

BEIJING REVIEW

VOL.61 NO.16 APRIL 19, 2018

北京周报 WWW.BJREVIEW.COM



博鳌亚洲论坛2018年年会
BOAO FORUM FOR ASIA ANNUAL CONFERENCE 2018

A MESSAGE OF OPENNESS

President Xi reaffirms China's commitment to globalization



RMB6.00
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ISSN 1000-9140



9 771000 914185
邮发代号2-922 · 国内统一刊号: CN11-1576/G2

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Beijing Review (ISSN 1000-9140) is published weekly for US\$61.00 per year by Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Periodical Postage Paid at South San Francisco, CA 94080. POSTMASTER: Send address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080



北京周报

BEIJING REVIEW

A News Weekly Magazine
Published Since 1958

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Published every Thursday by
BEIJING REVIEW, 24 Baiwanzhuang Lu,
Beijing 100037, China.

Overseas Distributor: China International Book Trading
Corporation (Guoji Shudian), P. O. BOX 399,
Beijing 100044, China
Tel: 86-10-68413849, 1-416-497-8096 (Canada)
Fax: 86-10-68412166
E-mail: fp@mail.cibtc.com.cn
Website: http://www.cibtc.com

General Distributor for Hong Kong, Macao and Taiwan:
Peace Book Co. Ltd.
17/F, Paramount Bldg, 12 Ka Yip St, Chai Wan, HK
Tel: 852-28046687 Fax: 852-28046409

Beijing Review (ISSN 1000-9140 USPS 2812) is published weekly in the
United States for US\$61.00 per year by Cypress Books,
360 Swift Avenue, Suite 48, South San Francisco, CA 94080
News Postage Paid at South San Francisco, CA 94080
POSTMASTER: Send address changes to Beijing Review,
Cypress Books, 360 Swift Avenue, Suite 48,
South San Francisco, CA 94080

Responding to Anti-Globalization

President Xi Jinping's keynote speech at the Boao Forum for Asia (BFA) Annual Conference 2018 revealed China's determination to take action to safeguard globalization at a time of severe challenges.

The BFA Annual Conference 2018 was held against the backdrop of the United States' triggering of trade friction with China, with the whole world being eager to see how China would respond.

President Xi expressed his hope that people around the world would work together toward a community with a shared future for mankind, making Asia and the entire world peaceful, prosperous, open and beautiful. He also put forward his expectations for the future: to treat each other with respect and as equals; to promote dialogue and share responsibility; to engage in cooperation for win-win results; to uphold inclusiveness and harmony without uniformity; and to treat nature with respect.

These are China's aspirations and its guidelines for international cooperation. Differences in history, traditional concepts and cultural backgrounds will inevitably lead to divergence. Thus the international community must respect the social systems and developmental paths chosen by each country; respect each other's core interests and major concerns; and adopt a new approach to state-to-state relations that features dialogue rather than confrontation and partnership instead of alignment.

President Xi also announced at the forum that China would significantly

broaden market access, create a more attractive investment environment, strengthen the protection of intellectual property rights and expand imports. These measures showcase China's resolve to promote reform and opening up while at the same time safeguarding economic globalization.

In line with its commitments to the World Trade Organization, China has opened its markets and lowered tariffs. In 2018, a year that marks the 40th anniversary of China's reform and opening-up policy, the country is taking the initiative in opening up its markets wider to the outside world.

In the financial sector, for example, China has pledged further moves to facilitate foreign investment following an announcement made at the end of last year that it would raise foreign equity caps in the banking, securities and insurance sectors. China's manufacturing industry is largely open to foreign investors, albeit with a few exceptions, including automobiles, ships and aircraft. In his speech, President Xi said these industries are now in a position to open up. He also announced that China would cut tariffs on imported cars this year.

China's further opening up of its markets conforms to historical trends. As for the counter-tide of anti-globalization, it has also made clear its stance and put forward detailed measures. The hope now is that the entire international community will join hands to fight back against these anti-globalization forces. ■

WRITETOUS



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JAPAN.....JPY188 EUROPE.....EURO1.90 TURKEY.....YTL5.00 HK.....HKD9.30 NEPAL.....RS40

主管单位: 中国外文出版发行事业局

主办单位: 北京周报社

地址: 北京市西城区百万庄大街24号 邮编: 100037

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印刷: 北京华联印刷有限公司

北京周报 英文版2018年 第16期 ISSN 1000-9140 国内统一刊号: CN11-1576/G2 邮发代号: 2-922

广告许可证0171号 北京市期刊登记证第733号

国内零售价: 人民币6.00元



BUILDING A STRONG NAVY

President Xi Jinping delivers a speech after a review of the navy of the Chinese People's Liberation Army on April 12 in the South China Sea, where he pledged to speed up its modernization.

Taking part in the review were more than 10,000 service personnel, 48 vessels and 76 aircraft, including the aircraft carrier *Liaoning*. More than half of the vessels were commissioned after the 18th National Congress of the Communist Party of China in 2012.



Camel-Riding Holiday

Tourists ride camels on their way to visit the Mingsha Mountain and Crescent Spring scenic zone in Dunhuang, northwest China's Gansu Province, on April 5. China had over 100 million domestic tourist trips during the three-day Qingming Festival holiday, up 8.3 percent from 2017, according to the Ministry of Culture and Tourism.

Xi's Book Goes Online

E-books of the English and French editions of Chinese President Xi Jinping's book on poverty relief were officially released on April 9.

Xi, also General Secretary of the Communist Party of China Central Committee and Chairman of the Central Military Commission, was the Party chief of Ningde City in southeast China's Fujian Province from 1988 to 1990.

Titled *Up and Out of Poverty*, the book contains 29 of his speeches and articles, as well as photos from that period.

The Chinese edition was first published in July 1992 and reprinted in August 2014, three years before

the print versions of the foreign language editions were released.

Translated and published by the Foreign Languages Press, the foreign editions have drawn attention and praise from across the international community.

With content identical to that of the print versions, the e-books are available on major digital commerce platforms including Amazon, OverDrive, CNPeReading and iReader.

Household Services

Busy lifestyles and an aging population have boosted the household services market in China, but a survey published by the *China Youth Daily* on April 10 found that

customers are not satisfied.

The survey polled 1,964 people who had purchased household services across the country. Some 78.9 percent of the respondents said the household services were not professional. Many complained about the workers' poor skills, work ethic and hygiene.

Many domestic workers haven't had any training, and professional workers are still scarce, said Ma Yanhua, the manager of a household service company based in Tianjin.

The lack of an industry regulator was cited by 57.2 percent of the respondents as a major reason for the problems in the industry, while many said weak supervision of the market and poor management of

service providers were to blame.

A total of 61.4 percent of respondents called for the establishment of industry standards and rules, such as more specific and stricter criteria for the job.

Domestic workers should have more professional training so that they can acquire the skill set needed, Ma said.

Ma's suggestions were echoed by Liu Junhai, a business law professor at the Renmin University of China. He said household service companies should offer more training to workers and set up a better appraisal system to improve services to customers.

Out of Poverty

Southwest China's Tibet Autonomous Region lifted 1,705 villages out of poverty in 2017, according to local authorities.

Some 150,000 people were pulled out of poverty last year, bringing the impoverished population in the region from 590,000 in 2015 to 330,000 in 2017.

A total of 16.7 billion yuan (\$2.6 billion) was invested in 2017 to help locals increase income, relocate and support the development of over 1,700 anti-poverty projects in the region.

Over 85 percent of the land in Tibet is more than 4,000 meters above sea level. Harsh natural conditions have been part of the reasons for entrenched poverty.

People in 2,440 villages still live in dire poverty in Tibet, and the region plans to invest 11.7 billion yuan (\$1.9 billion) this year to lift another 2,100 villages out of poverty. It also aims for an annual growth rate of 16 percent in disposable income of people living under the poverty line, which is defined as a per-capita annual income of 2,300 yuan (\$366) at 2010 prices.

The region will also continue to expand social security coverage to improve living conditions for people with disabilities, no income, inability to work, as well as for teenagers under 16 and seniors over 60 years old.

China aims to lift all its citizens out of poverty by 2020 to create a “moderately prosperous society.” There were around 30 million Chinese still living below the national poverty line at the end of 2017, according to the National Bureau of Statistics.

Facial Recognition

An increasing number of Chinese airports are now using facial recognition systems to help quicken their security checks for the convenience of travelers.

A total of 557 security points at 62 airports, including Shanghai Pudong International Airport and Guangzhou Baiyun International Airport, have been equipped with the auxiliary system, according to its developer, the Chongqing Institute of Green and Intelligent Technology of the Chinese Academy of Sciences.

The system has proven its efficiency and accuracy after being used by about 80 percent of the country’s airports whose annual passenger throughput exceeds 30 million.

“It takes less than one second for the system to match a passenger’s face with their ID photo while checking the validity of their credentials,” said Shi Yu, head of the institute’s smart security center.

Shi said the institute is developing the facial recognition technology for future automatic airport check-

in. With the system, passengers will be able to avoid check-in formalities and go directly to security checkpoints, where cameras capture the images of their faces and scan their ID cards or passports to verify their identity.

An upgraded system will be put in place at an airport in Changsha, the capital of central China’s Hunan Province, in May, and then at Yulin Yuyang Airport in northwest China’s Shaanxi Province in June before being approved for nationwide use.

Stamping Out Pyramid Schemes

China will reinforce its crackdown on pyramid schemes with focused efforts, according to China’s top market regulator.

In the fight against pyramid schemes in 2018, the government will prioritize 11 cities, including Changsha, Nanchang, Nanjing, Nanning and Wuhan, according to a guideline released by the State Administration for Market Regulation.

The guideline requested work be carried out to eliminate online pyramid schemes, combining online monitoring with solid offline evidence.

The country will encourage online communities and platforms to get rid of pyramid schemes and strengthen online supervision, it said.

The guideline also called for improved communication among



Hi-Tech Pollination

A worker operates drones to pollinate pear trees in Botou City, north China’s Hebei Province, on April 9. Drones were used in the area on large scale pear tree orchards for the first time in place of artificial methods, which improved efficiency and cut down on the labor force.

different departments involved in the government-led crackdown.

Despite progress in recent years, pyramid schemes, especially online, remain an issue in China, causing massive financial losses, skewing the values of participants and harming the social credit system.

Universal Health Coverage

China is looking to make quality medical resources available to more people, according to the National Health Commission.

“To raise the quality and level of universal health care, we need to

improve the equity and inclusiveness of basic public health care,” said Wang Hesheng, Deputy Director of the commission.

The focus of public health care work will be at the grassroots level with more resources and more hospitals at people’s doorsteps, according to Wang.

The training of general practitioners will be strengthened, and the country’s bigger hospitals will join medical unions to make referrals easier, Wang said.

He also said that healthcare departments will work on health education to put everyone “in charge” of their own well-being.



Theater Among Blossoms

Opera lovers perform in costumes at a pear garden at a Longquangu scenic spot in the Fengrun District of Tangshan, north China’s Hebei Province, on April 10.

Booming Consumption

As China's economic transition swiftly continues, consumption has become a ballast for stable economic growth, official data showed on April 10.

Final consumption contributed 58.8 percent to economic growth in 2017, up from 45.3 percent in 2007, the National Bureau of Statistics (NBS) said on its website.

Retail sales, a main gauge of consumption, rose 9.7 percent year on year in the first two months of 2018.

The NBS said strong income growth and consumption upgrade have driven up spending on health-care, education and entertainment, which all maintained double-digit increases during the past few years.

With the economy transitioning from a phase of rapid growth to a stage of high-quality development, there will be huge potential for consumption growth, according to a separate statement on the National Development and Reform Commission website.

Domestic demand, including consumption and fixed assets investment, has become a decisive force for economic growth, adding 105.7 percent on average to GDP growth annually between 2008 and 2017.

The NBS said domestic demand will remain a booming growth engine as the country continues to push through supply-side structural reform and innovation-driven development.

The Chinese economy expanded 6.9 percent year on year in 2017. The government has targeted growth to about 6.5 percent for 2018.

Financial Opening Up

Yi Gang, Governor of the People's Bank of China, the country's central bank, detailed measures to further open up the financial sector on April 11, signaling rapid progress in implementing the country's opening-up plans.

China will encourage foreign investors to enter its trust, financial leasing, auto finance, brokerage money and consumer finance sectors, Yi said at the Boao Forum for Asia Annual Conference 2018 in Hainan Province.

No foreign ownership limits will be set for new financial asset investment and wealth management companies initiated by commercial banks, he added.

The country will also "substantially expand the business scope

of foreign banks," and impose no restrictions on the business scope of joint-venture securities companies, according to Yi.

In addition, China will remove the requirement that foreign insurance companies have representative offices for two years in China before setting up businesses.

All these measures will go into effect before the end of this year, Yi told a panel discussion, noting that the Shanghai-London stock connect program is expected to be launched later this year.

He also stressed that the opening up of the financial sector should go together with the reform in exchange rate formation mechanism and the process of advancing capital account convertibility.

CPI and PPI

China's consumer price index (CPI), a main gauge of inflation, rose 2.1 percent year on year in March, compared with 2.9 percent for February, data from the National Bureau of Statistics (NBS) showed on April 11.

On a month-on-month basis, the CPI declined 1.1 percent, according to NBS data.

NBS statistician Sheng Guoqing attributed the month-on-month drop to the ebb after the Spring Festival holiday which had pushed up demand.

Food prices went down 4.2 percent in March compared with February, contributing 0.86 percent to the month-on-month decline in the CPI.

As travel demand faded after the holiday, air ticket prices, travel agency charges and long-distance bus fares dropped 18.7 percent, 11.7 percent and 4.7 percent, respectively, compared with February.

The producer price index (PPI), which measures costs for goods at the factory gate, rose 3.1 percent year on year in March, the NBS said.

The pace was down from a rise of 3.7 percent recorded in February, as growth in factory prices of production materials and consumer



Keep a Close Watch

A worker oversees a production line at a textile company's smart workshop in Haian, east China's Jiangsu Province, on April 10.

Textile companies in Haian have been encouraged to introduce intelligent manufacturing equipment and build intelligent plants in an effort to raise product quality and efficiency. In 2017, the output value of the local textile industry increased 4.2 percent year on year.



More Efficient and Convenient

A woman pays taxes at a taxation bureau in Fuzhou, southeast China's Fujian Province, on April 10.

Fujian has simplified tax payment procedures by promoting information sharing between different departments.

goods both moderated, according to Sheng.

In the first quarter, the PPI rose 3.7 percent year on year, easing from a 5.8-percent growth in the fourth quarter of 2017.

The moderation was normal, considering a high comparison base, the NBS said in a statement. On a month-on-month basis, the PPI dropped 0.2 percent in March.

Elevated Connects

Starting on May 1, China will further expand daily quotas for its Shanghai-Hong Kong and Shenzhen-Hong Kong stock connect schemes in the latest move toward wider market opening up, the China Securities Regulatory Commission (CSRC) said on April 11.

The daily southbound quota for each of the two stock connects, which allows mainland investors to buy shares in Hong Kong, will be quadrupled to 42 billion yuan (\$6.69 billion), according to CSRC spokesperson Gao Li.

Meanwhile, the daily northbound quota, which allows investors in Hong Kong to buy shares on the mainland, will be quadrupled to 52 billion yuan (\$8.28 billion), Gao said, adding that the arrangement of daily quotas has helped maintain stock market stability.

