprises to rid themselves of the status of being mere subcontracting workshops.

A fundamental issue concerning industrial design is that design is a product of well-developed manufacturing businesses. Without a good manufacturing foundation, it's impossible to create new brands. The good news is that together with the maturing industrial chain, the protection of intellectual property rights is improving in China.

The problem remains that although the cost of design is quite small compared to that of the whole program, not many companies are willing to take the risk. Moreover, in other places, industrial design companies focus on designing, but in China, such companies have to cover the whole line, which might mean a lack of emphasis on the importance of design.

China is a big exporter of merchandise, but it mainly depends on quantity. By involving industrial design in product structure and quality, Chinese companies will be able to win bigger market shares. According to the Ministry of Industry and Information Technology, the Chinese Government is planning to set up national industrial design centers to train future talent.



GRASSROOTS WRITER RECOGNIZED

Hua Qianfang, a young online writer, was recently elected vice chairman of the Writers' Association of Fushun, northeast China's Liaoning Province.



Hua, whose real name is Ning Xueming, was born in 1978 in Qingyuan Manchu Autonomous County, Liaoning Province. He worked as a migrant laborer far away from his hometown after graduating from middle school in the early 1990s. Then he returned to become a full-time farmer, and started to write articles on the Internet in his spare time.

Hua is one of the representatives of online writers that emphasize generating positive energy concerning patriotic values on the Internet. Owing to his articles, he has accrued millions of fans. On October 17, Hua was one of the two Internet writers who attended a seminar hosted by Chinese President Xi Jinping for prominent figures in modern Chinese art and literature.

"It is a milestone for the development of China's tourism industry."

Zhang Jilin, an official from the National Tourism Administration, referring to the fact that China's outbound tourist departures from the mainland have recently exceeded 100 million in a calendar year for the first time

"This is perhaps the best time ever in China's cinematic history."

Zhao Baohua, Deputy Director of the Chinese Film Literature Association, film critic and screenwriter, talking about China's box office takings hitting a new record high in 2014

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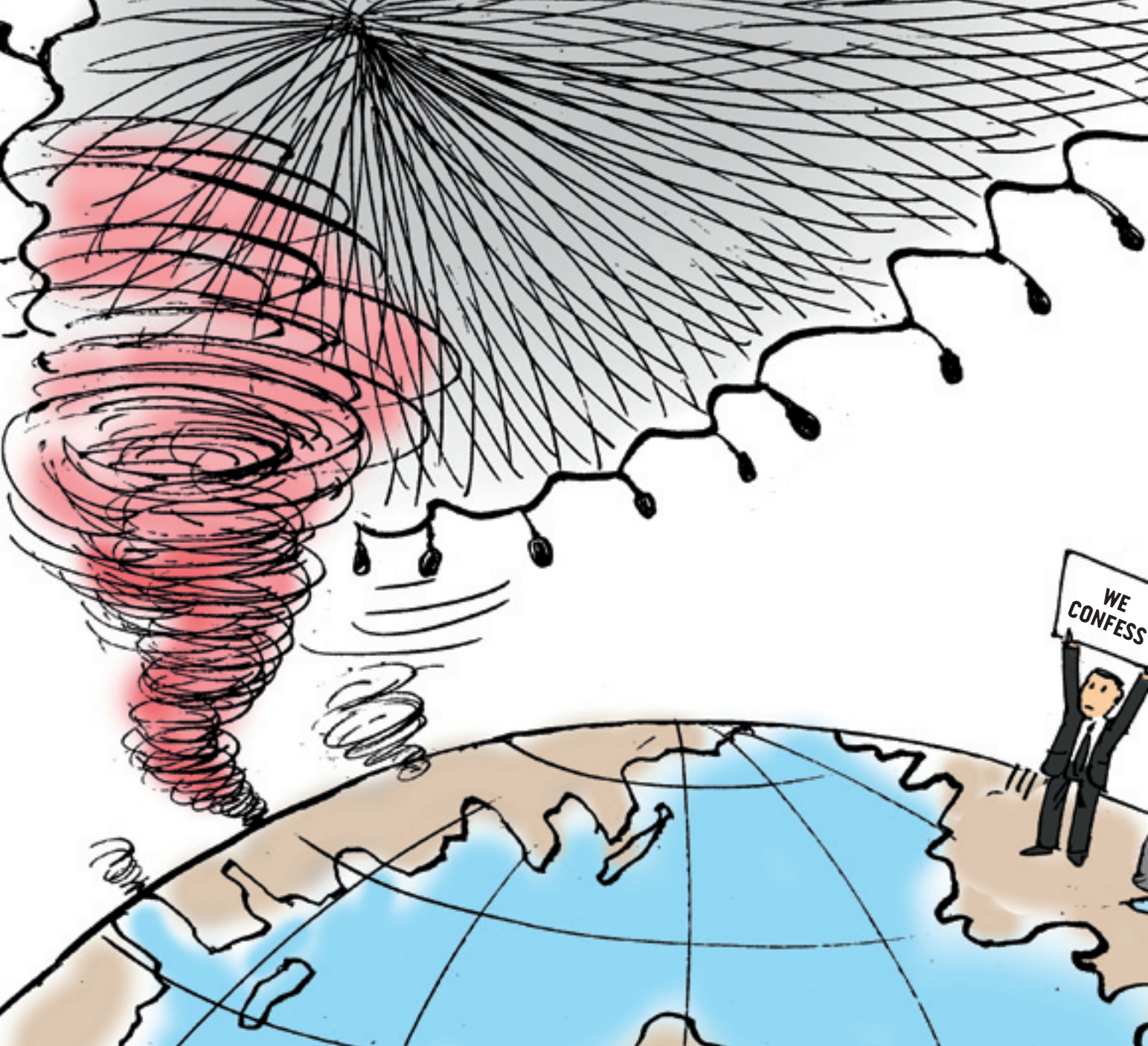
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COVER STORY

