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PRICE 2 YUAN

## China could assist with security for Kim's journey

By Bai Tiantian

China is willing to offer security and aircraft maintenance assistance to ensure a smooth summit between North Korean leader Kim Jong-un and US President Donald Trump in Singapore next month, analysts said.

"When Kim flies to Singapore for the summit, a considerable part of his flight will be in Chinese airspace. China will give its best effort to make sure his flight is safe and secure, given the traditional friendship between the two countries and the significance of the summit," Lü Chao, a research fellow at the Liaoning Academy of Social Sciences, told the Global Times.

"However, a more ideal option would be for the North Korean side to make a short stop in China for refueling and plane maintenance to guarantee the plane's safety," Lü said, listing Fu

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Refueling  
See also  
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► **Contentious move**



Palestinians run for cover from tear gas during clashes with Israeli security forces near the border between Israel and the Gaza Strip, east of Jabalia on Monday, as they protest the inauguration of the US embassy following its controversial move to Jerusalem (see story on page 7). Photo: AFP

### Inside

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► Vice premier's US visit shows good signs

# Trade talks to continue

By Huang Ge

Chinese Vice Premier Liu He's visit to the US this week, his second this year, shows the two countries are making progress in bilateral trade talks and brings hope that the scope of the consultations will broaden,

experts say.

Liu is scheduled to visit the US from Tuesday to Saturday where he will meet with US trade officials including Treasury Secretary Steven Mnuchin, foreign ministry spokesperson Lu Kang said Monday. Earlier this month, a US trade del-

egation led by Mnuchin visited China for talks on trade tariffs. Liu visited the US in February.

"The five-day visit by Liu shows the Chinese government's sincere hope that bilateral trade issues can be fully addressed," Wang Jun, deputy director of the Department of

Information at the China Center for International Economic Exchanges, told the Global Times on Monday.

Wang suggested Liu would not be making the trip if there was no hope of moving toward a resolution of the trade

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Change





## Refueling in China is ideal for safety: expert

►China, from Page 1

zhou, capital of East China's Fujian Province, as one potential stop.

Kim's official plane is a remodeled version of the Soviet-made IL-62. North Korea calls it *Chammae-1*, named after the goshawk, North Korea's national bird.

South Korean media said the plane can fly at a maximum speed of 900 kilometers per hour and carry about 200 people. Its maximum range is about 9,200 kilometers.

Although a flight from Pyongyang to Singapore is around 4,700 kilometers, which is within the plane's flight range, the *Chammae-1* has reportedly never flown that far.

Given North Korea's unique political structure, Kim Jong-un's security can never be overstated, Lü said. "Despite its neutrality, Singapore is in US' de facto orbit. I believe the US will also provide security support," he said.

To some extent, Kim's security could pose a bigger challenge for Singapore than hosting Trump.

Kim flew to Dalian, Northeast China's Liaoning Province on May 7 to meet with Chinese President Xi Jinping. Before his Dalian trip, no North Korean leader had publicly gone abroad by air since Kim's grandfather, North Korea's founder Kim Il-sung, flew to the Soviet Union in 1986.

### Security arrangements

The exact location of the historic Kim-Trump summit has yet to be released, but Singapore-based newspaper the Straits Times named the Shangri-La Hotel and Marina Bay Sands as two possible venues.

Both hotels are fully booked on June 12, the scheduled date for the summit. Security at the Shangri-la Hotel has been tested since 2002 as it is the venue of the annual Shangri-La Dialogue, which will be held from June 1 to 3 this year.

Xi and former Taiwan leader Ma Ying-jeou also met at the Shangri-La Hotel in 2015, further bolstering the hotel's reputation as a top choice for high-level meetings.

Marina Bay Sands, on the other hand, is owned by Sheldon Adelson, a mega-donor for the US Republican Party, and is able to host a large number of diplomatic and security personnel.

Analysts said North Korea may dispatch their security personnel to Singapore earlier than usual.

"Usually before a North Korean leader embarks on a foreign visit, Pyongyang will notify the relevant country half a month earlier and dispatch personnel from a specific bureau in charge of the North Korean leader's security. These personnel will conduct thorough security inspections, including accommodations and transportation," Lü said.

"Since Kim Jong-un and his father Kim Jong-il have never visited Singapore, it is likely that Pyongyang will send security personnel earlier than usual," Lü noted.

### ►Coming nuptials



People wearing face masks of Britain's Prince Harry and Meghan Markle pose for a photograph outside Windsor Castle in England, Monday. Preparations are being made in the town ahead of the their wedding that will take place in Windsor on Saturday (see story on page 18). Photo: AP

## Change of stance on ZTE hailed as a pragmatic move

►Trade, from Page 1

dispute. "Liu's visit shows that China and the US have so far made sound progress in consultations on the basis of mutual compromise," Wang said, adding that a good indicator of this is US President Donald Trump's tweet about Chinese telecom equipment company ZTE.

Trump said in a Twitter post on Sunday that he will work with Chinese President Xi Jinping to give ZTE "a way to get back into business." On April 16, the US Department of Commerce imposed a seven-year ban on American exports of components used by ZTE, accusing the Chinese firm of violating US regulations.

"ZTE welcomes this latest progress. Under the guidance of the Chinese government, ZTE will continue to communicate with relevant parties, including the US Department of Commerce, to facilitate the final resolution," a ZTE employee who asked

not to be identified told the Global Times on Monday.

"We will do our utmost to restore production and operations, to fulfill our responsibilities to customers, partners, and suppliers around the world, and to strive for further development," the employee noted.

Lu said the Chinese government highly appreciates the US reconsideration of the ZTE ban and is communicating closely with the US on details.