Live-Streaming IPO

Chinese game live-streaming site, Huya, is seeking to raise as much as \$200 million in an initial public offering on the New York Stock Exchange, according to the company's filing.

The company's controlling firm is Nasdaq-listed YY, a leading live-streaming social media platform in China. Huya sealed several deals for strategic financing from Tencent in early March.

Huya reported net revenue of about \$336 million in 2017, driven mainly by live-streaming services and advertising.

The company said at the end of 2017, it had a monthly average

of over 86 million active users, with each mobile user spending an average of 99 minutes daily on the platform.

China has become the world's largest game market in terms of revenues and gamers, according to Frost & Sullivan Research analysts. The country is also home to the world's largest active user base for live streaming, according to Huya's filing.

Solar Project in Africa

China's clean energy company, TBEA SunOasis Co. Ltd., began construction of four solar power stations at the Benban Solar Energy Park in Egypt's southern province of Aswan on April 10.

The stations, with a combined output of 186 megawatts, are part of the giant Benban Solar Plant which is expected to be completed by mid-2019 and generate up to 2 gigawatts of utility-scale solar capacity through a total of 40 projects.

Their total investment amounts to \$180 million, according to Aswan's Governor Magdy Hegazy.

Lynn Xia, TBEA's Vice President of Overseas Business, said the plant is going to be one of the largest in the world, adding that the project is TBEA's first in Africa.

TBEA SunOasis is a major world green and smart energy service provider with business in more than 20 countries. It is devoted to achieving sustainable development of human society with the use of smart, efficient and green energy.

The Benban Solar Park, about 650 km south of Cairo, is financed by a number of global funding agencies and banks, including the Asian Infrastructure Investment Bank and the Industrial and Commercial Bank of China.

The solar plant will help Egypt increase the proportion of renewable energy to 22 percent of all domestic energy use by 2020 and cut more than half a million tons of carbon dioxide emissions annually.



Green Harvest

Farmers sell fresh tea in Medog County, southwest China's Tibet Autonomous Region, on April 11.

Due to abundant rainfall and a conducive climate, the county is suitable for tea plantation. It now has 25 organic tea farms.

THIS WEEK WORLD



UNITED STATES

Facebook CEO Mark Zuckerberg testifies at a joint hearing of the Senate judiciary and commerce committees in Washington, D.C. on April 10. He admitted responsibility for not preventing the social media platform from being used for harm



BRAZIL

Former President Lula da Silva waves to his supporters in Sao Bernardo do Campo on April 7. The popular former president said that he is ready to serve a 12 year sentence on corruption charges which he has repeatedly denied



GERMANY

Police officers stand guard at the site where a vehicle drove into a crowd in Muenster on April 7. Three people died including the perpetrator with a dozen more injured





NAMIBIA

People take part in a carnival parade in Windhoek on April 7. Windhoek Carnival features performances by musicians and dancers, lasting for more than two weeks starting in early April every year



SOUTH KOREA

Citizens walk past a big screen broadcasting the sentencing of the impeached former President Park Geun Hye in Seoul on April 6, who was sentenced to 24 years in prison and a fine of 18 billion won (\$17 million) for corruption



UKRAINE

The world's biggest plane, the Antonov An-225 Mriya, gets ready to take off at an airport outside Kiev on April 3 for its first commercial mission since being upgraded



FLYING TIGERS GENERAL'S WIDOW PASSES AWAY

Anna Chennault (Chen Hsiang-meí), a legendary figure in China-U.S. relations and widow of U.S. General Claire Lee Chennault, died at her home in Washington, D.C. on March 30 at the age of 94.

Born in Beijing in 1925, Chen was the first female reporter for the official news agency of China in the 1940s. She met General Chennault, who was commanding the Flying Tigers air squadron to fight against Japanese invaders in China, during World War II. The two married in Shanghai in 1947. After her husband died in 1958, she moved to Washington, D.C.

At the end of 1980, shortly after Ronald Reagan was elected U.S. president, Madame Chennault was sent to Beijing as a special envoy to meet with late Chinese leader Deng Xiaoping. The following year, she established the Chen Hsiang-meí Education Prize in more than a dozen cities in China.

Visiting China frequently, Madame Chennault was an active player in cultural exchanges between China and the United States. She also played a role in promoting communication across the Taiwan Straits.



Setting off on a Reform Mission

Guangming Daily
April 4

East China's Zhejiang Province has recently won approval from the Ministry of Education to establish privately-funded Westlake University in its capital Hangzhou. The university, first proposed by a group of top Chinese academics in 2015, will focus on basic academic research and the transformation and application of technology. It represents a new step in reforming China's higher education system.

A nonprofit research-oriented institution, Westlake University will be funded by a foundation and run by a board of directors. Such a model will enable it to cut its reliance on government finance, guaranteeing the school's autonomy and improving its man-

agement efficiency.

Acting President Shi Yigong, a Princeton University-trained molecular biologist, outlined his ambitious plan for Westlake University in a recent public speech, saying in five years, the new university will rival prestigious schools such as Tokyo University, Peking University and Tsinghua University to become first-class in Asia. In 15 years, it will become one of the best universities worldwide, competing with the California Institute of Technology, according to Shi. His idealistic vision may bring greater attention to the school in its inception phase and help to draw necessary resources for its development.

Borne of many innovative features, Westlake University could push forward the formation of a modern university system in China and spearhead the higher education reform to explore a way of building world-class research universities fit for Chinese conditions.

Repositioning Guangzhou

Oriental Outlook
April 12

Guangzhou, capital of south China's Guangdong Province, boasts a favorable geographical location and time-honored commercial culture, which has contributed to its prosperity over the past millennium.

However, there are worries that Guangzhou has failed to seize the opportunities offered by the burgeoning information technology industry in recent years compared to Shenzhen in Guangdong, where tech giants Tencent and Huawei are based, and Hangzhou in Zhejiang Province, which is home to e-commerce leader Alibaba Group.

Guangzhou thrived in the 1980s due to an export-led economy. However, the city's exports dwindled after the 2008 global financial crisis owing to the rising costs of land and labor.

Nevertheless, Guangzhou's GDP growth rate has remained higher than Beijing and Shanghai over the past five years. Therefore, the key for Guangzhou's development does not lie in speed but quality of growth.

In the past two years, Guangzhou has attracted a large number of foreign enterprises to launch huge industrial projects. It also plans to develop emerging industries featuring new energy and new materials.

The city also aims to develop itself into an international aviation and shipping hub.



“In the process of modernizing agricultural production, we want to turn ‘farming’ into a name label that people are proud of.”

Liu Yonghao, Chairman of New Hope Group, China's leading agribusiness company, proposing solutions to the problem that young rural residents leave villages and towns for cities in pursuit of better pay during the Boao Forum for Asia Annual Conference on April 9

“The Belt and Road Initiative will promote economic development in relevant countries as well as regional and world development. Japan should actively participate in the initiative to achieve win-win cooperation.”

Kiyoyuki Seguchi, Japanese economist and Research Director at the Canon Institute for Global Studies in Tokyo, speaking to Xinhua News Agency



By 2020, a four-hour traffic network connecting Guangzhou with other major cities in China and Southeast Asia is expected to take shape.

In addition, Guangzhou has a comfortable living environment with clean air and a famous local cuisine, making it a great draw for investors.

Guangzhou is keen on embracing new technologies and favorable policies, as well as making full use of its talent pool, especially entrepreneurs, who contribute greatly to local development.

Removing Malpractices on the Web

Beijing Youth Daily
April 9

The Cyberspace Administration of China recently penalized popular short video applications Kuaishou and Huoshan, requiring them to overhaul practices. The two platforms announced measures to ban children and teenagers under 18 from registering as live-streamers and to shut down all existing accounts owned by minors.

According to a research report in 2016 by the analytics platform Weibo Data Center, 12 percent of live-streamers in China were aged between 11 and 16. As early as April of that year, over 20 Internet companies jointly published a self-discipline pact vowing not to allow minors to register as live-streamers. Real-name registration of all accounts should have been completed by June 1, 2016. However, the pact has not achieved its expected results.

The recent overhaul was prompted by China Central Television reports exposing underage live-streamers broadcasting themselves falling in love, getting pregnant and giving birth. Live-streaming platforms harbor clear commercial purposes to attract an audience for profit, even when some practices challenge moral standards and the law.

An effective system should be established to monitor the live-streaming sector.

First, minors should be banned from opening live-streaming accounts, but could be allowed to host certain programs with the consent of their parents. Internet platforms should guarantee that the content of webcasting by minors complies with relevant laws and regulations.

Second, a rating system for webcasting programs should be established to identify programs unsuitable for minors.



FOOD COURIER WINS POETRY COMPETITION

Lei Haiwei, a food deliveryman in Hangzhou, east China's Zhejiang Province, won the title in the third season of the Chinese Poetry Conference aired on China Central Television on April 4. More than 100 people from over 100,000 candidates from different walks of life participated in the televised contest of Chinese poetry knowledge.

Lei, 37, developed an interest in ancient Chinese poetry and began to recite poems at an early age. He was enthralled by the beautiful rhythms of poetry even though he didn't understand the meaning of the poems back then.

After graduating from a secondary technical school in 2001, Lei worked as an electrician in a factory in Shenzhen, south China's Guangdong Province. He then moved to Shanghai where he worked as a waiter and salesperson before migrating to Hangzhou. During his spare time, he frequents bookstores to read and recite poems. He even uses the time between deliveries at red lights to memorize poems.

Lei said great poets' optimistic attitudes toward life even as they endured hardships inspired and empowered him and that his love for poetry will continue.



“A driving force behind this surge is China, which leads with more than half of the world's new solar power capacity.”

Stephane Dujarric, spokesperson for UN Secretary General Antonio Guterres, in response to a report released by the UN Environment Program which found that solar power in 2017 attracted far more investment than any other technology, at a news briefing on April 6

“With their income rising, Chinese tourists are looking for more diversified travel experiences abroad.”

Peng Liang, Director of Public Relations at Ctrip, China's largest online travel agency, in a recent interview

Boao Forum For Asia Annual Conference 2018



COVER STORY

INTEGRATION, GLOBALIZATION AND A BETTER WORLD

President Xi reiterates China's commitment to further opening up at the Boao forum By Yuan Yuan

博鳌亚洲论坛2018年年会

OR



Chinese President Xi Jinping and his wife Peng Liyuan pose for a group photo with foreign guests attending the Boao Forum for Asia Annual Conference 2018 in Boao, south China's Hainan Province, on April 10

Amid a rising tide of trade protectionism in some parts of the world, Chinese President Xi Jinping has declared that China will expand its opening up and continue to advance cooperation with its economic partners.

Xi made the announcement while delivering a keynote speech to more than 2,000 politicians, scholars, and leaders in business and media from over 60 countries and regions at the Boao Forum for Asia (BFA) Annual Conference 2018 on April 10 in south China's tropical Hainan Province.

The four-day conference is the first major diplomatic event to be hosted by China this year.

A series of key measures will be under-

taken to broaden market access, create a more attractive investment environment, strengthen the protection of intellectual property rights (IPR) and expand imports.

A more open country

Import tariffs for vehicles will be significantly reduced, Xi revealed in the speech, and the country will also work hard to increase imports, especially products that are competitive and needed by the Chinese people.

The president said that China does not seek a trade surplus and has a genuine desire to achieve greater balance in the current account.

Market access in China will be broadened to accelerate the opening up of the

insurance industry, as well as to ease restrictions on the establishment of foreign financial institutions in China and expand their business scope, while more areas of cooperation between Chinese and foreign financial markets will also be opened.

Instead of primarily relying on favorable policies for foreign investors as in the past, Xi said that China will improve the country's investment environment in order to attract foreign investment.

"We will enhance alignment with international economic and trading rules, increase transparency, strengthen property right protection, uphold the rule of law, encourage competition and oppose monopoly," Xi said.

Meanwhile, China is reinstating the State Intellectual Property Office this year to step up law enforcement, significantly raise the cost for offenders and deploy relevant laws as a major deterrent.

"We encourage normal technological exchanges and cooperation between Chinese and foreign enterprises, and protect the lawful IPR owned by foreign enterprises in China," Xi said.

Speaking of the first China International Import Expo to be held in Shanghai this November, another of the year's major diplomatic occasions in China, Xi described the event as not just another expo in an ordinary sense, but a major policy initiative and commitment from China to open up its market.

Xi outlined these measures after first reviewing China's successful experience over the past four decades since the adoption of reform and opening up in 1978.

Hailed as "China's second revolution," reform and opening up in China has not only profoundly changed the country but ►►

also greatly influenced the whole world, Xi said.

Figures from the speech show that over the past 40 years, China has recorded an average annual GDP growth rate of around 9.5 percent, cultivated a middle-income population of 400 million, and lifted more than 700 million people out of poverty, accounting for more than 70 percent of the global total. China has also contributed over 30 percent of global growth in recent years.

Xi's speech on the role of reform and opening up in boosting the development of China in the past four decades resonated with many of the scholars and other participants attending the BFA annual event.

Ban Ki-moon, former UN Secretary General and the newly elected Chairman of the Board of Directors of the BFA, described Xi's speech as "very important and inspiring." "President Xi Jinping announced in September 2015 the vision that he'll be committed to creating a community with a shared future that will inspire all member states. He continues this today," he said.

Xi's speech underscored China's strong support for economic globalization, trade liberalization and connectivity, said Jon R. Taylor, a professor of political science at the University of St. Thomas.

"China has grown into the world's second largest economy, the largest industrial producer, the largest trader of goods and the holder of the largest foreign exchange reserves," said Gu Xueming, President of the Chinese Academy of International Trade and Economic Cooperation of China's Ministry of Commerce. "It could not have reached these heights without the reform and opening-up process. All of these achievements are not easily attained."

"Protectionism prevails in today's world, and the United States puts this idea into practice by imposing heavy tariffs on certain goods imported from China," said Xu Xiujun, a professor with the Chinese Academy of Social Sciences. "The open global economy is now faced with more arduous challenges than ever before."

"China's development has contributed to the overall progress of the world. An open China will exert a more central role in promoting the regional integration of Asia and the globalization of the world," Xu said.

Aravind Yelery, Assistant Director of the

Delhi-based Institute of Chinese Studies, applauded Xi's address. Yelery believes that a more open China will bring opportunities to Indian businesses investing in the country. "India has been looking for initiatives and opportunities for ways to engage with China, and the policy of opening up further is good news," Yelery said.

Christian Rainer, publisher and Editor in Chief of Austria-based news magazine *Profil Redaktion GmbH*, shares a similar view. He said that China's decision to further open up will bring more opportunities for trade and investment from Austria, especially for the automotive industry with tens of thousands of Austrians working in the sector. "This is very good for the Austrian people and the Austrian economy."

"Xi's speech shows that China proceeds toward action in a very deliberate and active way," said Allan Gabor, President of Merck China, who has been living in China for 20 years. "For those of us in the business community, the speech provides a lot of transparency and stability. It is very important to us," he added.

More cooperation

Apart from emphasizing China's designs for further opening up, Xi also reflected on the achievements of the Belt and Road Initiative. "The Belt and Road Initiative may be China's idea, but its opportunities and outcomes are going to benefit the world," Xi said, adding that China has no geopolitical ambitions, seeks no exclusionary blocs and imposes no business deals on others.