COMING TOGETHER AGAINST CORRUPTION

Tracking down fugitives overseas has become a focus of China's anti-graft campaign
By Wang Hairong



On November 8, a new international organization went into operation in Beijing, with its secretariat being housed in the Ministry of Supervision of China.

On that day, upon the conclusion of the 26th APEC Ministerial Meeting in Beijing, Chinese Foreign Minister Wang Yi told reporters that the meeting adopted the Beijing Declaration on Fighting Corruption and established an APEC Network of Anti-Corruption Authorities and Law Enforcement Agencies (ACT-NET).

In the declaration, APEC members reaffirmed that they will deny safe havens to

those engaged in corruption and cooperate with one another through extradition, legal assistance, and the recovery and return of ill-gotten gains. They will adopt more flexible approaches to recovering the proceeds of corruption, and expedite international cooperation in the prevention, investigation and prosecution of graft.

It states that the ACT-NET is to be developed as “an informal network for sharing information and exchanging best practices and techniques between anti-corruption and law enforcement authorities in the Asia-Pacific region, to assist in the detection, investigation and prosecution of corruption, bribery, money laundering, and illicit trade.”

The ACT-NET secretariat handles the network’s daily administrative tasks. China will serve as the initial host of the office in 2014-15. Members will review the future hosting of the office at the next meeting in 2015. The ACT-NET Chair will be assumed on a rotational basis by the hosting economy of the APEC Anti-Corruption and Transparency Working Group.

These moves mark a new stage in APEC members’ joint efforts to battle corruption as well as for China’s own internal anti-corruption campaign.

Leaders and representatives of the 21 APEC economies have reached consensus in hunting down fugitives at large, recovering their illegally obtained assets and expanding law enforcement cooperation, Chinese President Xi Jinping said at a press conference after the APEC Economic Leaders’ Meeting that closed on November 11.

APEC economies have agreed to put aside political and ideological differences to combat corruption, said Gao Bo, Vice Secretary General of Clean Government Studies Center under the Chinese Academy of Social Sciences.

“By promoting the establishment of the ACT-NET, China has sent a signal to strengthen international cooperation and cut off the escape routes for corrupt officials, which acts as a powerful deterrent to them,” said Zhou Shuzhen, a professor in clean-governance research at Beijing-based Renmin University of China.

A new focus

China has launched an intense campaign to “hunt tigers and swat flies” since the 18th

National Congress of the Communist Party of China (CPC) in November 2012 when Xi became general secretary of the Party. The campaign has snared high-ranking officials such as Bo Xilai, former Secretary of the CPC’s Chongqing Municipal Committee, Zhou Yongkang, former Standing Committee member of the Political Bureau of the CPC Central Committee, Xu Caihou, former Vice Chairman of the CPC Central Military Commission and many lower-ranking ones as well as some executives of state-owned enterprises.

Recently, more and more attention has been paid to tracking down corrupt officials that have fled overseas.