The US could cancel or delay its export ban on essential parts required by ZTE or impose a fine on the firm, said Wang, adding that the US will ask for something in return.

### Persistent issues

The change in Trump's attitude toward ZTE is a positive and pragmatic move, which "could be a turning point in Sino-US trade tensions," said Bai Ming, deputy director of the International Market Research Institute

under the Ministry of Commerce.

Bai told the Global Times that the US export ban has put a lot of pressure on China's information technology industry but it has also harmed US chip manufacturers.

Experts said despite Trump's apparent reversal of the export ban that has severely impacted ZTE, many uncertainties in the trade talks still exist.

To further advance resolution of the countries' trade dispute, many complicated issues will have to be overcome, including the trade imbalance, US concerns over the Made in China 2025 initiative, and protection of intellectual property rights, noted Bai. "ZTE is only one of the issues."

Bai said that domestic manufacturers should pursue growth in their sector by enhancing independent research and development.

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## Vehicle emissions replace coal as top source of Beijing PM2.5: study

Coal burning is no longer a major source of PM2.5 in Beijing, with car emissions having become the top cause, according to a study released by Beijing's environment watchdog on Monday.

The new findings come as Beijing encourages the use of natural gas instead of coal for

winter heating and shuts down polluting smokestack factories.

Emissions from vehicles and construction machinery are the top sources of PM2.5 (particulate matter of diameter less than 2.5 micrometers), contributing up to 45 percent of the total pollutants in Beijing, according to the study by the

Beijing Environmental Protection Bureau.

Beijing has the highest level of car ownership in the country, with 5.64 million privately owned cars at the end of 2017.

The study also shows that Beijing's surrounding regions contributed to more than 50 percent of the pollutants on

heavily polluted days when the air quality index exceeded 200 in the city.

Air samples were gathered daily in 11 different locations around Beijing and more than 300,000 sets of data were analyzed, said Liu Baoxian, deputy director of Beijing Municipal Environmental Protection

Monitoring Center.

The level of PM2.5 in Beijing has dropped to its lowest level since 2013 when the national air pollution control campaign began. The average PM2.5 density in 338 cities fell by 6.5 percent in 2017.

Xinhua

# ► 1 million talented people wanted to work in pilot free trade zone, port Hainan launches mass recruitment plan

By Liu Xuanzun

South China's Hainan Province has launched a recruitment program for its pilot free trade zone and free trade port with the goal of bringing 1 million talented people to settle there by 2025.

The Communist Party of China Hainan Provincial Committee released details of the 2018-25 program, Beijing-based chinanews.com reported on Sunday.

Preferential policies include lowering the thresholds for local residency, or *hukou* household registration, supporting entrepreneurs and providing convenient real estate pur-

chasing opportunities.

People with college diplomas, or those with middle-level vocational certificates, can apply for a *hukou*, which confers the right to buy a local property.

Those with a master's degree and other outstanding qualifications will be eligible to apply for a *hukou* at any location in Hainan.

Hainan will also help with schooling for their children, employment of their spouses and urban medical insurance, according to the program.

Overseas students who graduate from universities in China with master's degrees or higher are also being invited to start up businesses in Hainan.

Foreigners or people from Hong Kong, Macao or Taiwan who apply for permanent residence or a visa will be encouraged through preferential policies to stay and work in Hainan.

Universities will admit foreign students from countries along the route of the Belt and Road initiative.

"In terms of technology, there are still some margins in certain fields between us [Chinese people] and people in other countries or regions," Bai Ming, a research fellow at the Chinese Academy of International Trade and Economic Cooperation, told the Global Times on Monday.

"International talent could

fill in the blanks and contribute to Hainan's internationalization."

But not all types of talent are welcomed, Bai said, for example, real estate speculators or those with expertise in industries harmful to the island's fragile environment.

The goal is for a million employees to settle in Hainan by 2025, creating a talent pool with Chinese characteristics and Hainan traits.

"It is the right call for Hainan to attract more talent as it is aiming to build a free trade zone and needs talent to support the work," said Dong Keyong, a professor at Renmin University of China's School

of Public Administration and Policy in Beijing.

Hainan is not a place where talented people would traditionally want to go, so the policy represents a solid start, Dong told the Global Times.

Hainan needed to create opportunities to make them stay in the long term, he noted.

People move for career reasons, and Hainan with its strategic location and rich resources will provide them with more opportunities, Dong said.

Crowded and competitive Beijing, Shanghai and Shenzhen may have leaped ahead in development, he said, but also have fewer opportunities and higher living costs.

## Monks miseducated in India barred from teaching Buddhism

By Li Ruohan

Monks wrongly educated in India are banned from teaching Buddhism to residents of Litang county in Southwest China's Sichuan Province, an official said Monday.

The county stages patriotic education classes every year for those educated in India and awarded Gexe Lharampa, the highest academic degree in Tibetan Buddhist studies, an official from Litang's ethnic and religious affairs bureau told the Global Times.

Those who behaved improperly at the patriotic classes or showed "any signs of separatist intent" are strictly monitored and banned from teaching Buddhism to the public, said the official who refused to be named.

China has its own criteria to award Gexe Lharampa, and candidates have to pass Chinese Buddhist tests and a sutra debate.

Those awarded the degree overseas are not acknowledged by China and are not qualified to teach Buddhism in the country, Zhu Weiqun, former head of the Ethnic and Religious Affairs Committee of the National Committee of the Chinese People's Political Consultative Conference, told the Global Times.

Some 105 monks in Southwest China's Tibet Autonomous Region have been awarded the Chinese Buddhist version of the degree since 2004, the Xinhua News Agency reported.