He also pointed out that as the Belt and Road is a new initiative, it is natural that there might be different views on cooperation. "As long as the involved parties embrace the principle of extensive consultation, joint contribution and shared benefits, we can definitely enhance cooperation and resolve any differences," Xi said.

"This way, we can make the Belt and Road Initiative the broadest platform for international cooperation, in keeping with the trend of economic globalization and to the greater benefit of all our peoples," Xi said, adding that China will not threaten anyone else, attempt to overturn the existing international system, or seek spheres of influence, no matter how much progress it



has made in development.

Xu Hongcai, a research fellow with the China Center for International Economic Exchanges, echoed Xi's remarks. Xu Hongcai revealed that the world economy is projected to grow 3.9 percent year on year in 2018, compared to 3.6 percent last year. However, it is still below the average growth rate prior to the 2008 financial crisis.

"Currently, trade protectionism is rising. Against this backdrop, China is obligated to call on all parties to work together in the



博鳌亚洲论坛2018年年会 BOAO FORUM FOR ASIA ANNUAL CONFERENCE 2018

2018年4月8-11日 中国·海南
8-11th, April Hainan Province, China



spirit of openness and oppose protectionism and unilateralism,” Xu Hongcai said. “Cooperation is essential to global economic development.”

Recently, there have been positive developments in Northeast Asia with improvements in China’s relations with Japan and South Korea, as well as a possible turnaround in the North Korean nuclear issue. “China hopes countries make the most of this window of opportunity to jointly promote peace, stability, cooperation and

development in the Asia Pacific region,” Xu Hongcai said.

With the recent conclusion of the annual sessions of the Chinese People’s Political Consultative Conference National Committee and the National People’s Congress of China, and the 19th National Congress of the Communist Party of China in 2017, China has vowed to promote an open economy of higher quality and greater openness.

“From the platform of the BFA, China

once again voiced its stance and determination for further economic liberalization, which will contribute to the advancement of the Asian and world economies,” Xu Xiujun said.

“The Belt and Road Initiative is important for all the countries that are attached to it,” Gabor said. “China is a very important country for the world. The better China does, the better the world does.”

“The initiative is one of the instruments to implement the vision of a shared future ▶▶



An aerial view of the Boao Forum for Asia International Conference Center in Boao, Hainan Province



for mankind,” said Giulio De Metrio, Chief Operating Officer of SEA, Italy’s major airport operator. “It is a way of bringing more prosperity to neighboring countries. A good neighbor for China is also a good neighbor for Europe.”

Metrio said they are very interested in increasing the connectivity between China and Italy. “Currently there are three daily flights to China—to Beijing, Shanghai and Hong Kong,” he said. “We hope to have more airlines connecting Milan to other cit-

ies in China, including Chengdu, Chongqing and Guangzhou.” ■

(Reporting from Boao, Hainan Province, with contributions from Hou Weili and Liu Ting)

Copyedited by Laurence Coulton
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Primary Measures for Further Opening Up

Significantly broadening market access

To accelerate the opening up of the insurance industry.

To ease restrictions on the establishment of foreign financial institutions in China and expand their business scope.

To open up more areas of cooperation between Chinese and foreign financial markets.

To ease foreign equity restrictions in the automobile, ship and aircraft industries, automobile in particular.



Creating a more attractive investment environment

To improve the investment environment.

To finish the revision of the negative list on foreign investment and implement across the board the management system based on pre-establishment national treatment and the negative list.



Strengthening protection of intellectual property rights (IPR)

To reinstitute the State Intellectual Property Office.

To step up law enforcement.

To significantly raise the cost for offenders and fully unlock the deterrent potential of relevant laws.

To encourage normal technological exchanges and cooperation between Chinese and foreign enterprises.

To protect the lawful IPR owned by foreign enterprises in China.



Taking the initiative to expand imports

To significantly lower the import tariffs for automobiles and reduce import tariffs for some other products.

To import more products that are competitive and needed by China.

To seek faster progress toward joining the WTO Government Procurement Agreement.



(Compiled by Beijing Review; designed by Pamela Tobey)

FACTOR FOR PEACE

Jean-Pierre Raffarin, former French Prime Minister and a China analyst, attended this year's Boao Forum for Asia Annual Conference in south China's Hainan Province. In an exclusive interview with *Beijing Review* reporter Liu Ting on April 8, Raffarin discussed current issues, including U.S. protectionist measures, and his expectations for the China-proposed Belt and Road Initiative. He also talked about China's transformation, the importance of innovation and the potential for cooperation between China, Europe and the African continent.

Beijing Review: The Boao Forum for Asia Annual Conference 2018 has opened under the theme of An Open and Innovative Asia for a World of Greater Prosperity. As a regular participant, what do you expect from this year's conference?

Jean-Pierre Raffarin: This year, the international situation is tough; there are many conflicts. It is very important that we realize that only through international cooperation can we ease tensions around the world. To do this, it is essential that Chinese President Xi Jinping use his leadership role to encourage a peaceful worldview.

On March 22, U.S. President Donald Trump decided to impose tariffs on a number of Chinese imports. The U.S. administration announced a proposed list of products subject to additional tariffs on April 4, prompting a reaction from China. What do you think of Trump's decision and the right solution to the issue?

We believe that this unilateral decision is not the appropriate way to lead in the world. Global governance must be a dialogue in order to share ideas and find the correct balance. Unilateral decisions of this sort cannot promote a more balanced world. We believe that the right solution is multilateral dialogue. And that's what French President Emmanuel Macron told President Xi on the phone. He said we should react collectively to show that a multilateral outlook to solving problems is beneficial to world peace.

The Belt and Road Initiative is a financial, economic and political project, but it is above all a project for peace

In your opinion, what will be the impact of Trump's decision on world trade?

We believe that protectionism is always negative. Competition through protectionist measures and their escalation, sanctions and tariffs—all these measures aimed at protecting oneself—are in fact weakening global trade and the global economy. Just look at how China has resurged to the forefront of the world's nations through reform and opening up. It is by opening to the outside world that China has been able to achieve strong growth and has made tremendous economic, scientific and social headway. And it is because Europe and China share a common desire to bolster and strengthen global exchanges that we want to pressure the U.S. decision so we can go back to a world where cooperation on an equal footing is the rule.

You have witnessed four decades of transformation in the country. What has impressed you most?

What has been significant is the way Chinese cities have changed. I once visited Shenzhen when it was a village, and today I see cities like Chengdu or Shenyang that have become very large and are making an impact on the world. The pace of urbanization has been very impressive. There are also very beautiful cities, such as Hangzhou and Xi'an. I was amazed to see such huge development.

What is even more striking today is China's path toward innovation, seeing how China has realized that the country must

find solutions for the future through innovation and new solutions. New problems have arisen, such as pollution and diseases, and as a result, considerable efforts toward innovation are needed.

In his book, *Xi Jinping: The Governance of China*, President Xi called on young people to be innovators and to engage in research-oriented cooperative work. He urged them to innovate, travel abroad, seek ideas elsewhere, welcome foreign talent and have a very open attitude toward the demand for innovation.

In China, there is a true optimistic outlook for the future, as well as the will and the ability to find solutions to the problems we are facing today. This is why we must trust China's youth because they will find solutions to the problems that the previous generation was unable to tackle.

What concrete actions could France implement to take part in the Belt and Road Initiative and in which areas?

President Macron has taken a very clear stance in favor of the Belt and Road Initiative, and we are already working toward identifying infrastructure, industrial and cultural projects and establishing partnerships. We are doing this not only in France, but also at the European level. In July, the European Commission will publish a document and put forth its expectations regarding this initiative. We are already engaged in cooperation projects, and we want to invest in projects that are consistent with our interests—which are obviously very important to us—so that French companies can be involved, allowing our rules to be applied to a number of projects. Ultimately, we want to be able to discuss and work together.

In Europe, we sometimes hear fearful voices, people who are afraid of China's power. China has regained in the 21st century



COURTESY PHOTO

Former French Prime Minister Jean-Pierre Raffarin at the Boao Forum for Asia Annual Conference 2018

the power it used to enjoy in the 18th century, and therefore regained its place in the community of nations. In this regard, China is very impressive. But we say that we must not be afraid, we must work with China, cooperate with China, not only in Eurasia—Central Asia and Europe—but also in Eurafrika. We think there is much to be done in this respect, there are many projects to develop, and we must remain overtly confident.

France is involved in many projects in Africa. The Belt and Road Initiative links China, France and Africa. What are potential areas of cooperation between China, France and Africa?

Of course, there are many opportunities for cooperation in infrastructure and telecommunications. But there are also other areas that we can develop such as training and innovation. I think as we bolster young innovative talent in both Europe and China, we also need to talk to African youth and invite them to join the great competition for talent around the world. Young people in Africa make up a large, active group; we must invite them to participate in the great challenge of tomorrow, which is the invention of their future.

What are the main roles that China as the world's second largest economy can play in international trade?

China can play two major roles today. The first is through large projects like the Belt and Road Initiative proposed by President Xi; projects in which everyone can participate, that are not only good for China, good for Asia, but also good for other partners. First, you need creativity to get these projects off the ground because the world needs projects. We need to provide jobs and growth; this is why large nations have to carry forward these projects. This is a very important element.

We also need to look at the role China can play now that it has become a leading nation, as a balancing factor and I would even say a factor for peace. For me, the Belt and Road Initiative is a financial, economic and political project, but it is above all a project for peace. That is why today, in this world, China must be a force for balance and harmony. China does not have a history of war; it is not a war-mongering country. China defends its interests, which it is entitled to do; it also defends the interests of its people. It is important that China be a force for balance to preserve the world from escalating tensions and to prevent setbacks. We tend to forget that war is a tragedy, that damage caused by war is often irreversible. No development is possible without peace.

What solutions can China, France and the EU bring to the world's current challenges?

The first thing is to support multilateralism; support the UN and its Security Council; support UNESCO; and transform the World Trade Organization and international agreements. I think the world today needs the G20 and all those platforms where we can talk.

Today, dialogue is the solution. Even if we disagree, even if we hold different views, we must agree to talk to each other, to find solutions because only dialogue provides solutions. Otherwise, we open the door to the potential of considerable risks.

I do not like it at all when Trump talks about "economic war." The word "war" must always be rejected and it is necessary to systematically find ways to start a dialogue and come up with solutions. ■

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MESSAGES FROM BOAO

President Xi's speech portrays an aspiring nation deserving of respect **By Kerry Brown**



The author is an op-ed contributor to *Beijing Review* and director of the Lau China Institute at King's College, London

President Xi Jinping's address at the annual Boao Forum for Asia (BFA) on Hainan Island occurred within a particular domestic and international context. The domestic one is that 2018 marks the 40th anniversary of the start of the reform and opening-up era from the Third Plenary Session of the 11th Central Committee of the Communist Party of China in 1978. As with many of these anniversary events, it will allow for some stocktaking and reflection on what has been achieved. Some of these issues were contained in Xi's speech—lifting people out of poverty, improving the material conditions of the Chinese people, dramatically opening China's domestic economy to the outside world. No doubt there will be much more focus on these as the year proceeds toward December, when the famous plenary session in 1978 was actually held.

In terms of the international context, while it is true that we live, despite some anxieties and tensions in places like the Middle East, Africa and elsewhere, in a largely peaceful age, the Trump administration in the United States, with its focus on trade imbalances and the drift toward what might potentially be a new era of protectionism, is throwing up very specific challenges, particularly for China. At the World Economic Forum meeting in Davos in 2017, Xi had to speak in a way that suggested he was a defender of the global order and the globalization agenda in ways never before expected from a Chinese leader.

Trump's subsequent moves to withdraw from the Paris Agreement, which he confirmed later in the year, to drop U.S. involvement in the Trans-Pacific Partnership and other free trade deals, and to walk away from multilateral activity have served

to complicate the context in which China is moving toward the achievement of its first centenary goal in 2021, middle income status and the creation of a moderately prosperous society. Addressing this and giving a Chinese perspective, particularly on the tariffs imposed by Trump on some goods from China, was an important issue at this year's BFA, and occupied part of Xi's speech. The question is whether his audience domestically and internationally heard the same message, and what impact this might have.

New mindset

Inevitably, because of the occasion and the nature of the event, Xi was addressing, there could not be much detail. So much of what he said was a declaration of intent in the form of a promise. The context of that promise is where the domestic and the international meet.

Since 1978, as Xi restated, the ethos of the reform movement established by late Chinese leader Deng Xiaoping and the leaders around him has been the delivery of tangible outcomes in terms of growth and social and economic development, and a strong awareness of the role of positive relations with the outside world in achieving this. As investors, intellectual partners, importers and exporters, the wider world has worked more and more closely with China. For that reason, China has become one of the largest destinations for foreign investment and one of the fastest growing

outward investors.

Reform and opening up in China has always been a dynamic process. It is now entering a new era because of the transition of the Chinese economy to a more service sector-orientated, high consuming model and also because of the impact of the last four decades and the high growth experienced over this era. The Chinese economy now is completely different to the one which existed back then. It is more urban and less reliant on agriculture, with a different kind of growth now needed. That has an impact on the kind of relationship China aims for with the rest of the world.

Xi indicated this in a reference to innovation, to liberalizing new sectors in the Chinese economy for outside involvement, financial services in particular, and in promising that intellectual property protection would be strengthened and enforced. These are sophisticated, tricky areas to establish good, sustainable partnerships around. It would have been difficult in the past to move too quickly on them. China's domestic situation was not ready, neither able to be exposed to new forms of competition from outside nor having the regulatory system fully in place to deal with so many new developments. Now, this speech makes clear, there is a will to start moving forward in these areas.

That involves developing new, more complex relations with the outside world. China has become, for instance, an innovator in areas like artificial intelligence and informatics. Stronger reciprocal re-

The mindset of the recent past, of stark asymmetry between a China with a knowledge deficit and a developed world which comes to transfer and give ideas, now needs to be replaced by something much more mutual, hybrid and dynamic



A bird's-eye view of Xiaogang Village in Fengyang County, Anhui Province, on February 12. The village is one of the pioneers and epitomes of China's reform and opening-up process

relationships, where foreign partners and Chinese ones are genuinely sharing, are now far more possible. The mindset of the recent past, of stark asymmetry between a China with a knowledge deficit and a developed world which comes to transfer and give ideas, now needs to be replaced by something much more mutual, hybrid and dynamic. The world needs to realize that it no longer needs to teach China, but instead learn with it, and sometimes from it. That is an important shift. It lies behind the language of "win-win" or "all win" that Xi referred to in his speech.

Reciprocity and respect

There is a shared agenda in what Xi said that lies at the heart of the idea China is offering of a shared vision for Asia and humanity. This is partly based on the simple reality that environmental issues do not respect geographical boundaries. They im-

pact everyone and demand solutions from everyone. So the language of "ecological civilization" recently deployed in China has universal validity and resonance far beyond China's shores. So too does the stress on sustainability and on an international system based on respect.

This speech will have been heard clear enough in China because it speaks to the current aspirations of the Chinese people and their desire to live in an environment in which they are respected, understood, and have aspirations for a life which is more prosperous as the years pass. Whether it will be heard elsewhere in the world depends on the audience and where they are hearing these words from. For many, the Belt and Road Initiative and the promise of Chinese investment, or of greater opportunities in the Chinese domestic market as it opens up new areas, will seem exciting. Others will understand the crucial importance of a China now emerging as a

true global stakeholder and one that can be engaged with in ways which were never possible before.