In November, Xi talked about international anti-corruption cooperation during a number of global meetings, including the G20 Summit and APEC Economic Leaders’ Meeting.

At the G20 Leaders’ Summit held in Brisbane, Australia, leaders endorsed a 2015-16 G20 Anti-Corruption Action Plan, pledging to build cooperation and networks, including enhancing mutual legal assistance, recovery of the proceeds of corruption and denial of safe havens to corrupt officials.

Xi mentioned international cooperation in anti-corruption measures such as hunting down fugitives and recovering their assets while meeting U.S. President Barack Obama and Canadian Prime Minister Stephen Harper during their respective visits to China on the sideline of the 2014 APEC Economic Leaders’ Meeting. Xi also discussed the same topic during his visits to Australia, New Zealand and Fiji around the time of the G20 Leaders’ Summit.

Earlier this year, the CPC Central Commission for Discipline Inspection (CCDI), the country’s top corruption watchdog, had already turned its gaze overseas. In January, Wang Qishan, head of the commission, delivered the organization’s work report, stressing that efforts in tracking down fugitive corrupt officials overseas and recovering stolen money should be intensified, so as to deter those attempting to flee.

The CPC Central Committee issued notices stipulating that officials whose spouses, or those who do not have spouses but whose children have emigrated to other countries, cannot be promoted to or hold

certain positions. The Party hopes to prevent corruption as such officials are believed to be more likely to flee.

China launched an operation code-named Fox Hunt 2014 in July to hunt corrupt officials and suspects in economic crimes that had already fled the country. The goal was to “block the last route of retreat” for corrupt officials.

According to data released by the Ministry of Public Security (MPS), as of December 4, 428 suspects had been apprehended in 60 countries and regions. Thirty-two fugitives had been at large for more than a decade, and 231 voluntarily surrendered themselves to police.

In October, Chinese judicial and public security authorities issued an ultimatum to criminals hiding abroad, including corrupt officials, urging them to give themselves up before December 1 in order to receive more lenient sentences.

Preliminary estimations by *The Beijing News* speculate that as of December 1, at least 335 fugitive economic criminals had been captured abroad, and of these, 154 had given themselves up to police.

On September 16, China joined the International Anti-Corruption Academy, an Austria-based institution providing anti-corruption education and research.

International response

China has called for more international cooperation in combating graft, including initiating the Beijing Declaration on Fighting Corruption. This has been supported by a number of countries.

Nations including Australia, Canada and the United States have sent a signal that the Asia-Pacific region is united against corruption by signing the declaration, said Tang Guoqiang, Chairman of China National Committee for Pacific Economic Cooperation, a member committee of the Pacific Economic Cooperation Council.

“Criminals don’t stop at borders, so we must work together to stop them and fight graft internationally as well,” said Max Baucus, U.S. Ambassador to China during an APEC meeting held in Beijing in November.

He said whether it is bribery, embezzlement, or the misuse of public funds, corruption is corrosive. It scares investors,



BROUGHT TO JUSTICE: Police officers escort a contract fraud suspect apprehended in Colombia from an airplane in Hangzhou, east China's Zhejiang Province, on September 2.

CHINHOTO



stifles economic growth, decreases investment and trade, and costs jobs for people in all economies.

Recently, Australia agreed to assist China in capturing fugitives. The two countries’ law enforcement authorities have agreed on a priority list of fugitives, who have taken residence in Australia with embezzled funds amounting to hundreds of millions of Australian dollars, Bruce Hill, Manager of the Australian Federal Police’s Operations in Asia, told the *Sydney Morning Herald*.

China and Australia have already signed an extradition treaty, but it has not yet been ratified by the Australian Parliament. During President Xi’s recent state visit to Australia, the Australian side said it would accelerate the ratification process, said Xu Hong, Director of the Treaty and Law Department of the Ministry of Foreign Affairs, at a press briefing on November 26.

Asian-Pacific economies are major destinations for corrupt officials fleeing abroad, especially the United States, Canada and Australia, none of which have signed or ratified extradition treaties with China, said Li

Chengyan, a professor with Peking University.

“The United States has become the top destination for Chinese fugitives fleeing the law,” said Liao Jinrong, Director General of the International Cooperation Bureau under the MPS.

Canada is also regarded as a haven for corrupt officials, who sometimes fly in with suitcases full of cash, according to *China Daily*. It reported that Toronto and Vancouver airports seized around \$13 million in undeclared cash from Chinese nationals from April 2011 to early June 2012.