As some monks received education overseas from the 14th Dalai Lama clique – whom China regards as separatists – it is necessary to tighten supervision so as to avoid the clique using local Buddhists to conduct separatist activities, Zhu said.

The official did not say how many monks are banned.

The move was a standard practice every year, said the official, in response to the county's severe separatist situation.

Litang county is home to prominent Buddhists including the Seventh and 10th Dalai Lama. Litang Temple has about 800 monks and can accommodate more than 4,300, news site china.com reported.

### ► Nervous city



Officers patrol near the police headquarters after an attack in Surabaya, East Java, Indonesia on Monday. The headquarters in Indonesia's second-largest city was attacked by suspected militants who detonated explosives from a motorcycle a day after suicide bombings at three churches in the city (see story on page 7).  
Photo: AFP

## In boosting border forces, India hurts ties: analysts

By Deng Xiaoci

India plans to expand its China border military infrastructure network and recruit at least 6,000 personnel for its border forces in a move that will raise anxieties and undermine bilateral trust, Chinese experts said on Monday.

The Indian Ministry of Home Affairs is about to approve the formation of nine new battalions, 47 new border outposts, 12 "staging camps," enhanced troop numbers at 18 border outposts in Ladakh and the disputed South Tibet area of China as well as a strategic headquarters on the border, the Times of India reported on Sunday, citing an official note accessed by the Press Trust of India.

The budgetary allocation is the only thing left to be cleared by the ministry before becoming effective, the paper quoted an unidentified se-

nior official as saying.

With the final decision due next month, the border force has begun recruiting as many as 6,000 personnel for the lower ranks and new battalions, the official reportedly said.

The Indian border force has about 90,000 personnel and its border posts range from a height of 9,000 feet (2,743 meters) to more than 14,000 feet (4,267 meters), according to the Times of India.

"Such a development will not affect the status quo on the border, but in the long term, India will facilitate its control over the disputed border area, using it as a bargaining chip," said Qian Feng, a researcher at the Chinese Association for South Asian Studies in Beijing.

New Delhi fears a rerun of last year's Doklam standoff, Qian told the Global Times on Monday, as well as being mindful of China's own border

buildup. Indian Prime Minister Narendra Modi is expected to attend the Shanghai Cooperation Organization summit in China in June, India's first attendance since joining the organization last year.

"It [the buildup] has nothing to do with the forthcoming China-India summit in June," said Zhao Gancheng, director of the Shanghai Institute for International Studies Center for Asia-Pacific Studies. "This is a routine move previously scheduled by the Indian government."

The buildup will damage Sino-Indian trust and shows that the warming ties recorded at an informal meeting between the two nations' leaders in Wuhan last month largely await fruition, Zhao noted.





## ► Painting their wishes



More than 1,000 people, including students, teachers and calligraphers, make calligraphy and painting works on their best wishes to the country in Suining, Southwest China's Sichuan Province on Monday. Photo: VCG

## Giving reproductive rights to single women 'unlikely to happen in three to five years'

By Li Ruohan

Though an increasing number of activists are seeking greater reproductive rights for single women in China, experts warned that legal changes are unlikely to happen within five years out of moral concerns.

Zhan Yingying (pseudonym), a 29-year-old single woman and a lawyer from Guangzhou, South China's Guangdong Province sent a report on the study of single women's reproductive rights to the National Health Commission (NHC) and 31 local health departments on Monday, expecting to receive an official response.

The report, drafted by three Chinese NGOs in 2016, said that about 86.9 percent of the 2,801 respondents to a questionnaire said they support single women having reproductive rights.

According to a regulation on Assisted Reproductive Technology (ART) released by China's health authority in 2002, single women are not allowed to use the technology.

Northeast China's Jilin Province is the only region that issued a guideline in 2002 allowing single women who didn't want to get married to give birth using legal medical technology, but nobody has applied to use the technology in over a decade, the commission said.

Zhan told the Global Times on Monday that she feels increasingly confident that granting single women the right to use ART, or to freeze their eggs or use the sperm from sperm banks, is possible in China as the country faces declining fertility rates.

China's national fertility rate is 1.5 to 1.6, a rate that experts previously said is on the red line, going by the Low Fertility Trap Hypothesis.

In 2017, several national legislators proposed a national study to grant reproductive rights to single women in China. China's top health body replied in December that the country does not deny the reproductive rights of single women, vowing to conduct an investigation on the feasibility of freezing eggs of single women.

"China's current laws and regulations should not promote the use of ART among single women and it's almost impossible to do so in the next three to five years," Liu Changqiu, a health law expert and a research fellow at the Shanghai Academy of Social Sciences, told the Global Times on Monday.

Granting reproductive rights to single women by law contradicts China's traditional values, public order and customs, the 2017 reply also noted.

The relaxation might satisfy the needs of a small group, but could lead to larger social and moral risks, such as child abandonment, Liu added.

Legally allowing a single woman to have a child will also challenge the traditional family pattern consisting of a man and a woman, Liu said.

## ► 'Acceptance of group in China requires patience'

## LGBT rights events stopped

By Yin Han and Zhao Yusha

Authorities in several regions in China have allegedly stopped LGBT rights events for the forthcoming International Day against Homophobia, which, together with people wearing rainbow badges beaten up in the 798 Art Zone in Beijing, have sparked discussions on Chinese social media.

A member of a Guangzhou-based LGBT rights organization, who refused to give her full name, told the Global Times that their event scheduled on the International Day against Homophobia, which falls on May 17, was considered an "illegal gathering" and was canceled by the local public security and cultural bureau.