Of course, there will be a few, in the United States in particular, who wish to relentlessly focus on the narrow issues of trade imbalances and of attempting to push China into a box where it can be easily managed, its economic aspirations contained. For them, Xi's speech should give pause for thought. China is not going to pack away its desire to be a rich, strong and respected nation. It will not withdraw behind walls erected by others to keep it in a space designated by them, rather than established by mutual consent. Its search for reciprocity is logical and needs a logical, thoughtful response. These are the most important things to take away from Boao in 2018. ■

Copyedited by Laurence Coulton
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VALUE-ADDED RURAL VISION

New era for China's countryside aims to empower farmers, diversify agriculture and promote a green lifestyle By Hou Weili



Wen Tiejun, a professor with the Fujian Agriculture and Forestry University, speaks at a session on marginalized rural Asia during the Boao Forum for Asia Annual Conference 2018 on April 9

Wen Tiejun, 67, sees himself as a typical middle class Chinese male. Five years ago, very much a wealthy urbanite, he made a decision which shocked those around him by selling the family's multi-million-yuan property in downtown Beijing and relocating to a village in southeast China's Fujian Province.

"There is no pollution [here in the village], only fresh air, clean water and safe food. This is [a better] life," he told *Beijing Review*.

That idyllic lifestyle was something Wen, an agricultural economics expert, found in abundance as a delegate to the Boao Forum for Asia (BFA) Annual Conference 2018 on Hainan Island, especially clean air, top-level infrastructure and public services.

Wen's decision to return to the countryside is mirrored by his academic research achievements and career turnaround. In 2013, he left a position as head of the School of Agricultural Economics and Rural Development with the prestigious Renmin University of China in Beijing and joined the lesser known provincial Fujian Agriculture and Forestry University. His reasons for the change were twofold. Wen sought a bet-

ter lifestyle, as well as wanting to achieve concrete results in his research on promoting rural revitalization, which aims to make agriculture a lucrative industry. He intended to turn farming into an attractive profession and transform rural areas into beautiful places to live.

The Central Rural Work Conference at the end of last year made a major strategic shift from a focus on urbanization over the past decades to achieving rural revitalization in the 21st century. "This is extremely important as it truly places agriculture and rural development as China's priorities," Wen said at the session on Marginalized Rural Asia during the BFA Annual Conference held from April 8 to 11.

Rural prosperity vital

The 19th National Congress of the Communist Party of China held in October 2017 highlighted rural issues and proposed the strategy of rural revitalization. A timetable and roadmap were released to translate the vision into reality two months later in the Central Rural Work Conference.

"Revitalizing rural areas is a strategy China has made to adapt to new situations in the vast countryside," said Han Changfu, Minister of Agriculture and Rural Affairs, at the conference.

Rural areas and agriculture have entered a new era. Statistics by the Ministry of Agriculture and Rural Affairs show that China's annual grain output exceeds 600 million tons for the past five consecutive years. The annual per-capita disposable income in rural areas reached 13,432 yuan (\$2,139). The contribution rate of technological advances in agriculture surpasses 66 percent, showing China's agriculture is shifting from being resource driven to technology driven. In addition, public services and infrastructure in rural areas are also improving.

However, the challenges of inadequate development in rural areas and imbalanced urban-rural relations are significant. "Most notably, the quality of agriculture needs to be improved; the momentum to increase farmers' income is weak; and the income disparity between urban and rural areas is still large," said Han.

Rapid urbanization over the past few decades has seen the Chinese countryside lose its productive working-age residents and become desolated in some areas. The latest data by the National Bureau of Statistics showed that China's migrant workers totaled 169 million in 2016, nearly 30 percent of the total rural population.

Han said to promote the development of rural areas and agriculture in tandem with urban progress, the life of its farmers needs to be improved. "China cannot be a strong country if there is desolation in rural areas," he said.

For Wen, the rural population and market hold great potential for the future of a prosperous China. "Agriculture is the foundation of the nation. It is the reason why China has withstood one crisis after another, like the global financial crisis in 2008 and the devastating SARS epidemic in 2003," said Wen.

Despite being imperative, it is no easy task to translate the vision of rural prosperity into reality. However, in rural matters, Wen is a problem solver. His solution is to



A drone sprays pesticide over a field in Poyang County, Jiangxi Province, on April 10

introduce the concept of a “sixth industry” for farmers to increase their incomes from businesses related to agricultural production in addition to their agricultural income, by cooperating with commercial and industrial sectors to integrate production, processing and marketing, and to combine agriculture with tourism and other service industries in rural areas. The concept was first created in Japan.

“Instead of treating agriculture as a single industry, the ‘sixth industry’ approach makes farmers gain wider added value and enables the sustainable development of agriculture and rural areas,” Wen explained. He has adapted the concept so that it meets China’s local conditions.

“I like to call it a synthesis of recycling agriculture, innovative agriculture and immersive agriculture,” Wen said. According to his explanation, recycling agriculture means changing the way the sector develops, which currently focuses on dependence on the land and use of chemical fertilizers. Innovative agriculture means finding the cultural connotations in agriculture and using that to attract urban residents, young entrepreneurs and investors. Immersive agriculture aims to help farmers earn money from urban dwellers who want to experience agricultural and rural activities. “Fresh air, clean water and a beautiful landscape in rural areas are big

assets, but were ignored in the past. Now, with urban residents demanding a green and idyllic lifestyle, these assets could be materialized,” he said.

To make the synthesis work, Wen believes China’s affluent middle class is vital. “They have the demands to consume such services and possess the necessary capital and expertise in management and sales,” he explained. According to the Global Wealth Databook 2016 released by the Switzerland-based Credit Suisse Research Institute, China has the largest middle class in absolute number, totaling 109 million.

Empowering farmers

However, despite the important role the middle class can play in future rural and agricultural development, this does not mean that farmers will be marginalized. The plan is to empower farmers so that they can reap the added value accrued by them.

To this end, they need expertise and insurance. The good news is that businesses are keen to get involved. This includes New Hope Group, a leading private agricultural enterprise from southwest China’s Sichuan Province. “My company will provide financial support to train 100,000 farmers in the next five years,” Liu Yonghao, Chairman of New Hope, announced at the BFA. The company will also invest 50 billion yuan (\$7.96 billion) to promote a rural revitaliza-

tion strategy over this period.

In addition, “insurance will help rural businesses weather natural or market losses through risk control,” said Miao Jianmin, President of the People’s Insurance Co. Ltd. The company is also participating in the establishment of a social security network in rural areas so that low-income rural residents will not suffer impoverishment brought about by market uncertainties and natural disasters.

To support startups by rural households and migrant workers in the agriculture-related sector, the company has tailored microfinance services by combining insurance and financing. “For example, startups can use their insurance policies as collateral for acquiring loans,” said Miao.

These support services have borne fruit. According to the Ministry of Agriculture and Rural Affairs, as of 2017 there had been 7 million migrant workers and university graduates who had returned to their hometowns and started agriculture-related businesses. The number is on the rise, something that is sure to motivate Wen in his ongoing quest. ■

(Reporting from Boao, Hainan Province)

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COVER STORY

WORDS OF WISDOM

The Boao Forum for Asia (BFA) Annual Conference provides heads of state, government officials, scholars and entrepreneurs an opportunity to share their insight. Around 60 formal discussions were held this year, where participants exchanged ideas on issues ranging from innovation and the sharing economy to new retail.

Copyedited by Laurence Coulton
Comments to zanjifang@bjreview.com

1. Jack Ma, founder and Chairman of Chinese e-commerce giant Alibaba Group, talks with International Monetary Fund Managing Director Christine Lagarde on April 9

2. Members of the newly elected Board of Directors of the BFA, including Chairman Ban Ki-moon (eighth left), Chief Representative of China Zhou Xiaochuan (seventh left) and Secretary General Li Baodong (ninth left), pose for a photo on April 9

3. A session on China's 40 years of reform and opening up on April 10

4. Carrie Lam, Chief Executive of Hong Kong Special Administrative Region, walks onto the stage for a panel discussion focusing on the development of the Guangdong-Hong Kong-Macao Greater Bay Area on April 9

5. Zhou Wenzhong, then BFA Secretary General, addresses a press conference on April 8





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Building the Belt and Road: Philosophy, Practice and China's Contribution

Building the Belt and Road: Philosophy, Practice and China's Contribution (in multi-language) is a programmatic document produced by the Office of the Leading Group for the Belt and Road Initiative and published to coincide with the opening of the Belt and Road Forum for International Cooperation. The book provides a clear account of the philosophy, the nature, and the specifics of the Belt and Road Initiative, and summarizes the early results achieved through B&R cooperation.



Headway on the Maritime Silk Road

Headway on the Maritime Silk Road is a book generously illustrated with photos from the documentary film of same name on CCTV. It tells the stories of more than 30 figures from around a dozen countries along the Maritime Silk Road. Inheriting the pioneering spirit of their enterprising ancestors, these figures have received family businesses or passed them on, and the core of their work is exchange with people of different cultures. Through the personal stories of these ordinary people, the book draws together the threads of a Silk Road that has lasted for thousands of years, in which Chinese, Indian, Arabic and European civilizations communicate with each other and coexist in harmony. With more than 200 illustrations, the book brings to life the countries that lie along the Maritime Silk Road and their fascinating inhabitants.

Belt and Road Series

The "Belt and Road Series" makes a systematic explanation on the history, development and cooperation focus of the Belt and Road Initiative. It displays China's sense of responsibility, and its goodwill to develop together with other countries and build a community of shared destiny.



More than two millennia ago the diligent and courageous people of Eurasia explored and opened up several routes of trade and cultural exchanges that linked the major civilizations of Asia, Europe and Africa, collectively called the Silk Road by later generations. For thousands of years, the Silk Road Spirit – "peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit" – has been passed from generation to generation, promoted the progress of human civilization, and contributed greatly to the prosperity and development of the countries along the Silk Road. In the 21st century, it is all the more important for us to carry on the Silk Road Spirit.



Neighborly Conduct

The general trend of China-India relations remains positive despite recent issues

By Cheng Xizhong



The author is a member of the Chinese Association for South Asian Studies and a senior researcher at the Charhar Institute

Despite ups and downs, the Sino-Indian relationship has generally maintained a friendly and cooperative orientation in past decades. After experiencing a border stand off last year, the two countries' bilateral relations are gaining momentum.

Low ebb

Last June, a border stand off erupted between the two sides when Indian military personnel entered Chinese territory in the Donglang area from India's Sikkim State in the west, intervening in construction work by Chinese border forces. In the aftermath, regarding the incident as having harmed its territorial integrity and national security, China conducted firm negotiations while showing respect and restraint, which ultimately resulted in a peaceful solution without direct military confrontation.

Thereafter, there have been several further acts by India which have continued to harm the development of the two country's bilateral relationship. On January 12 ahead of the Indian Army Day, General Bipin Rawat, Chief of Army Staff of the Indian Army, said at a press conference that "We felt they [China] will try to claim the whole Donglang ... It was also posing a threat to us as it was changing the status quo." He went on to say that "China is a powerful country but we are not a weak nation," explaining that "the time had come for India to shift focus to its northern border."

On February 15, the day before the Chinese Spring Festival, Indian Prime Minister Narendra Modi visited the so-called Arunachal Pradesh, an area of southern Tibet occupied by India. In the same month, General Rawat made another inflammatory statement, this time in New Delhi, claiming that a "planned" influx of people from Bangladesh into India's northeastern region was underway as part of a proxy war being

waged by Pakistan with support from China to destabilize the area.

There have also been reports about India joining the U.S.-led Indo-Pacific Strategy and playing a more active role in the informal strategic dialogue between the United States, Japan, Australia and India known as the Quadrilateral Security Dialogue. These events signal a recent low point in the Sino-Indian relationship.

Positive diplomacy

Yet in spite of these recent troubles, China has insisted on pushing toward positive change. On December 11, 2017, Chinese Foreign Minister Wang Yi met Indian Minister of External Affairs Sushma Swaraj on the sidelines of the 15th Russian, Indian and Chinese Foreign Ministers' Meeting in New Delhi. Eleven days later on December 22, then State Councilor Yang Jiechi attended the 20th round of talks between Chinese and Indian special representatives on boundary issues in the Indian capital. These two exchanges both helped to move the bilateral relationship onto a positive track.

India also responded with amicable gestures of its own. From February 23 to 24, Indian Foreign Secretary Vijay Gokhale visited Beijing for diplomatic consultations. During the visit, Gokhale held talks with senior Chinese officials, including Wang Yi and Yang Jiechi. Yang said that China is willing to work with India to implement the consensus reached by the two countries' leaders, maintain high-level exchanges and enhance strategic communication and practical cooperation. Wang also expressed his hopes that India will handle sensitive issues with prudence and work toward the mutual goal of promoting the healthy development of China-India relations. The good will of both Yang and Wang was positively received by Gokhale.

In early March, India's Ministry of External Affairs spokesperson Raveesh Kumar said that India is "willing to work with the Chinese side to develop relations based on commonalities while dealing with differences on the basis of mutual respect and sensitivity to each other's interests, concerns and aspirations." He added that as "two major countries and large economies, relations

between India and China are not just important bilaterally, but also have regional and global significance." In response, Lu Kang, spokesperson of China's Foreign Ministry, stressed that the Chinese side "wishes to work with India to take the important consensus between the two leaderships as guidance to improve mutual trust, enhance mutually beneficial cooperation, manage differences and ensure the correct track for the development of relations."

On March 20, Modi congratulated Chinese President Xi Jinping on his reelection and expressed his hope of working with China to enhance high-level exchanges, deepen bilateral ties, and strengthen coordination and cooperation in international affairs to foster a closer developmental partnership.

On March 24, in an interview with the *South China Morning Post*, Indian Ambassador to China Gautam Bambawale outlined India's policy stance toward China, stressing that India does not see China as a rival or competitor but rather as a partner in progress and development. On March 22 and 23, the 11th Meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs was held in New Delhi. The two sides vowed to continue enhancing communication and coordination in a constructive manner, strengthen frontier defense exchange and cooperation, push forward the building of trust measures, and properly handle border issues so as to jointly maintain peace and tranquility in the border areas and create favorable conditions for the healthy and stable development of Sino-Indian relations.

Also on March 24, the Chinese Ministry of Commerce and the Indian Ministry of Commerce and Industry jointly organized a promotional event in New Delhi for the China International Import Expo to be held in Shanghai in November, and a signing ceremony for India-China trade cooperation projects. During the function, a total of 101 trade agreements worth a total of \$2.4 billion were signed. At the invitation of Indian Minister of Commerce and Industry Suresh Prabhu, Chinese Minister of Commerce Zhong Shan attended the 11th India-China Joint Economic Group meeting on March



Local staff work at the manufacturing plant of China's Haier Group in Pune City, India's Maharashtra State, on December 24, 2017

26 in New Delhi, exploring ways to deepen practical bilateral trade cooperation. Indian representatives expressed interest in the experience of China's special economic zones and welcomed investment by Chinese firms.

Mutual interests

Throughout the development of Sino-Indian relations over the past 68 years since the establishment of diplomatic ties between the two sides, China has made significant contributions to the geniality of the present situation by sticking to principles of friendship and hard work. China has sustained friendly cooperation with India, encouraging positive aspects of the relationship while reducing negative ones.