Some corrupt officials chose Hong Kong, Malaysia, Singapore or other Pacific islands as the initial stops of their escape routes, after obtaining false identities, then transferred to other destinations, said Wang Yukai, a professor with the Chinese Academy of Governance.

Costs of corruption

“Corruption impedes economic sustainability and development, threatens social security and fairness, undermines the rule of law, and erodes government accountability, as well as

CAUGHT AT LAST: Lai Changxing, a business executive who fled to Canada amid accusations of smuggling and other illicit activities, is taken back to Beijing under police custody on July 23, 2011



100 million yuan (\$16.1 million) with them.

Yang Xiuzhu, former Vice Mayor of Wenzhou, east China's Zhejiang Province, oversaw construction projects in the prosperous city in the 1990s. During that time, she raked in enough money to buy a five-story building worth \$5 million in midtown Manhattan in 1996. She was found to have embezzled a total of more than 253.2 million yuan (\$41.26 million), according to *China Daily*.

In 2003, she escaped to the United States via Singapore when her brother was investigated for corruption. She was arrested in the Netherlands in 2005 after Interpol issued an international arrest warrant against her at the request of China.

In September 2014, procedures to extradite her were started, which is part of the

Fox Hunt 2014 operation.

public trust," reads the Beijing Declaration on Fighting Corruption.

Every year, corruption costs the world more than \$2.6 trillion, and increases the costs of doing business by more than 10 percent, estimated the World Bank.

There are no official data on how much corruption costs China every year, nor how much dirty money has been taken out of the country.

Washington-based Global Financial Integrity Group, a non-profit organization that analyses illicit financial flow, estimated that \$1.08 trillion was transferred out of China illegally between 2002 and 2011.

Cao Jianming, Procurator General of the Chinese People's Supreme Procuratorate, said in October 2013 that 6,694 suspects of embezzlement and bribery who fled overseas had been captured within the last five years, according to Xinhua News Agency.

Beijing-based *China Economic Weekly* reported that in January 2010, Li Yubin, Deputy Secretary of the CCDI, said at a news conference that in recent 30 years, 4,000 officials had fled abroad, each taking an average of

Progress amid difficulties

Ever since corrupt officials began to flee abroad, China has been engaged in efforts to bring them back to justice by negotiating mutual legal assistance and extradition treaties with foreign countries.

So far, China has concluded 39 extradition treaties and 52 criminal judicial assistance treaties with other countries, of which 29 extradition treaties and 46 criminal judicial assistance treaties are already in force, Xu said.

China also joined multilateral treaties such as the UN Convention Against Corruption, which the country ratified in 2005.

Due to a lack of understanding of China's legal system, countries like the United States and Canada were "passive" when it came to signing extradition treaties with China, Xu said.

U.S. laws state that only through a treaty can two countries cooperate on extradition. Even the UN Convention Against Corruption cannot serve as the legal basis for extradi-

tion. At present, the United States seems not to be ready for such a treaty, Xu said.

In absence of any extradition treaty, China has to resort to alternative measures such as repatriation or suing suspects in foreign courts.

In 2004, Washington repatriated Yu Zhendong, a bank official suspected of embezzling hundreds of millions of U.S. dollars, reported Xinhua.

In 2011, a court in Queensland, Australia, sentenced Li Jixiang, former Manager of Nanhai Zhiye, a state-owned real estate company, to 26 years in prison for abuses of power, accepting bribes and misappropriating public funds. He had illegally transferred 40 million yuan (\$6.5 million) abroad, and more than 30 million yuan (\$4.8 million) had been recovered, said Guangdong Provincial People's Procuratorate.

Since many fugitives fled to North America using counterfeit identity documents, China is able to appeal to authorities on the grounds that the fugitives are illegal immigrants, Huang Feng, Director of the Institute for International Criminal Law at Beijing Normal University, told *Global Times* newspaper.

Both methods require lots of evidence the Chinese Government would find very difficult to collect, because the suspects have already covered their tracks in most cases. The complicated process of collecting evidence slows down legal proceedings, so it has sometimes taken more than a decade to finalize the repatriation process.

The repatriation of smuggler Lai Changxing from Canada back to China took 12 years.

The newly established ACT-NET is expected to strengthen information sharing and judicial cooperation in the Asia-Pacific region, and make it easier for China to net fugitives overseas.

Zhuang Shuide, a professor with Peking University, said that ACT-NET will enable countries to offer assistance in the investigation and tracking down of suspects. All China has to do is to provide a list of their names. ■

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