An event scheduled on May 17 by another Shanghai-based LGBT rights organization was also stopped, and the related department gathered the information of participants to make sure "no one will do something" on that day, according to a LGBT activist who only agreed to be identified by his online name "piaoquanjun."

Both the Guangzhou public security and cultural bureau and Shanghai authorities failed to reply to the Global Times as of press time.

However, Matthew from Speak Out, another LGBT rights organization based in Chengdu, told the Global Times that their events celebrating

the special day will push through. He added they have tie-ups with the Canadian and French embassies.

The news of the events' suspensions came one day after security from the 798 Art Zone reportedly beat two women for trying to enter the zone wearing rainbow badges.

People got the free badges on Sunday from "piaoquanjun" who was handing them out for the International Day against Homophobia.

A man working for the property management department of the Beijing Administrative Committee of 798 Art Zone told the Global Times on Sunday that one of the women "gave a middle finger to one of the security guards," which started the incident.

One of the women's mouth was swollen while the other had bruises on her face.

The security company responsible for security around the art zone agreed to "apologize, provide compensation and dismiss its staff who beat the women," one of the injured women told the Global Times on Monday. She preferred to be identified by her WeChat name, Cheng Yuedan.

"Many others were stopped by security either because they were wearing the badge or the security thought they were taking a badge with them,"

Cheng Yuedan said.

"Communication and negotiations could be a better way for LGBT people to express their demand for acceptance and openness in China," Peng Xiaohui, a sexology professor at Wuhan's Central China Normal University, told the Global Times.

Discussions have blossomed on Weibo since Sunday about the incident and homosexuals as a group in China.

"It is absolutely wrong to hit people... but it is best for the organizers to communicate with the art zone before holding events. Safety is something they have to be concerned with," netizen Anyixiaoxiong said.

The topic hashtag "not silent for May 17" attracted over 1.7 million views on Sina Weibo by Monday morning, but was removed as of press time.

Since many people still do not accept LGBT, high-profile events could lead to public panic or even discrimination in Chinese society, which benefits no one, Peng noted.

He added that public acceptance of LGBT will be realized only together with the development of society, which takes time and requires patience.

"A little more time should be given to the country and society to progress step by step," Peng said.

## Gap apologizes after netizens slam it for T-shirt with incomplete China map

By Deng Xiaoci and Zhu Mengying

US apparel company Gap apologized and vowed a more "rigorous reviews in the future" after one of its T-shirts was found with an incomplete map of China and sparked outrage among Chinese netizens on Monday.

"Gap Inc. respects the sovereignty and territorial integrity of China. We've learned a Gap brand T-shirt sold in some overseas markets mistakenly failed to reflect the correct map of China. We sincerely apologize for this unintentional error," read a statement sent to the Global Times by Gap.

According to photos attached to a post spreading on Chinese social media, Chinese territories, including South Tibet, the island of Taiwan and the South China Sea were omitted from the map on the T-shirt, while even the shape of the Bohai Sea area was distorted. The photo was taken at an outlet store in

the Niagara shopping center in Canada, the post claimed.

Gap said it will have more rigorous reviews to avoid similar incidents again.

Chinese netizens brought the matter of the T-shirt to Gap's Weibo account on Monday, with hundreds of Weibo users protesting the company's

act of disrespect to China's territorial sovereignty.

T-shirts available on Gap's website include those representing Canada, Japan, China, Paris, San Francisco.







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## ► The breed of youngsters born between 2000 and 2010 has a fiercely independent streak

By Li Ruohan

Being the loneliest, the most rebellious or globally minded, China's post-00s generation is getting more and more attention at home and abroad.

The generation, born between 2000 and 2010, also carries the expectation of what China would be, and could be in the future, as they will be the major consumers, voters and workers of China's periodic plan to "basically realize socialist modernization" from 2020 to 2035.

The adjectives they mostly choose for themselves are open-minded, confident and independent, according to a report by the China Youth Daily and the country's Internet service giant Tencent earlier in May.

In the survey, 48 percent said they will solve problems themselves, and 25.6 percent revealed they will turn to the internet.

The survey

organized by the All-China Students' Federation collected information from over 12,700 questionnaires answered by post-millennials, and also from big data gathered from users of Tencent's social network platform QQ, which has up to 783 million monthly active users.

"We are not scared of being different and that's how we were raised," a 17-year-old male student surnamed Jin, told the Global Times.

Jin is the only child in his family which lives in Wuhan, Central China's Hubei Province.

The teenager aspires to be a bass player in a rock band, a decision his family supports. His father decided to be a university teacher for a "more safe and reliable" life, giving up hopes of a more adventurous career at a young age.

China's millennials have developed different visions of the "good life" to their parents, UK-based Financial Times reported in April.

This generation wants something new from China, and in pursuing it they are changing China, too, the report said, adding that "a quiet revolution is under way."

### On the rise

In the face of fierce academic and social competition, parents of the post-00s generation are spending more energy and time to make their

children more competitive, Victoria Wang, teacher at a Shenzhen-based education company which offers English training courses to students from kindergarten to senior high school, told the Global Times.

In such a situation, the children are more informed and independent, while the pressure of competition also causes psychological problems such as depression and even suicide and makes some students become less empathetic to things unrelated to them, said Wang.

As China saw rapid social and economic progress since 2000, the society got more divided in terms of wealth and living style. The post-millennials are a vivid example of this phenomenon.

According to Liu Yanlin, a teacher at No.1 Senior High School in Xiangyun county, Southwest China's Yunnan Province, the post-00 students are more lonely than other generations.

As China does not allow all couples to have a second child until 2016, most post-00s, who are 8 to 18, grew up without siblings.