While some disputes remain between the two countries, bilateral ties have seen considerable developments across recent decades. In 1972, China introduced the principle of "shelving disputes and developing relations" to improve Sino-Indian ties. In 1988, after 16 years of patience by the Chinese side, then Indian Prime Minister Rajiv Gandhi paid a visit to China, marking India's overdue acceptance of this basic concept.

By 2017, the volume of trade between the two countries reached a record high of \$84.4 billion, in sharp contrast with almost zero in the early 1980s. Now the two sides enjoy frequent high-level exchanges, close ties between peoples and coordination on major global issues. Moving forward, in light of sensitive issues such as border disputes, some small degree of friction in the development of bilateral ties cannot be ruled out, but friendly cooperation will likely remain the core of Sino-Indian ties.

At present, the deepening of political trust between China and India is needed most. The two countries should continue to develop their tradition of amiable exchange, pushing for trust, dialogue and cooperation while controlling disputes and dropping suspicions. In order to improve political trust, India must change its old mindset. China poses no threat to India, and China's friendly and cooperative relations with other South Asian countries bring no harm to Indian interests.

In fact, India is seeing with increasing clarity the intention of external forces, heightening vigilance toward the Trump administration's foreign and military strategies and emphasizing its

traditional independent stance in its diplomatic practices. This will mark a return to a balanced strategy in India's diplomacy with major powers. At the same time, India stands against U.S. trade protectionism. With a "trade war" between China and the United States developing, there is little room for optimism about the world's economic future, and India's economic growth would be hard hit by damage to free-trade principles and shrunken markets.

New Delhi's recent cordial gestures toward China also demonstrate India's recognition of China's global importance and the significance of the Sino-Indian strategic and cooperative partnership. After all, regardless of strategic choices or diplomatic needs, both nations benefit from stabilizing ties and solving disputes. This year, the two countries' top leaders will meet at platforms including the Shanghai Cooperation Organization Summit, the BRICS Summit and the G20 Summit, suggesting that the relationship between China and India is set to improve even more. ■

Copyedited by Laurence Coulton
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Valuing Craftsmanship

New policies aspire to bring more benefits to China's skilled workers By Lu Yan

Judging from his appearance, 23-year-old Ning Xianhai could easily be mistaken for a college student, but he is in fact a world champion in his trade.

In October 2017, Ning stepped onto the podium of the 44th WorldSkills Competition in Abu Dhabi, the United Arab

Emirates, having secured a gold medal for welding.

"I've put in six years of effort for today. After competing with international counterparts, I feel more confident about China's welding industry," Ning said on his social media account a few hours after re-

ceiving the honor.

At the Abu Dhabi skills Olympics, the Chinese team participated in 47 categories, winning a total of 15 gold medals, including Ning's. It was the best haul since China first started sending a delegation to the competition in 2011.



Workers produce lithium batteries at a science and technology company in Lianyungang, east China's Jiangsu Province, on April 9

In recent years, China has been putting more emphasis on cultivating skilled workers as a major aspect of the Made in China 2025 strategy introduced in 2015, aimed at boosting innovation in the manufacturing industry and switching from low-end manufacturing to value-added production. The policy requires more highly-skilled industrial workers.

In January this year, a guideline for improving the treatment of skilled workers was adopted at the second meeting of the Leading Group for Deepening Overall Reform of the 19th Communist Party of China (CPC) Central Committee, confirming that incentives and reforms are to be introduced to improve the domestic environment for skilled workers.

The guideline dictates that the income of skilled workers will be elevated through an incentivized wage distribution system. Workers are also encouraged to attend vocational training, which can further improve their technical skills and lead to better pay. Policies on holiday entitlement are also earmarked for improvement.

Tang Tao, Vice Minister of Human Resources and Social Security, said at a press conference in March that managerial personnel aside, the key to implementing the Made in China 2025 strategy is professional and skilled workers, who can be the driving force to push the country's manufacturing sector higher up the value chain.

"China's front-line industrial workers, especially highly skilled ones, are a vital force," Tang said.

An unpopular choice

According to statistics from the Ministry of Human Resources and Social Security, by the end of 2017, there were 165 million skilled workers in China, accounting for 21.4 percent of the country's 770 million strong workforce. Among those, only 47 million are considered highly skilled workers, or employees who have passed national exams or attained professional qualifications.

Lu Guoquan, head of the Research Office of the All-China Federation of Trade Unions, told *Science and Technology Daily* that both the quality and the quantity of skilled personnel need to increase.

New recruits are needed too, but hope does not always accord with reality. Based on surveys and research,

Zhu Yongxin, Vice Chairman of the China Association for Promoting Democracy, one of the Chinese mainland's eight non-communist political parties, said that young people are reluctant to undertake industrial work for multiple reasons. Workers in the manufacturing industry are perceived as having a relatively unattractive wage and enduring harsh working environments, with fewer opportunities for promotion and low social status.

"I would rather be a courier than an industrial worker. They are both difficult jobs, but at least I think I can make more money in the delivery business," Xiao Qiu, a 22-year-old rural migrant currently living in Beijing, told *Beijing Review*.

Besides, the traditional mentality of placing more emphasis on academic achievements than practical and technical abilities is also a key reason that younger generations shun manual work, according to Li Shouzhen, a member of the Chinese People's Political Consultative Conference (CPPCC) National Committee, who proposed a workforce of higher quality during the annual plenary sessions of the National People's Congress and the CPPCC National Committee, commonly known as the Two Sessions in March.

At the institutional level, the present system of vocational education in China is struggling to adapt and cater to the changing demands of industries and the market, making it harder to train more quality skilled workers.

Lu believes that some state-owned companies have already begun investing more in training their employees because they understand the importance of cultivating skilled technical workers, while many private companies do not want to spend money on training. "When private companies need highly-skilled workers, they would rather pay a large amount of money to hire employees from other companies. However, those skilled workers won't stay long because the overall technical level of the company is low, which is not suitable for the development of their career," he added.

Elevated status

Zheng Que is a 35-year-old senior skilled worker at CRRC Changchun Railway Vehicles Co. Ltd., a state-owned enterprise. His daily work consists of inspecting and

pairing high-speed trains. After attaining a senior skilled worker certificate, he became a key figure at his workshop as the only employee able to solve certain problems.

However, with greater skill comes greater responsibility. During the peak season, it is the norm for Zheng to stay at work until 9 or 10 o'clock at night as well as on weekends. "I need to be 120 percent committed to my job or passengers on the train will be in danger," Zheng told *Beijing Review*. "During these periods, I can lose over 10 kg because of the heavy workload."

Yet Zheng's wage is not proportional to his hard work. He said that the senior skilled worker certificate only brings him an extra 40 yuan (\$6.36) a month than before, and he still only earns around 5,000 yuan (\$794.69) a month, below the city average of 5,989 yuan (\$951.87) based on data released by Zhipin.com in March.

Zheng feels motivated by the impending release of the new policy. "This shows that the country is attributing more importance to skilled workers. I hope that the policy can be implemented as soon as possible so that we can start to see tangible benefits," he said.

Wang Gejun, a 49-year-old lathe machine operator at a private company echoed Zheng, describing the new policy as recognition for the toil of industrial workers as it states that the government will help workers gain a sense of honor and a higher social status by various methods.

Technical and technological innovation is also a key aspect of the guideline, with highly skilled workers encouraged to participate in national scientific research projects. The hope is that the number of these workers being recommended for national innovation awards will rise. The government also plans to create more opportunities for skilled workers to attend international exchanges and industrial exhibitions so as to learn from advanced practices around the world.

Tang said that the recent decision on improving the income and treatment of skilled workers will serve as motivation for them to perfect their trades. "If their skills are elevated, the quality of China's manufacturing and services will go up, too. It's a virtuous circle," he said. ■

Lost in Protectionism

Proposed U.S. trade war against China will not solve its economic woes **By Mei Xinyu**



The author is an op-ed contributor to *Beijing Review* and a researcher with the Chinese Academy of International Trade and Economic Cooperation

On March 22, U.S. President Donald Trump signed a memorandum targeting China's so-called "economic aggression," threatening to impose tariffs on up to \$60 billion of imports from China based on an investigation into alleged Chinese intellectual property and technology transfer practices under Section 301 of the U.S. Trade Act of 1974. He also directed the U.S. Treasury Department to propose restrictions on Chinese investment in the United States.

While warning that the Chinese side will fight to the end in any trade war, China on April 2 launched a countermeasure in response to a previous U.S. move to impose tariffs on steel and aluminum imports. The Ministry of Finance announced the suspension of tariff concessions on 128 items of U.S. products.

Subsequently, on April 4, the Office of U.S. Trade Representative (USTR) published a proposed list of approximately 1,300 Chinese goods worth \$50 billion subject to additional 25-percent tariffs. China responded on the same day with additional tariffs of 25 percent on 106 items of U.S. products under 14 categories of the same value. The following day, Trump said he had asked the USTR to consider imposing tariffs on \$100 billion of imports from China. In response, China said it has prepared detailed countermeasures.

A possible trade war between the world's two largest economies has led to fluctuations in global financial markets. It will definitely be the most influential event in international trade in 2018 if the war occurs.

With decades of development, today's China is strong enough to impose at least the same level of damage to the United States—which is provoking a trade war—and it is willing to use this strength if necessary. However, a trade war is never

good for any side. Moreover, it is a daydream to imagine the reconstruction of a domestic real economy by relying on protectionism rather than reform. To avoid this no-win prospect, the best thing the United States can do is to withdraw from its protectionist measures.

Unfounded accusations

The allegations against China in the Section 301 investigation launched by the Trump administration in August 2017 are untenable. When China drafted its regulations on technology transfer, it took the Draft International Code of Conduct on the Transfer of Technology in 1985 as a reference point. The United States participated in the drafting of this UN code, thus, China is conforming to international practices.

Moreover, intellectual property rights (IPR) are not supreme, with internationally recognized standards in place to prevent their abuse. In the Agreement on Trade-Related Aspects of Intellectual Property Rights of the World Trade Organization (WTO), many articles authorize member states to adopt necessary measures to protect their public interests and prevent IPR holders from abusing their rights.

Particularly it encourages technology transfer to developing countries and allows possible compulsory measures if necessary. For instance, Article 8 states:

1. Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.

2. Appropriate measures, provided that they are consistent with the provisions of this Agreement, may be needed to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology.

Regarding technical cooperation, Article 67 states:

In order to facilitate the implementation of this Agreement, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in favor of developing and least-developed country Members. Such cooperation shall include assistance in the preparation of laws and regulations on the protection and enforcement of intellectual property rights as well as on the prevention of their abuse, and shall include support regarding the establishment or reinforcement of domestic offices and agencies relevant to these matters, including the training of personnel.

So, whether the U.S. unilateral Section 301 investigation has been launched to prevent the abuse of IPR, inappropriate trade restrictions and unfavorable influence on international technology transfer or not, it is not difficult to draw a conclusion.

Trump's intentions

To accurately predict the results of the possible trade war and its ultimate social and economic impact, we have to make a calm and objective analysis of the concerns of Trump.

Trump's philosophy can be summed up as "mercantilism being better than protectionism." Raising the flag of "America first," he is paying unprecedented attention to the reconstruction of the U.S. real economy compared to his predecessors over the past few decades. As a result, in his first National Security Strategy report, he listed economic security as one of the four pillars of national security.

Trump is the first U.S. president to clearly state that "national security means economic security." His "blue water" foreign policy emphasizes unilateralism and an almost total disregard of the Atlantic world and the institutional web that developed among the Cold War allies. As Walter Russell Mead, a fellow at the Hudson Institute and the James Clarke Chace Professor of Foreign Affairs and Humanities at Bard College, said in *The Wall Street Journal*, "Blue-water strategists in the Trump national security team believe that it is American power, not multilateral

institutions, that keeps the West afloat. If challenges to American power from countries like China, Russia, Iran and North Korea are successful, the wider West will weaken and crumble.”

Trump is not only continuing and escalating the path of indifference toward the WTO initiated by Barack Obama, but he is also demanding that it be significantly revised. Meanwhile, he has already withdrawn the United States from some existing regional free trade agreements. Trump appears to prefer bilateral trade agreements and has a penchant for provoking trade disputes.

However headstrong Trump may seem to be, he must stand the test of economic rules. Many of his ideas are destined to fail. For example, launching trade wars to force trading partners' acceptance of market access conditions favorable to the U.S. side is one such idea bound for failure. The proposed trade war against China is based on this pipe dream.

Trump hopes to convince manufacturing jobs to return to the United States

and narrow the country's trade deficits. However, if he doesn't thoroughly reform the welfare and trade union systems in the United States, he will never realize this goal. Continued economic prosperity and a salary increase after tax reform will help stimulate U.S. imports while expanding the country's current account deficits. Moreover, China's national strength is big enough, and even though Trump's tough style may force most other countries to yield, it will not work with China.

In the first year of Trump's presidency, some of his schemes that ran counter to economic rules didn't have enough time to be rebuffed in practice, but now in his second year, such ideas will run into a brick wall. The trade war he wants to start against China may be the first such rebuff.

Negative effects

After the subprime crisis in 2008, U.S. economic recovery has continued for nearly eight years. By the end of the first quarter of this year, the

country had seen its second longest economic growth spell in modern times. Its economic growth is also accelerating. Throughout 2017, the U.S. economy grew 2.3 percent year on year, and in the fourth quarter, it rose 2.5 percent. However, in good fortune lurks bad luck.

The economic cycle is inevitable and decline will definitely come. Particularly, on the U.S. stock market which has remained bullish throughout this round of recovery, there have been countless bubbles. When will these bubbles burst? How will these problems affect Trump's governing capabilities, reelection prospects and new measures to address trade wars?

The U.S. stock market appears to be particularly fragile against the impact of a trade war between China and the United States. On April 2 and 4, the U.S. stock market, global stock markets and even commodity markets all took a dive, especially after the USTR published its proposed tariff list on Chinese products on April 4. If Trump is to really put the list into effect and levy punitive tariffs, it will inevitably intensify the inflation pressure on the United States, forcing the U.S. Federal Reserve to raise its benchmark interest rates, which in turn will lead to a crash landing of the U.S. stock market.

One of the significant reasons Trump wants to launch a trade war against China is to garner greater support in the midterm elections taking place in November. But because of his ill-founded motives and many weak areas of the United States in a possible trade war against China, Trump may not benefit from his actions. In fact, China's retaliation may prove to undermine Trump's base of support. Most of the automobiles and farm produce on China's list of 25-percent retaliatory tariffs are produced in the states that heavily supported Trump in the 2016 general election.

Beyond all question, as the largest goods exporter in the world, China will be immediately affected by the anti-globalization trend and a trade war. However, in a larger context, as an emerging major country, China will benefit most in the long run from healthy competition with the United States—an established power—because moderate external competition pressure will encourage self-improvement and self-renovation. ■



A farm in Iowa, the second largest agricultural state in the United States and a major source of China's soybean imports

Copiedited by Rebeca Toledo
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A Game With No Winners

Open and free trade is in the interests of China, the U.S. and the world By Michael Zakkour



The author is vice president of the China and Asia Pacific Practice at consulting firm Tompkins International

In October 1929, the U.S. stock market crashed. Over the course of the following weeks and months, billions of dollars in wealth evaporated, banks failed, companies collapsed, and millions of ordinary people in the United States and around the world lost almost everything and were left unemployed. The Great Depression had begun.

In the U.S. the immediate response was an attempt to protect American industry and agriculture as the Smoot-Hawley Tariff Act was signed into law on June 17, 1930. The act established an isolationist trade policy for the United States by increasing tariffs on more than 20,000 imported products.

While the act was being deliberated, governments from around the world protested, warning of retaliation. More than 1,000 U.S. economists signed a letter urging President Herbert Hoover, who was himself against the act, to veto the bill. Ultimately Hoover gave in to party pressure and signed.

Countries from around the world hit back with tariffs on U.S.-made products, and a hot trade war resulted.

The almost universal view among historians and economists is that Smoot-Hawley and the resulting global trade war intensified and prolonged the Great Depression. Tens of millions of workers, farmers, craftsmen and small business owners suffered for more than a decade. Then came World War II, and the mass destruction that was brought to Asia, Europe and the global economy with the exception of the U.S., where the war effort finally revived the economy.

In the aftermath of these events, a

consensus emerged that the best way to ensure that prosperity spread, and peace be maintained, was through a new way of thinking about trade, globalization, and methods for governments and companies to do business with each other.

Reset for shared prosperity

In the wake of these twin shocks to the world, there was a clear need to rebuild the global economy. The United States made a 180 degree turn and embraced free trade, slowly at first, because other nations needed to be encouraged to adopt the model. From Bretton Woods, where the first commercial and financial relations among nations were negotiated, to the establishment of the North American Free Trade Agreement (NAFTA), the world's current arrangements slowly emerged.

New global financial institutions, the globalization movement, and trade pacts established from the immediate post war period through the 2000s have been the bedrock of global peace and prosperity for 70 years. To date there still has not been a major power conflict in the free trade and globalization era.

Overall, the results have been positive for the world with billions of people released from poverty, developing nations blossoming and sharing more equally in the fruits of wealth, and innovation and technological progress taking off.

However, as with any major systemic change, there were also very real downsides to the new order. Not enough thought or planning went into how people and businesses around the world facing disruption and unemployment should be taken care of and transitioned into new models and modes of income. Technology, automation, more efficient markets and free trade, while positive overall, did leave some behind.

For those left behind, especially in the West and East, a perception began to develop that free trade was only benefitting corporations and elites, that if "they win, we lose." These feelings are real and must

be addressed.

Former U.S. Treasury Secretary and President of Harvard University Lawrence Summers has written extensively on this subject in recent years. In a landmark admission that the concerns of everyday people needed to be addressed for free trade and globalization to progress and succeed, Summers wrote in a 2016 editorial in the *Financial Times* that "Certainly, a substantial part of what is behind the resistance is lack of knowledge. No one thanks global trade for the fact that their pay check buys twice as much in clothes, toys and other goods as it otherwise would. Those who succeed as exporters tend to credit their own prowess, not international agreements. So, there is certainly a case for our leaders and business communities to educate people about the benefits of global integration. The core of the revolt against global integration, though, is not ignorance. It is a sense, not wholly unwarranted, that it is a project carried out by elites for elites with little consideration for the interests of ordinary people—who see the globalization agenda as being set by big companies playing off one country against another."

It is hard to argue against this being the case. It is the responsibility of the majority who have benefited from our interconnected world to educate and help those who have not shared equally in its fruit.

Bluffing to the brink

The winds are now carrying the rhetoric of nationalism and protectionism around the world. The U.S. executive branch is touting "America first," Brexit is plowing ahead, and nationalism is on the rise in Europe and Asia. These are all dangers to the evolution of global interconnectedness and prosperity.

Most profoundly, tensions and destructive rhetoric between the United States and China are intensifying. President Trump began by promising to fulfill his campaign promises to roll back free trade. His administration began by leaving the Trans-Pacific Partnership, before turning its attention

to NAFTA and most recently threatening a trade war with China.

In response, China has threatened to retaliate in kind and has proposed a broad array of countermeasures against the United States.

In an editorial published on April 11, CEO of Alibaba Group Jack Ma framed the current situation as follows: "China is shifting its economy from the world's largest exporter to the world's largest consumer. Chinese citizens now have the wealth and income to pursue discretionary spending. They want to buy high-quality imported food, cosmetics, fashions and health and wellness products for themselves and their children... Last year, President Xi Jinping said at the World Economic Forum that over the coming five years, China will import \$8 trillion of goods. It is therefore ironic that the U.S. administration is waging a trade war at a time when the largest potential consumer market in the world is open for business. Is America going to forfeit this opportunity?"

It is yet to be determined how much the recent back and forth is posturing, bluffing and foundation building for posi-

tive negotiations or how close the world really is to an all-out trade war.

Cooler heads

Over the last few days things have, on the surface at least, started to move in a more positive direction. It is apparent that the best and brightest business, political and financial minds in the U.S. and China are calling for negotiations, discussions, and solutions that will ensure the recent tensions shift toward compromise.

President Xi's remarks at the opening of the Boao Forum for Asia Annual Conference 2018 are a step toward de-escalating tensions between the United States and China. He correctly points out that trade balances are not the best measure of cooperation and prosperity and that China is nonetheless open to mitigating imbalances.

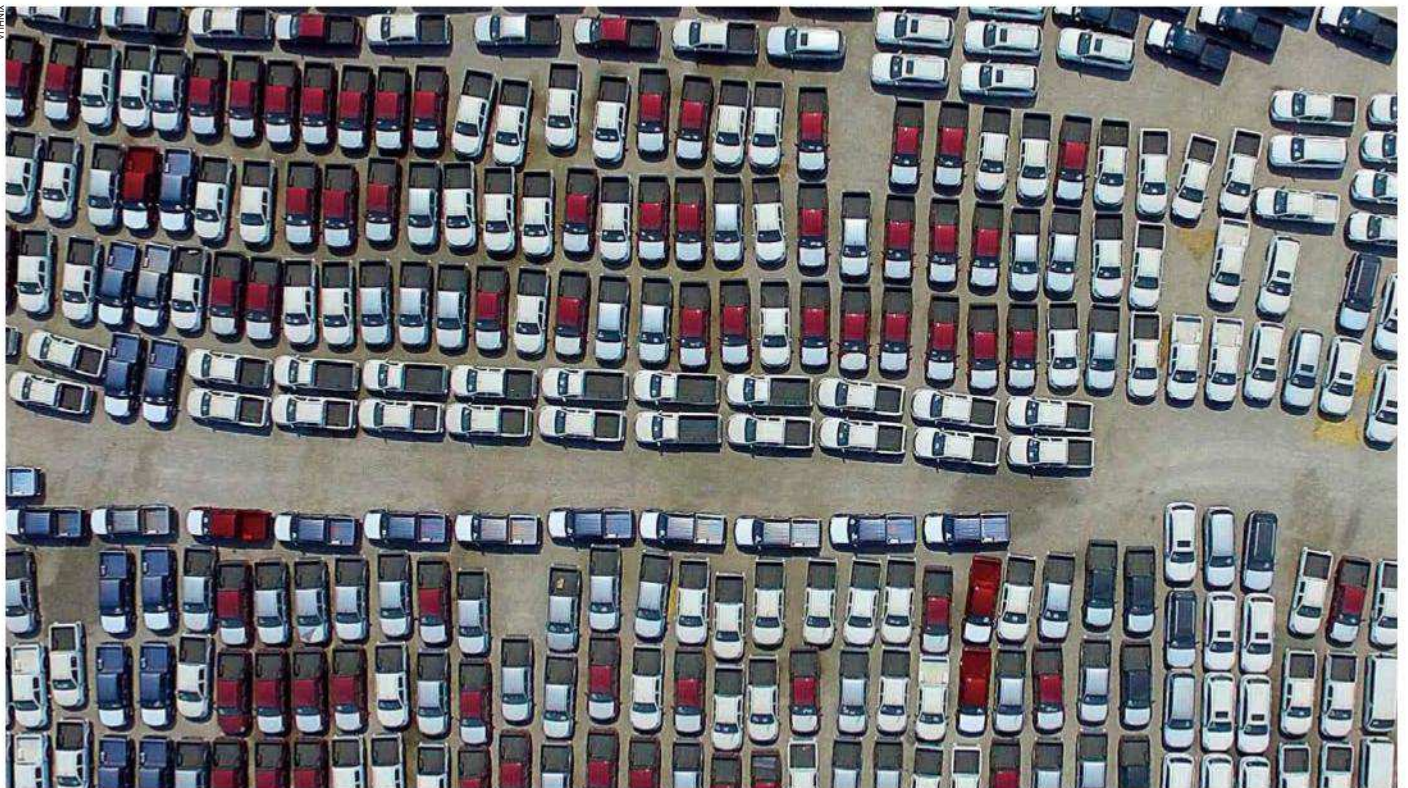
With consumption, technology innovation and services the pillars of China's future economy, ensuring open and free trade, and the protection of intellectual property is in China's, as well as the world's, best interests.

President Xi also noted that fair and balanced trade is a two-way street and that China asks that other countries act to ensure growth by reconsidering restrictions on Chinese exports, especially in the technology sector. Hopefully the speech is a sign that recent rhetoric and threats are receding and that the tension has been a catalyst for construction, rather than dismantling, of the important bilateral relationship between the United States and China.

The U.S., the EU, India and the rest of the world's major powers and economies should use this moment of crisis to build upon, rather than erode, the interconnected nature of business, trade and consumption.

Hopefully, populism and nationalism will recede because ultimately the same people calling for an end to free trade will ultimately be hurt most by its demise. That was true in 1929, and it would be equally as true today. ■

Copyedited by Laurence Coulton
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Imported cars at the China (Tianjin) Pilot Free Trade Zone in the northern port city of Tianjin on April 21, 2017

Choosing Sides

A fair and just European Union will not side with the United States in Sino-U.S. trade dispute

By Xu Xiujun



The author is an associate research fellow at the Institute of World Economics and Politics, Chinese Academy of Social Sciences

On March 22, Donald Trump signed a memorandum, invoking Section 301 of the 1974 Trade Act, announcing U.S. plans to impose tariffs on \$60 billion of Chinese imports, lodge a dispute with the World Trade Organization (WTO) over China's technology licensing and restrict China's investment in strategic industries and technologies.

From March 23, the Trump administration began imposing a 25 percent tariff on imported steel and 10 percent on aluminum imports. At the same time, Trump further exempted the European Union (EU), Australia, Argentina, South Korea, and Brazil, albeit only through May 1, 2018.

It is suspected that Trump's tariffs are intended to launch a trade war against China. Theoretically, there are three possible roles that the EU might play in such a dispute.

Potential scenarios

It is possible that the EU might act as an opponent to the United States' tariffs. This would be a hard decision for the EU to take, standing against the United States in the context of the current relationship between the two. Judging from the current countermeasures that the EU is committed to adopting, retaliation is on the cards, but the EU also hopes to reach a compromise in the hope of securing a long-term exemption.

This is also a reflection of the EU's ambivalence when it comes to the United States. However, as one of the world's most

important economies, it remains possible that the EU might act responsibly and take appropriate countermeasures against the U.S. tariffs.

Another potential scenario is that the EU looks to benefit from Sino-U.S. confrontation without getting involved. An economic and trade confrontation between the United States and China can only result in the destruction of both sides. However, countermeasures by either of the two economies would seriously degrade the international economic and trade environment. No economy in the world can emerge from such an outcome unscathed.

As a bystander, the EU would marginalize its position in the world economic and political system and lose its voice on major world affairs. Obviously, this is not something which the politicians of EU countries seek.

It is also possible that the EU will join the U.S. camp and act as an accomplice in seeking to restrict China. Assuming a role as an active ally would consolidate the EU's traditionally close relationship with the United States, but would surely be counterproductive if the cost were an all-out confrontation with China.

China is the EU's second largest trading partner after the United States. According to data from the European Bureau of Statistics, in 2017 China's trade with the EU reached 573 billion euros (\$704 billion), only 58 billion euros (\$71 billion) less than with the United States. Moreover, the continued expansion of the Chinese market offers additional momentum for China-EU trade relations. In 2000, China represented 5.5 percent of the EU's total trade. That proportion had almost tripled by 2007, rising up to 15.3 percent, while China has since become the largest trading partner of major EU member states such as Germany.

There is still great potential for trade

cooperation between China and the EU, with much room for improvement in bilateral trade relations. Therefore, opposing China regardless of international rules and morality simply for the benefit of an historical alliance with the United States would be a risky move for the EU to take.

Benefit analysis

On the one hand, as a guardian of the global system of multilateral trade, the EU has grounds to oppose any attempt by the United States to violate multilateral economic and trade rules. The EU is one of the original architects of current multilateral trade rules and holds an important position within the existing system. At present, all EU countries are WTO members and it is in the interests of the EU and its member states to maintain the status quo of global multilateral trade.

The U.S. Section 301 investigation of China is a unilateral act that is expressly prohibited by Article 23 of the WTO—Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). According to the WTO ruling and the U.S. commitment, the United States cannot determine whether other members' practices violate WTO rules through a unilateral 301 investigation. When dealing with WTO-related matters, the United States must take action in accordance with WTO rules and DSU rulings.

This investigation sets a dangerous precedent. If the world continues to abide this kind of behavior, it will do severe damage to the multilateral system of trade and throw international exchange into disarray. Although the investigation targets China, everybody loses in the end. The EU should therefore stand on the side of justice by strictly opposing and resisting the United States' measures which violate the basic



Chinese containers delivered via the Yixinou train, which runs between the Spanish capital Madrid and the Chinese city of Yiwu, are seen at a railway hub in the suburbs of Madrid on September 18, 2017

spirit and principles of the WTO.

However, primarily acting as the defender of its own interests, the EU will take measures to avoid any harm to its own economy by the new U.S. tariffs.

Although the EU is exempted from the new tariffs for now, this exemption is only valid until May 1 this year. Once it has expired, the EU will again need to apply to the United States to obtain approval before it can continue to enjoy exemption from tariffs.

In other words, when it comes to trade relations with the EU, the United States has a card that can be played in exchange for

EU support, although this sort of gamesmanship is unlikely to go down well with the EU. Unless the United States itself makes compromises, the EU has an incentive to oppose the United States measures.

Overall the most likely strategy that the EU will adopt is the implementation of proper countermeasures as circumstances evolve, so as to maintain its favorable position within the global system of trade. Whether motivated by morality or defending its own interests, the EU should not and will not take measures to hand money to those who do not play by the rules.

Even if the EU is unable to introduce

strong, active and effective countermeasures to uphold justice against the unilateral acts of the United States, its current proposals and initiatives are a barometer of the international community's stance on the issue.

In the trade war between China and the United States, the EU must be a dependable partner with whom China can strengthen cooperation. ■

The article was first published on Cnfocus.com
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OPINION

AIIB: Promoting Regional Integration

The Asian Infrastructure Investment Bank (AIIB), a multilateral development bank, has helped many Asian countries improve their infrastructure, deepen regional integration and accelerate poverty reduction, according to Supee Teravaninthorn, Director General of AIIB's Investment Operations Department.

"We have three mandates: sustainable infrastructure, regional connectivity and private capital mobilization. As the Chinese proverb says, 'Better roads lead to a better life,'" Teravaninthorn said.

AIIB promotes green infrastructure, helping countries to meet their environmental and development goals.

As far as regional connectivity is concerned, the bank prioritizes cross-border infrastructure, ranging from roads and rails, to ports, energy pipelines and telecommunications across Central Asia, the maritime routes in Southeast and South Asia, the Middle East and beyond, the AIIB official explained.