The students seldom talk to each other about their feelings, Liu told the Global Times. But children who are mostly from rural areas, are very clear

that studying hard is the only way to change their life and fight for a brighter future, she added.

Another middle school teacher, Lu Luyao who teaches at a private school in Chongqing, however, disagrees.

"Compared with the post 90s, the post-00s are better at expressing their feelings, have a stronger personality, though it differs a lot among individuals," Lu told the Global Times.

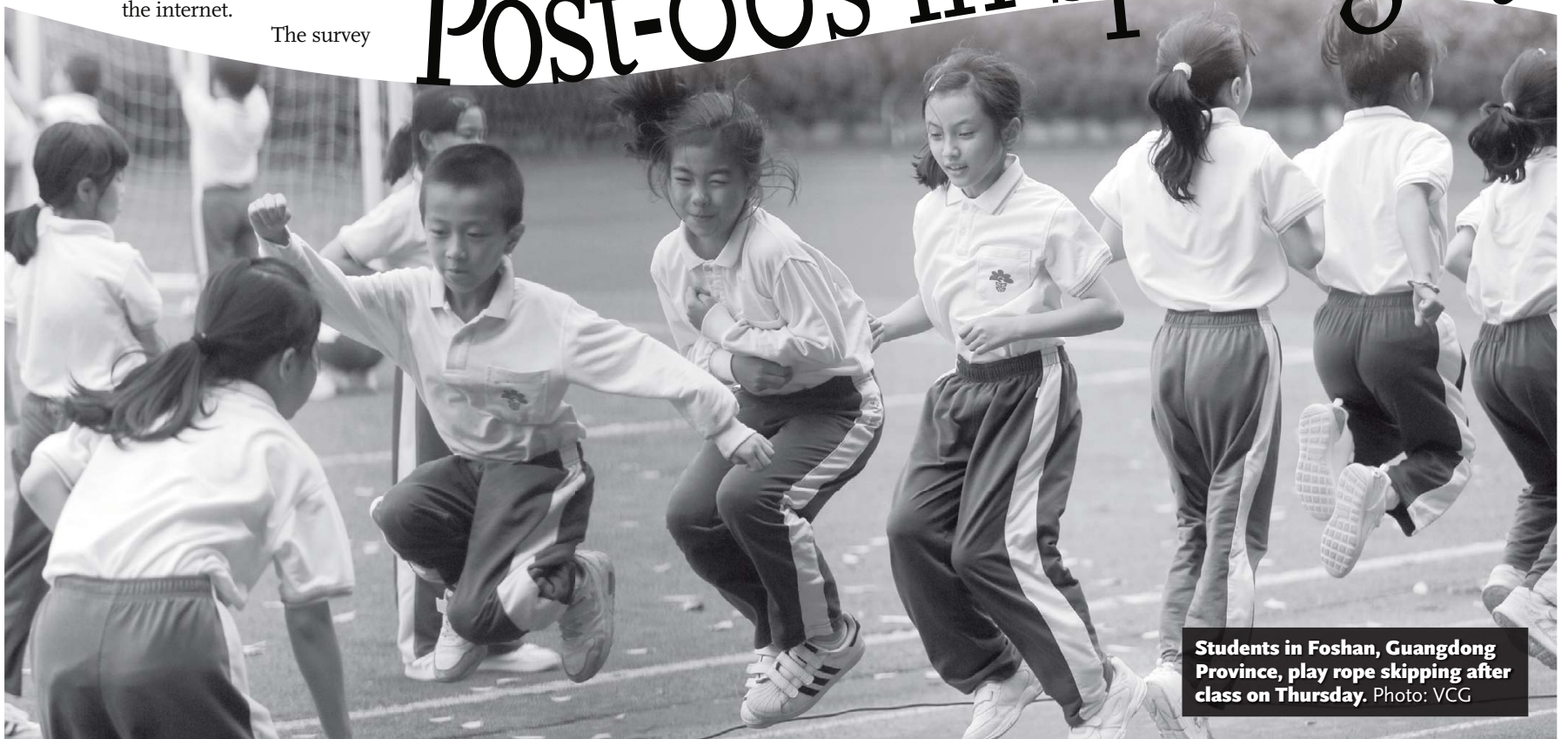
The post-00s, mostly teenagers now, are more critical of authority and mainstream ideas as they grew up being encouraged to think independently, said Lu.

Though many post-00s believed they are self-centered in the Tencent survey, only 6 percent said they don't want their parents to have a second child.

The remaining 94 percent said they don't mind sharing their parents' love with another sibling, as long as they "are happy with that."

When asked to evaluate their country, around 73 percent said China, though not perfect, is making constant progress and 6.5 percent said the country is in one of its best moments in history.

# Post-00s in spotlight



Students in Foshan, Guangdong Province, play rope skipping after class on Thursday. Photo: VCG

## Employee fired for discriminating against applicants from Henan

Chinese netizens were up in arms against video streaming service iQiyi Inc on Monday after it was found discriminating against people from central China's Henan Province.

The company fired an employee who wrote an e-mail suggesting that job seekers from Henan Province be not considered.

"iQiyi is against any kind

of regional discrimination and discrimination in recruitment," the platform replied.

An online screenshot showed that the employee wrote a private e-mail after interviewing a student of Central University of Finance and Economics which said: "Please filter people from Henan Province."

The company's state-

ment, however, did not cool down tempers. Many vowed to uninstall the platform's mobile application with those from Henan lodging a serious protest against the parochial message. Many uploaded screenshots of them uninstalling the application online.

Henan, China's most populous province, has been struggling with stereotypes for

a long time with many labeling it the "cradle of liars."