Concerning private capital mobilization, AIIB devises innovative solutions to catalyze private capital in partnership with other multilateral development banks, governments, private financiers and others, she said.

Teravaninthorn said that in its first year of operation in 2016, AIIB approved investment of \$1.7 billion for nine infrastructure projects in seven countries, including Pakistan, Bangladesh, Tajikistan, Indonesia, Myanmar, Azerbaijan and Oman.

In 2017, another \$2.5 billion worth of investment was approved by AIIB for projects in Egypt, Georgia, India, the Philippines and China.

AIIB has financed, approved or prepared funds for infrastructure projects in Greater Mekong Subregion (GMS) countries such as an energy efficiency improvement project in Myanmar and an air quality improvement project in China.

"The third project [in the six-member GMS] we are undertaking this year is in Laos with the improvement of the National Road No.13 and we are allocating \$40 million for this job. The next project we are discussing will be in Viet Nam, involving water resources, energy and sustainable city development. This project could start in 2018 or 2019," Teravaninthorn said.

AIIB has yet to finance projects in Cambodia and Thailand, but it is considering technical assistance for Cambodia's

electricity sector and potential projects in both the private and public sectors in Thailand, including one related to high-speed trains, she added.

"Even though we do not directly target poverty reduction, if we invest successfully in infrastructure, it has a trickle-down effect which benefits the poor," Teravaninthorn stated, noting that impoverished people can enjoy cheaper electricity charges with fewer or no blackouts if the electrical infrastructure is improved.

AIIB has helped facilitate infrastructure development and regional integration, bringing about positive direct and indirect results, including more efficient transportation and accelerated poverty reduction in many Asian countries. But the Beijing-headquartered multilateral development bank is sometimes accused of being dominated or controlled by China.

"Some people say, 'You are a Chinese bank. You are a Belt and Road bank. You are a Silk Road bank.' No, we are none of those things. AIIB's uniqueness lies in the fact that we really focus on Asia," Teravaninthorn stated.

AIIB marks the first time major shareholders of a multilateral development bank are developing countries. "The biggest shareholder (of AIIB) is China at 30 percent, followed by India at 10 percent," she said, noting that the major shareholders of the World Bank and the Asian Development Bank are developed countries.

"China doesn't want to borrow from AIIB, so that money can be utilized for other countries. It is very generous of the Chinese Government," Teravaninthorn acknowledged, adding that China reserved the right to borrow in the future for only two types of projects.

"The first is anything to do with climate change because we do not consider that a one-country obligation. It's a global obligation, and second is regional connectivity," the AIIB official said.

AIIB now has 84 members, which is a substantial increase from the 57 members at its inauguration in January 2016. ■



The signing ceremony held for AIIB's first project in China, the Beijing Air Quality Improvement and Coal Replacement Project, in Beijing on March 19

This is an edited excerpt of an article originally published by Xinhua News Agency
Copyedited by Rebeca Toledo
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NUMBERS

(\$1=6.29 yuan)

13.6%

Year-on-year growth of China's fiscal revenue in the first quarter of 2018

35%

Year-on-year decrease of Chinese direct investment in the United States in 2017

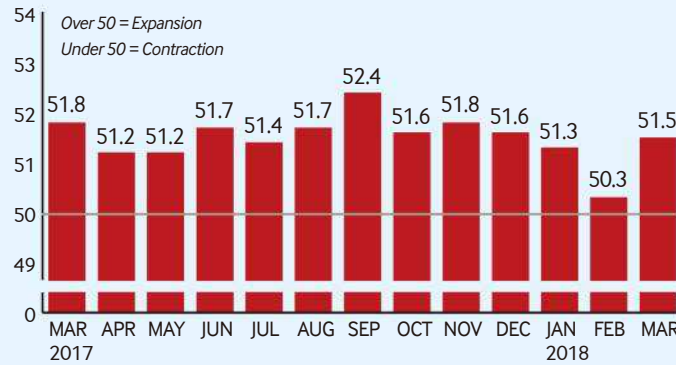
100 bln yuan

Planned investment by Chinese real estate conglomerate Evergrande Group in hi-tech sectors such as aviation, new energy, artificial intelligence and modern agriculture in the next decade

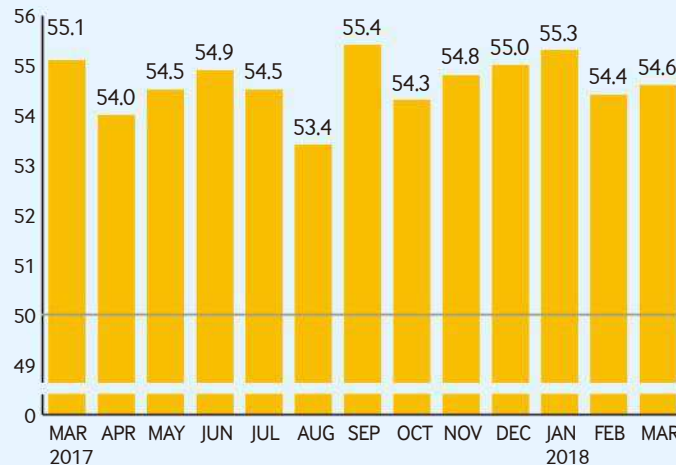
2.02 mln units

China's passenger vehicle sales in March, up 3.3 percent year on year

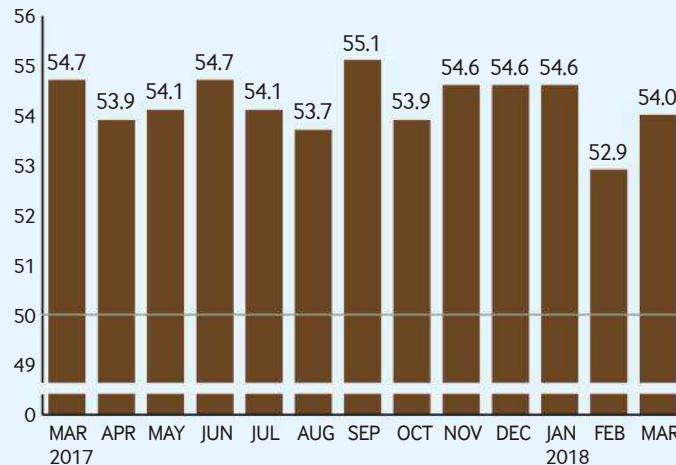
China's Purchasing Managers' Index (PMI)



China's Non-Manufacturing PMI



China's Comprehensive PMI



(Source: National Bureau of Statistics)

3.2%

Hong Kong's projected economic growth in 2018, according to the Asian Development Bank

53.4%

China's logistics performance index for March, up from 50 percent in February

16 bln yuan

Investment by FDG Electric Vehicles Ltd. in a 400,000-unit new-energy vehicle plant in southwest China's Sichuan Province

19.9%

Proportion of the Philippine's total imports that came from China in February

ACRE: Transforming the Prospects of the Coking Industry



The coking project of the Formosa Ha Tinh steel factory in Viet Nam's Vung Ang Economic Zone

Rising sea levels, frequent acid rains, days darkened by heavy smog, all these intractable problems conspire to blight the living environment of humankind. A solution admits of no delay.

Metal smelting, an indispensable process of economic development, has long been pinpointed as a major culprit behind this degradation, while coke, a vital fuel that provides energy for metallurgy, is known for its role in consuming energy and emitting pollutants. As the largest iron and steel making country in the world, China looks poised to resolve the dilemma with a significant breakthrough in coking technology developed by state-owned enterprise ACRE Coking & Refractory Engineering Consulting Corporation, in the form of a 7-meter, top-loading coke oven.

Industry pioneers

Also known as high temperature carbonization, coking is a process which heats coal to above 1,000 degrees Celsius in the absence of air. Through destructive distillation, a series of products are generated, including coke, coal gas, coal tar and other chemical substances. Of these, coke

is the most essential ingredient for smelting iron in a blast furnace as a source of heat, a reducing agent and a structural supporter.

"So far, there has been no alternative to coke in large-scale metallurgy. The global coking industry is experiencing an annual sales growth of more than 1 trillion yuan, while nearly 600 Chinese coke makers produce 450 million tons every year," said Wang Mingdeng, assistant chief engineer of ACRE, the pioneer and frontrunner of China's coking sector.

Founded in 1953, the company was originally set up to assist the development of Ansteel, the originator of China's iron and steel industry. Now, its business model is structured around engineering, procurement and construction and its main line of business is engineering design, including coking chemistry, fireproof materials, lime, automatic control, municipal engineering and environmental engineering.

As a global, technology-oriented player providing comprehensive engineering construction services and operation maintenance, the company has built more than 2,000 coke ovens, over 300 fireproof material

factories and 400 lime kilns, with a total annual capacity exceeding 400 million tons, 8 million tons and 60 million tons respectively.

"Whether in terms of annual revenue, construction volume or the number of professionals, ACRE leads the world," said Wang. For instance, there are roughly 1,500 technicians and experts specializing in coking-related consultation and design worldwide, with at least half of them working for ACRE.

Insurmountable task

Stepping into the new century, China's metallurgical industry witnessed rapid expansion, and at the same time the Chinese Government began to attach great significance to energy conservation and the reduction of emissions. In 2004, the Ministry of Environmental Protection formulated a new set of emission standards for the coking industry.

However, since the equipment employed by domestic manufacturers was unable to meet the technological requirements, the standards, although finished, were not immediately released. "Then, China's coking technology and equipment lagged behind those of Germany and Japan by at least 25 years," said Wang.

At that time, the average annual output per coking company in Germany and Japan was 1.8 million to 2.2 million tons, while Chinese institutions produced on average only 250,000 tons. Smaller volume and lesser technology meant more emissions and higher consumption of energy and resources.

"Technological blankness forced many domestic iron and steel companies to import super large volume coke ovens, primarily those exceeding 7 meters in

height," said Wang. In this way, investment per ton of production capacity increased by 200 yuan, but the imported equipment was poorly suited to domestic conditions.

"These foreign-manufactured coke ovens require the proportion of strongly caking coal to account for no less than 60 percent. Otherwise, graphite will accumulate in the carbonization chamber and ascension pipe, blocking normal production. Yet strongly caking coal does not abound in China, and importing it from other countries would greatly increase the cost," said Wang.

In 2008, ACRE joined hands with Ansteel and the University of Science and Technology Beijing, submitting an application to the Ministry of Science and Technology for a key project under the 863 Program to conduct technological research on a super volume top-loading coke oven. Three years later, the technology was independently developed and successfully applied to the fourth phase of Ansteel's demonstration project. As a result, the government's emission standards were finally put into effect in 2012.

Enormous benefits

After breaking the technical bottleneck, it was not long before ACRE developed a

7.65-meter coke oven and won the bid for the coking project on the second phase of the Shougang Jingtang iron and steel factory. Today, the technology has been employed in the construction of 132 coke ovens with a total capacity of 98 million tons, while over 16 billion yuan of engineering investment has been saved.

Moreover, thanks to the breakthrough, the proportion of large coke ovens in China has been raised by 37 percent, and the average production capacity per coke producer has been expanded by 380 percent, saving a total of 12.9 million tons of high-quality coking coal every year and reducing emissions of nitrogen oxides and carbon dioxide by 45,000 tons and 1.73 million tons annually.

"The key to increasing the height of the coke oven from 6 meters to 7 meters lies in how to evenly heat it, reducing energy consumption and nitrogen oxides emissions," said Wang.

If the oven is heated unevenly, a large volume of nitrogen oxides will be produced. Yet, the larger the oven, the more difficult it is to heat it uniformly. To solve this technical difficulty, experts and technicians at ACRE delved into the chemical mechanism of nitrogen oxides, establishing a three-dimensional mathematical model

covering the carbonization chamber, firebox and heat storage system, before finally developing a controllable multi-tiered system.

The system has made possible even heating, lower energy consumption and the reduction of emissions all at once. In addition, the construction of a 7-meter, top-loading coke oven developed by ACRE costs 300 million to 400 million yuan less than one imported from Germany.

"The conversion of the technology into economic benefits has been unprecedentedly quick. It has already been applied in 47 domestic and overseas engineering projects, including those run by Baowu Steel, Ansteel and Hebei Steel," said Wang.

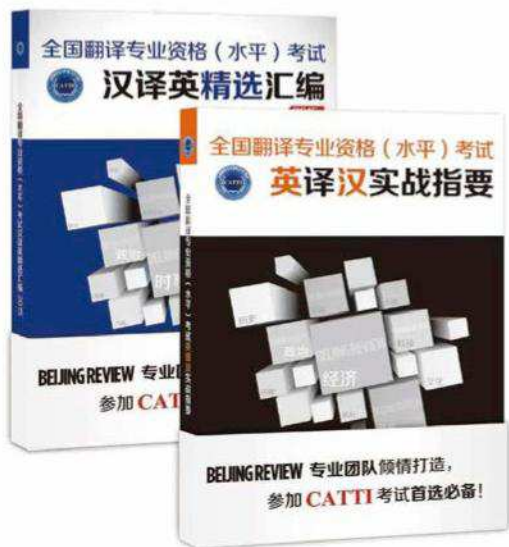
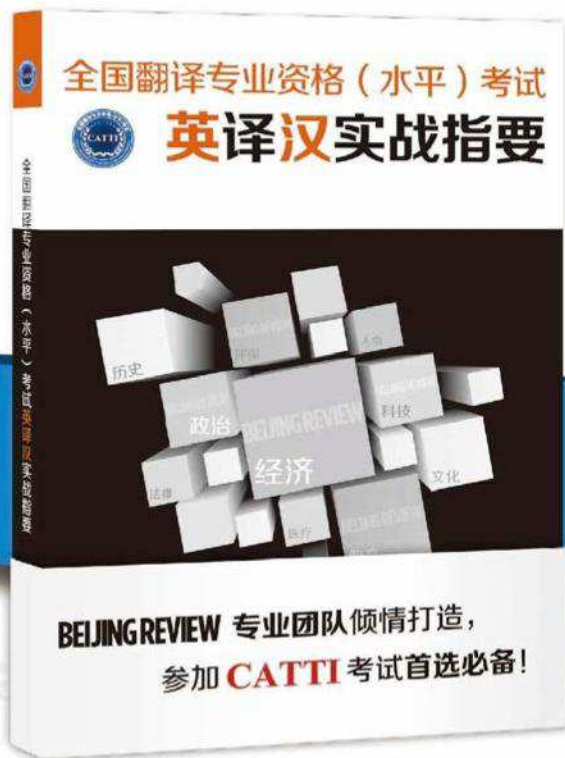
In December 2016, the No.2 coke oven of the Formosa Ha Tinh steel project came into production, marking the debut of the 7-meter, top-loading coke oven developed by China overseas.

"With the trend of international capacity cooperation, ACRE is leaving no stone unturned in pitching the technology to the overseas market. Now, the company is conducting technological cooperation with partners in Russia, India, Japan and Turkey," said Wang.

The coking and coal gas refinery of an iron and steel factory in Zhanjiang, south China's Guangdong Province



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Yuan Jianglei at the foot of the Atlas Mountains in Morocco

Pedaling for a Cause

A Chinese adventurer cycles through Africa to raise money to power a village in Benin By Li Jing

Yuan Jianglei, 27, is one of a handful of people who can say they have cycled through Africa completely solo. Beginning his epic adventure in the West African country of Benin, Yuan finished 10,544 km and 333 days later in his hometown of Ningbo, east China's Zhejiang Province. The journey, which came to a celebratory end in September 2017, took him through 16 countries.

"This was an amazing experience," Yuan told *Beijing Review*. "Personally, I love outdoor sports. I can have greater freedom, look at the varied scenery and experience different cultures and lifestyles, especially in

Africa, a continent which is very dear to my heart."

The ride was underpinned by a charity program initiated by Yuan, aimed at improving local people's access to drinking water and electricity in Benin, a country where Yuan had worked as a Chinese teacher for more than two years.

After graduating from Chongqing Jiaotong University in southwest China, he applied to the Confucius Institute Headquarters for a volunteer job and was sent to teach Chinese at the University of Abomey-Calavi in south Benin in 2014.

During his two-year stay, Yuan was able

to travel widely and grew to love the country. On the one hand, he was awed by its natural beauty and unique culture. On the other, he was shocked by Benin's harsh natural conditions and stringent supplies of water and electricity.

"Though living in poor conditions, local people around me were optimistic," Yuan recalled. "That's why I wanted to do more to help them." Learning about Yuan's charity idea, local Chinese motorcycle company Apsonic agreed to contribute \$1 for every kilometer he cycled. The firm is part of the Sincerity International Group Ltd., an investment and trade company headquartered in Hong Kong. The funds raised



Yuan poses for a photo with a local resident in Morocco

were used to build a well and solar power station in Nipouni, a village in north Benin visited by Yuan, which lacked both water and electricity.

"Actually, cycling back home was a dream come true for me, but I also wanted to do something for my friends in Benin," Yuan said. In addition, he wanted to help the people he had met on his trek through Africa who had helped him along the way.

A journey of friendship

Yuan started his trip in September 2016 and rode through many countries including Togo, Mali, Senegal, Gambia, Mauritania, Morocco and several Asian countries.

"The most unforgettable part of the journey was the friends I made throughout the trip," Yuan said. He received a lot of helping hands from locals and was moved by their kindness. "Even though we spoke different languages, a smile or a greeting spoken in the local language was enough to break down cultural barriers," he said.

The most difficult part of the journey was in Mauritania. The 440-km section from

the capital of Nouakchott to Atar, which he had planned to finish in three days, took him eight days due to heavy sandstorms. Yuan said there was only one grocery store every 50 to 100 km where he could buy cookies. Police stationed at road blocks along the route offered him water so that he could quench his thirst and keep moving.

The experience that made the biggest impression on him also took place in Mauritania. Yuan recollected how one day when it was almost dark, he couldn't find a suitable spot for camping. Getting anxious, he caught sight of a small farm and tentatively called out "hello" in Arabic several times, until finally the owner of the farm came out. He not only let Yuan stay the night, but also gave him a local-style head scarf as a reminder of his stay.

"Thanks to the scarf, I was able to continue riding in spite of the scorching sun and the desert sandstorms," said Yuan.

In Morocco, Yuan was warmly welcomed by Tolba Saadbouh, a man from the Sahrawi ethnic group. He stayed overnight at Saadbouh's home where he was treated

to a feast of king crab. After bidding farewell and never expecting to see Saadbouh again, Yuan had to contact him for help after his bike broke down 70 km outside the village. Saadbouh immediately drove his van to meet Yuan and took him to the next city to fix his bike.

"I was helpless. I didn't expect Saadbouh to travel so far to help me. I was really moved," said Yuan.

An adventure

Although Yuan had carefully planned the trip and received help from many African friends, he couldn't avoid several hiccups. Since the strong winds slowed him down in Mauritania, he wasn't going to be able to leave the country before his visa expired if he cycled all the way. He ended up having to catch a freight train in Choum, a town in north Mauritania. Yuan described how the train stopped only briefly in Choum and started pulling away before he was able to load his bike and belongings. Luckily, a shepherd who was already onboard managed to help him get on the train as it moved off.

It is these memories that remind Yuan of just what an amazing life-changing experience he had.

When he returned to Benin to fulfill his promise on March 6, six months after completing his ride home, he was greeted warmly by the people of Nipouni.

The charity project, along with his remarkable journey, was recorded by Yuan who is now busy producing a 28-episode documentary to share his epic adventure.

"I hope people can get to know a more authentic Africa, a completely different world from ours, through my camera lens," he said. ■

Copiedited by Francisco Little & Rebeca Toledo
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An Admirable Volume



I am very pleased to be in London to host together with all of you the launch ceremony for the multilingual versions of the second volume of *Xi Jinping: The Governance of China* during the London Book Fair, the most important spring event of the global publishing industry. On behalf of the State Council Information Office of China, I warmly welcome the friends who are here to attend the event, and express my heartfelt thanks to various circles who have made great efforts in the preparatory work for today. I would like to extend my particular thanks to Prince Andrew, Duke of York, an old friend of the Chinese people, for your atten-

The second volume of *Xi Jinping: The Governance of China* was unveiled in nine languages in London on April 11 during the London Book Fair. **Jiang Jianguo**, Minister of the State Council Information Office, spoke at the launch ceremony. An edited excerpt of the speech follows:

dance at today's launch, especially given your tight schedule.

The second volume of *Xi Jinping: The Governance of China* has been jointly compiled by China's State Council Information Office and the China International Publishing Group, containing 99 speeches, talks, instructions and congratulatory messages made by President Xi Jinping from August 18, 2014, to September 29, 2017, as well as 29 photographs. In September 2014, the first volume of *Xi Jinping: The Governance of China* was published, receiving wide attention and praise from both Chinese and foreign readers. The first and second volumes of the book, which represent a holistic entity, constitute the main content and the basic structure of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.

To my knowledge, quite a few foreign friends are studying Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, in an effort to understand Xi's thought and find clues on where the thought, which has already been written into China's Constitution and the Constitution of the Communist Party of China (CPC), will lead the world's most populous nation. What the CPC has done, as President Xi promised, is to seek happiness for the people, national rejuvenation and greater harmony for the world. With such knowledge and perception, we can acquire the key to the ideological trea-

sure trove that is *Xi Jinping: The Governance of China*.

Wisdom on governance

The essence of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era is mainly reflected in the following aspects.

First, it is a thought rooted in fertile humanistic soil and has a profound humanistic and historical background. *Xi Jinping: The Governance of China* moves people because it is full of profound humanistic feeling as well as historical and cultural gems. President Xi likes absorbing ideological wisdom on state governance from China's traditional culture and philosophies such as "man is an integral part of nature," "harmony but not sameness," and "governing a big country is like cooking a small fish." Being good at grasping the development direction of contemporary China from the Chinese nation's pursuit of peace, amity and harmony, President Xi has drawn references from other civilizations, combined the Party's missions with the country's future and the nation's fate, and made integrated analyses of the country's past, present and future. Therefore, it is not difficult to understand where today's China under the leadership of President Xi came from and where it is heading after one reads *Xi Jinping: The Governance of China*.

Second, it is a thought built on a people-centric stance. It upholds the dominant status of the people, respects the people's innovative spirit and consistently speaks for the people. The basic emotional impression harbored in *Xi Jinping: The Governance of China* is the warm feeling for all people. We can see throughout the book phrases and sentences that touch the heart, such as "we should create a better life for ordinary people," "we should take the path of common prosperity, no single person should be left behind on our road to building a well-off

President Xi has drawn references from other civilizations, combined the Party's missions with the country's future and the nation's fate, and made integrated analyses of the country's past, present and future

society,” and “people’s pursuit of a better life is the goal of our struggle.”

These all demonstrate the fundamental value orientation of the CPC’s governance of China. Under such ideological guidance, a large number of measures benefiting people have been taken since the 18th CPC National Congress in 2012, lifting more than 60 million people out of poverty and creating more than 13 million new urban jobs annually. The income of urban and rural residents has grown faster than the country’s economy over the past few years, and people’s sense of gain, happiness and security has improved greatly. Therefore, it is not difficult to understand why President Xi has become a leader genuinely supported by the people after reading the book.

Third, it is a thought that takes aim at the future of mankind. The current world is at a crossroads of development, and many countries and people are asking “What is wrong with the world?” and “Where is the world going?” President Xi, a great statesman with broad vision and strategic thinking, has put forward a series of new concepts concerning the future and fate of mankind in a clear-cut manner, and contributed Chinese solutions to addressing the issues facing mankind and to building a beautiful world. He has presented to the rest of the world Chinese proposals on building a new type of international relations and constructing a community with a shared future for mankind, as well as expounding China’s perspectives on security, development, interests, globalization and global governance.

People all over the world live under the same blue sky and own the same earth, and thus they should live like members of the same family. We should have an open mind and understand each other. We should seek common ground while shelving our differences and work together to build a community with a shared future for mankind. Therefore, it is not difficult to understand why President Xi as the leader of a big country harbors sagacious thinking and unique views on the future development of mankind if one reads the book.

Goals in a new era

Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era will lead socialism with Chinese characteristics as it enters a new era, opening a new chapter for the great rejuvenation of the Chinese nation and drawing a new

picture for China’s strengthened integration with the world. According to the arrangement of the 19th CPC National Congress and President Xi’s keynote speech delivered to the opening of the Boao Forum for Asia (BFA), China will continue to make unremitting efforts in the following areas:

First, China will pursue high-quality development.

The economy of China has shifted from a stage of high-speed growth to that of high-quality development, which marks an epochal change. In 2017, China’s economic growth reached 6.9 percent, higher than expected, with its total economic output exceeding 82 trillion yuan (\$13 trillion). Such an outshining economic performance has caused some international organizations to rate China as the world’s “best-performing major economy of the year.” This is an achievement that is impressive not only on the surface but also in substance, showing that the Chinese economy has taken an important step toward high-quality development. Adhering to new development concepts and continuously pursuing good and steady progress will be the main theme of China’s economic development. China’s economy will continuously act as a major stabilizer and ballast of the world economy.

Second, China will promote more energetic innovation.

China takes innovation as the driving force for its development. As a strategic supporter for the construction of a modern economic system, China adheres to the development of an innovation-driven and energetic growth model. China has achieved a series of innovative developments in recent years, from manned spaceflight and deep-sea exploration to quantum communications and large aircraft. Internet Plus has extensively been applied to all walks of life and the innovative economy represented by high-speed trains, mobile payment, bike-sharing and e-commerce are leading the current trend. In less than 10 years, the number of patents granted to Chinese companies in the United States has increased tenfold. The innovation-driven model is reshaping China’s economic landscape, which will not only inject a powerful impetus into China’s development, but also help explore new ways for the world economy to pick up steam.

Third, China will promote more in-depth reforms.

Over the past five years, the Chinese Government has rolled out more than 1,200 reform measures and a number of new and bigger reform tasks were once again deployed at the 19th CPC National Congress. The program laid out by authorities recently on reforming Party and government institutions is aimed at promoting the modernization of China’s national governance with a view to continuously improving its governance system and mechanism through the scientific installation of institutions. This will allow the market to play a decisive role in resource distribution, as the government refines its role and people’s ever-growing desire for better lives is satisfied. This year marks the 40th anniversary of China’s reform and opening up and China believes the best way to celebrate the milestone is to make new progress on the road of reform and opening up in the spirit of “cutting a path through the mountain and building a bridge across the river.”

Fourth, China will advance higher-level opening up.

China adheres to the basic state policy of opening up, and will open wider to the outside world for domestic economic construction, further expand market access and create a more attractive investment environment. It will strengthen protection of intellectual property rights and take initiatives to expand imports so as to share opportunities and interests with other countries and realize win-win cooperation in the process of expanding China’s opening up. China will continue to vigorously advance the Belt and Road Initiative, pursue synergy with other countries’ development strategies, uphold the principle of extensive consultation, joint contribution and shared benefits, and work hand in hand with the rest of the world to weave a new historic tapestry of common development. In his speech at the opening of the BFA Annual Conference 2018, President Xi clearly told the world that the door of China’s opening up will not close, but will only open wider. China’s opening up is sure to achieve all-new levels of success.

A good book is like a good friend, as the British proverb goes. People always need a good book. I believe that *Xi Jinping: The Governance of China* is a good book that everyone can expect. ■

Copiedited by Rebeca Toledo
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Doing Only One Thing

By Isabel Schwartz

Call me a calligraphy and Chinese painting junkie. While other women spend their money on designer clothes and shoes, I spend mine on a painting with avant-garde plum blossoms, a faux Qi Baishi or a misty Yellow Mountain scene in autumn.

So, naturally, when a Chinese calligraphy master invited me to his studio, I was excited. What a treat! My limited exposure to calligraphy up to that point consisted of strolling through the National Art Museum of China exhibits or admiring elderly men “painting” characters on Beijing’s sidewalks with large brushes, water and a few flicks of the wrist.

Calligraphy master and painter Wang Xing is an internationally renowned prize-winning artist who is involved in many associations promoting calligraphy. His spacious apartment in the outskirts of Beijing doubles as a studio, where he creates calligraphy and also paints. The living room has a long table which features some of the “treasures of the practice”: a collection of brushes of varying sizes, the biggest ink pots I have ever seen, paper and newspaper as blotting material, and a pair of paper weights.

He told me that in China, calligraphy is sometimes used by certain brands—sort of like a logo—and I was surprised to learn the calligraphy on the “13 Spices Powder” packaging is his creation. A friend commented later that it actually does look like a painting.

Indeed, calligraphy and painting are very much related; after all Chinese characters originated from pictographs. As a matter of fact, Chinese paintings will often feature a little flowing calligraphy, cascading down the side like a waterfall with the artist’s name and sometimes the year and subject matter, like a running commentary. Of course, the artist’s personal seal in red ink is also included.

To me, and I assume many other foreigners, calligraphy may be harder to appreciate than Chinese painting because traditional paintings are based on objects, with two major subjects, birds and flowers or landscapes, whereas calligraphy is closer to abstract art.

Master Wang invited me to practice calligraphy, but I politely declined. My short-



Painter Wang Xing (right) shows the author the magnum opus he is working on—a scroll depicting the Great Wall at Badaling

lived forays into the calligraphy world were limited to the Chinese New Year and only produced scribble scrabble, which found me sheepishly throwing my ink-stained monstrosities in the trash!

Instead he kindly produced characters for me. We settled on *suiyuan* (according to fate), such a simple yet weighty expression that supposedly determines so much of what happens in life. He produced the characters with a few masterstrokes of his hand and they were exquisite.

Master Wang then showed me his current focus, a magnum opus in progress: a scroll depicting the Great Wall at Badaling, which will be exhibited in the National Museum in Beijing. He has been working on the painting for three years.

The seven-meter-long scroll painting was breathtakingly beautiful, with the only trace of human activity being the man-made wall itself. It reminded me of the famous Song Dynasty (960-1279) painting *Along the River During the Qingming Festival*, except that Master Wang’s painting

is timeless because there are no humans in it and it is hard to determine what season it is. He told me someone had offered to buy it for an exorbitant amount of money, but he refused to part with the painting as he wanted to donate it to the museum.

After the visit to his studio, we crossed the street to visit a country store. The modest store had Master Wang’s lofty calligraphy hanging on the walls. It was then that I noticed that Master Wang appeared to have a very healthy constitution. I wondered if it was the calligraphy keeping him so healthy. Like meditation, calligraphy is said to have health benefits such as stress reduction and long life.

Whether that is true, one thing is certain, as Master Wang put it, “Only do one thing and do it well—that is the secret to success.” ■

The author is an American living in Beijing
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12 issues a year at a subscription rate of 180 RMB/R360

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