This is not the first time Henan is under glare during a recruitment process. In 2017, Meituan, an online catering service platform, also triggered a public outcry when one of its employees required applicants to be none from "Huangfan region and Northeast China." Huangfan region histori-

cally refers to an area which mainly covers places in Central China's Henan, East China's Anhui and Jiangsu provinces, which used to be affected by flooding of the Yellow River.

Global Times

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## Cats don't vote



People queue up to cast their ballots at a voting precinct in Quezon City, suburban Manila on Monday. People are casting their votes in nationwide village elections in polling precincts in nearly 42,000 villages across the Philippines. Photo: AFP

## ► Deadliest day in years as 37 Palestinians killed in clashes

# US opens embassy in Jerusalem

The ceremony to inaugurate the US' controversial embassy in Jerusalem began on Monday after deadly clashes along the Gaza Strip's border with Israel earlier in the day.

The ceremony moving the US embassy in Israel from Tel Aviv to Jerusalem began with the US national anthem.

US ambassador to Israel David Friedman then spoke and President Donald Trump was given a standing ovation when he mentioned him.

Friedman referred to the embassy's location as "Jerusalem, Israel" drawing wild applause.

Violent clashes erupted along the Gaza Strip's border ahead of the ceremony, leaving 37 Palestinians dead from Israeli fire and hundreds wound-

ed in the conflict's bloodiest day in years.

The clashes took place as a White House delegation and Israeli officials gathered for the embassy inauguration ceremony in Jerusalem. It was the bloodiest day in the Israeli-Palestinian conflict since the 2014 Gaza war.

The dead included a 14-year-old, according to the Gazan health ministry, which also provided the overall death toll.

Tens of thousands had gathered near the border in protest while smaller numbers of stone-throwing Palestinians approached the fence and sought to break through, with Israeli snipers positioned on the other side.

Crowds built throughout the day in the Palestinian enclave

less than 100 kilometers from Jerusalem and sealed off from Israel by a blockade.

Israel's military said "over 35,000 Palestinians are currently taking part in violent riots in 12 locations along the Gaza Strip security fence."

"The rioters are hurling fire-bombs and explosive devices toward the security fence and [Israeli] forces, and are burning tyres, throwing rocks and launching flaming objects in order to ignite fires in Israeli territory and harm [Israeli] troops." It said soldiers were responding with "riot dispersal means and fire."

The Palestinian Authority government based in the occupied West Bank accused Israel of committing a "terrible massacre."

The inauguration that follows US President Donald Trump's deeply controversial December 6 recognition of the disputed city as Israel's capital also comes at a time of heightened regional tensions.

In a tweet on Monday, Trump hailed the embassy opening as "a great day for Israel."

It follows Trump's announcement last week that the US is withdrawing from the Iran nuclear deal and Israeli strikes two days later on dozens of Iranian targets in Syria.

Those strikes came after rocket fire toward Israeli forces in the occupied Golan Heights that Israel blamed on Iran.

Reuters

## China requires ceasefire in Myanmar's border unrest

China on Monday demanded a ceasefire among Myanmar insurgent groups following gun battles on Saturday near the China-Myanmar border that killed 19 people including two Chinese nationals.

"China demands the parties to the conflict stop the firing immediately, take all measures to prevent further escalation of the situation... and prevent incidents that sabotage the peace and stability in the China-Myanmar border region," Chinese Foreign Ministry spokesperson Lu Kang told reporters during a daily press briefing Monday.

Several rockets and stray bullets fell on Chinese territory and more than 300 refugees fled to China after the deadliest flare-up of violence in the area in recent years, said Lu.

"China is highly concerned about the armed conflicts that took place in northern Myanmar on May 12," Lu said.

"According to what we have learned, as of now, the conflict has caused the death of two Chinese nationals in Myanmar, and three rockets and some stray bullets have fallen into Chinese territory."

China has also offered temporary shelter to "more than 300 Myanmar border residents who entered China to flee the violence," Lu said.

The Ta'ang National Liberation Army, one of several insurgent groups fighting for more autonomy in the north, said it launched the operation on Saturday.

Saturday's attack was launched outside the town of Muse in Shan state, which is situated at a major border crossing and trading post between Myanmar and Southwest China's Yunnan Province.

Global Times - Agencies

## Militant family uses child in suicide bomb attack on Indonesian police

A family of Islamist militants in Indonesia carried an 8-year-old into a suicide bomb attack against police in Surabaya on Monday, a day after another militant family killed 13 people in suicide attacks on three churches in the same city.

The suicide bombers rode two motorbikes up to a checkpoint outside a police station and blew themselves up, Tito Karnavian, the police chief in Indonesia's second-largest city, told a news conference.

He said the child survived the explo-

sion, and CCTV footage showed a child stumbling around in the aftermath.

Four officers and six civilians were wounded in the attack, East Java police spokesman Frans Barung Mangera said.

President Joko Widodo branded the attacks in Surabaya the "act of cowards," and pledged to push through a new anti-terrorism bill to combat Islamist militant networks.

After some major successes tackling Islamist militancy since 2001, there has been a resurgence in recent years, including in January 2016 when

four suicide bombers and gunmen attacked a shopping area in central Jakarta.

Police suspected Sunday's attacks on the churches were carried out by a cell of the Islamic State-inspired group Jemaah Ansharut Daulah (JAD), an umbrella organization on a US State Department terrorist list that is reckoned to have drawn hundreds Indonesian sympathizers of Islamic State.

"In the case of Surabaya, they escaped detection, but once it happened we moved fast to identify their network,"

Karnavian said.

The father of the family involved in those attacks was the head of a JAD cell in the city, the police chief said.

Earlier, police said his family was among 500 Islamic State sympathizers who had returned from Syria, but the police chief said that was incorrect.

Reuters





## ► Prime Minister Haider al-Abadi, once the front-runner, now polling third Firebrand cleric Sadr set to win in Iraq

Powerful nationalist cleric Moqtada al-Sadr was leading in Iraq's parliamentary election with more than half the votes counted, the electoral commission said, a surprise comeback for a Shi'ite leader once sidelined by Iran-backed rivals.

Shi'ite militia chief Hadi al-Amiri's bloc, backed by Tehran, was in second place, according to the count of more than 95 percent of the votes cast in 10 of Iraq's 18 provinces.

The preliminary results are a setback for Prime Minister Haider al-Abadi who, despite entering the election as the apparent front-runner, appeared to be running third.

Unlike Abadi, a rare ally of both the United States and Iran, Sadr is an enemy of both countries that have wielded influence in Iraq after the US-led invasion that toppled Sunni dictator Saddam Hussein and ushered the Shi'ite majority to power.

Sadr led two uprisings against the US in Iraq and is one of the few Shi'ite leaders to distance himself from Iran.

Sadr's apparent victory does not mean his bloc could necessarily form the next government as whoever wins the most seats must negotiate a coalition government, expected to be formed within 90 days of the official results.

Security and commission sources had earlier said Abadi was leading the election, which was held on Saturday and is the first since the defeat of Islamic State in the country.

Turnout was 44.52 percent with 92 percent of votes counted, the Independent High Electoral Commission said – significantly lower than in previous elections. Full results are due to be officially announced later on Monday.

Sadr and Amiri both came in first in four of the 10 provinces where votes were counted, but the cleric's bloc won significantly more votes in the capital, Baghdad, which has the highest number

of seats. The commission did not announce how many seats each bloc had gained and said it would do so after announcing the results from the remaining provinces.

A document provided to Reuters by a candidate in Baghdad that was also circulating among journalists and analysts showed results from all 18 provinces.

Reuters could not independently verify the document's authenticity, but the results in it for the 10 provinces announced by the electoral commission matched those of the commission.

Reuters

## New Malaysia PM Mahathir down to work after shock win

Malaysia's new Prime Minister Mahathir Mohamad, 92, officially got down to work Monday after his shock election win last week that broke the six-decade stranglehold on power of a corruption-riddled regime.

The elderly leader, who is starting his second stint as premier after having previously been in office for two decades, arrived at the office of a foundation he runs in the administrative capital Putrajaya.

He arrived in a black car, which was part of a convoy that included police vehicles, and briefly rolled down the window to wave at waiting reporters. He was due to hold meetings with senior civil servants.

The stock market opened for the first time since Wednesday's polls but did not slide as heavily as had been anticipated after Mahathir sought in a speech Sunday to calm investors. It initially lost 2.7 percent but quickly won back ground and was down just 0.2 percent about an hour after opening.

Local currency the ringgit slipped as much as 0.9 percent against the US dollar.

Ooi Chin Hock, a dealer with SJ Securities, told AFP he believed the "government is supporting the stock market to make sure there is not too much volatility."

Mahathir stormed to an unlikely election victory at the head of an opposition alliance against the Barisan Nasional (BN) coalition and their corruption-mired leader Najib Razak, toppling the regime that had led Malaysia since independence from Britain in 1957.

AFP

## ► Mediterranean exodus



**A child looks on as Nigerian Christians pray aboard rescue ship MV Aquarius, off the coast of Sicily on Monday. Some 73 migrants of various nationalities, including women and children were rescued by MV Aquarius on Saturday. The rescue vessel which has been chartered by SOS-Mediterranee and Doctors Without Borders (MSF) is heading to the Italian port of Messina.** Photo: AFP

## Catalan lawmakers prepare to appoint new hardline leader

The Catalan parliament prepared Monday to elect fiercely pro-secession candidate Quim Torra as the region's new leader, who promised to keep fighting for an independent republic.

In a pre-vote speech to lawmakers Monday morning, Torra said he would respect the result of an independence referendum that took place on October 1 despite a court ban and would fight to "build an independent state in the form of a republic."

Catalan separatist authorities said 90 percent of the 2.2 million people who cast their ballot in the referendum – out

of 5.5 million eligible voters – opted to break from Spain.

Torra's appointment as president is all but assured after the far-left radical pro-independence CUP party said it would abstain from Monday's parliamentary vote, rather than cast their ballot against him.

This will leave father-of-three Torra with the simple majority needed to be elected and paves the way for a new government after months of political limbo.

This in turn will lift emergency direct rule imposed by Madrid on October 27 after the majority separatist parliament made a short-lived unilateral

declaration of independence.

Analysts warned the road ahead would be a rocky one, however, with politicians and voters split on the merits of trying to leave Spain.

Torra was handpicked as a candidate by deposed leader Carles Puigdemont, who was shown Monday on Catalan television following Torra's speech on a laptop from Germany where he is free under bail pending a court decision on whether to extradite him to Spain.

He faces jail on rebellion charges for last year's secession bid if he returns.

In an interview Saturday with Italian daily La Stampa, Puigdemont said Torra, as his designated successor, "takes power in provisional conditions and he is aware of that. From October 27, he will be able to call new elections."

Ines Arrimadas, leader in Catalonia of the centrist, anti-independence Ciudadanos party, has charged Torra is a mere "puppet" for Puigdemont.

AFP



## Graphic music video gets 100 million hits

A graphic music video by Childish Gambino has racked up more than 100 million views in just over a week on YouTube with its powerful takes on gun violence and racism.

"This Is America" – by actor and recording artist Donald Glover's edgy alter ego – is a raw take on racism, gun violence and consumer society hit the nine-figure-mark in a week, just behind of global hits such as Adele's "Hello" [four days] and "Wrecking Ball" by Miley Cyrus [in six days].

The four-minute video begins with a shirtless Glover dancing to soothing rhythms in an empty warehouse and singing "We just wanna party" and "We just want the money."

Glover suddenly pulls out a handgun from the back of his pants and executes a hooded man sitting in a chair.

A heavier, more foreboding beat drops, and Glover raps "This is America – don't catch you slipping up."

Later in the video, Glover guns down an all-black church choir in a sequence some commentators have interpreted as a reference to the 2015 murders of nine black churchgoers by a white supremacist in Charleston, South Carolina.

At several points, children in school uniforms join Glover in his hypnotic dance as violence occurs in the background.

The video, directed by Hiro Murai, ends with a terror-stricken Glover fleeing as from a lynch mob.

One of the clips producers, Ibra Ake, told NPR: "there's a communality there and people can relate to a lot of that stuff. I don't think we are as cerebral or as calculated as people think. Our goal is to normalize blackness."

AFP



A boy runs for cover during a dust storm in New Delhi, India on Sunday. Photo: VCG

► More strong winds 'very likely' in Uttar Pradesh

## Bad weather in India kills dozens

At least 70 people have been killed and over 100 injured after a fresh wave of violent sandstorms and thunderstorms battered India, officials said Monday.

Winds of over 100 kilometers per hour struck parts of north, east and south India late Sunday, uprooting trees, electricity pylons and damaging houses, officials from federal and state disaster management agencies said.

Storms with strong winds were "very likely" in most parts of the northern state of Uttar Pradesh on Monday, India's most populous state, the India Meteorological Department said in its latest forecast.

Forty people were killed by hail and thunderstorms that brought down walls, trees and power pylons in Uttar Pradesh state, T. P. Gupta of the state disaster management department told AFP.

Another 80 were injured by the winds that flattened nearly 40 houses across India's most populous state.

And another 14 people were killed Sunday by thunderstorms in West Bengal and 12 by lightning bolts in Andhra Pradesh.

The southern state had also been hit by more than 40,000 lightning bolts on May 1, killing 14 people in a matter of hours.

The latest storms also killed

two people each in Bihar and the capital New Delhi where winds reached more than 100 kilometers an hour, national disaster management authorities said.

Storms are common at this time of the year, the beginning of the rainy season in South Asia, but the severity of the weather this year, and the human cost, have been unusual.

Indira Gandhi International Airport was closed for more than two hours because of the winds, with 70 flights diverted.

The deaths came just 10 days after a sandstorm left more than 84 dead, most of them in Agra – the city of the Taj Mahal.

India has been gripped by a

freak weather system since the beginning of May, with many parts of the country experiencing extreme conditions.

Weather forecasters warned of fierce storms in parts of the north and east for the next two days.

Similar storms hit the region every year but this year has been the deadliest. On Thursday a thunderstorm left at least 22 people dead across India.

The May 2 dust storm killed at least 134 people and caused widespread destruction in the western state of Rajasthan and in northern Punjab and Uttarakhand states.

Agencies

## Congo Ebola outbreak kills 19, others suspected of being infected: WHO

The Democratic Republic of Congo reported 39 suspected, probable or confirmed cases of Ebola between April 4 and May 13, including 19 deaths, the World Health Organization said on Monday.

It said 393 people who identified as contacts of Ebola patients were being followed up. Information about the outbreak in Bikoro, Iboko and Wangata health zones in Equateur province was still limited, the WHO said in a statement.

At present the outbreak did not meet the criteria for declaring a "public health event of international concern," which

would trigger the formation of an emergency WHO committee.

The Democratic Republic of Congo and UN agencies began deploying emergency teams of specialists over the weekend to try to prevent the spread of an Ebola epidemic, they said on Sunday.

The World Health Organization obtained 4,000 doses of an experimental Ebola vaccine and was preparing for deployment in Congo, its Africa director, Matshidiso Moeti, told Reuters by telephone on Sunday. Only two cases have so far been confirmed in a laboratory.

The latest suspected case was reported on Friday in the northwestern prov-

ince of Equateur, which Health Minister Oly Ilunga Kalenga visited on Saturday with officials from the WHO and UN Children's Fund (UNICEF).

President Joseph Kabila also met WHO Director-General Tedros Adhanom Ghebreyesus in Kinshasa on Sunday.

Moeti said 362 contacts had been traced of those who had fallen sick – a necessary precursor to deploying the vaccines. She added that two of those contacts had got to the provincial capital, Mbandaka. The biggest worry since the epidemic was identified has been that it could spread there.

"We're concerned because this is a city of 1 million people," she said.

"It is evident that two or three months earlier, some cases of hemorrhagic fever and some deaths occurred," Moeti said.

Officials are racing to prevent the virus from spreading out of control, as happened in West Africa from 2014 to 2016, when Ebola killed more than 11,300 people.

Reuters





French investigators will widen their probe on Monday to include possible help provided to the Chechen-born 20-year-old whose stabbing spree in central Paris, claimed by the Islamic State (IS) group, left one person dead and four wounded.

The man, identified as naturalized Frenchman Khamzat Azimov, carried out the attack Saturday night in a lively area of theaters and restaurants near the city's historic opera house.

The knifeman, whose rampage followed a series of jihadist assaults in France that have killed 246 people since 2015, was shot dead by police after an officer failed to subdue him with a Taser.

A source close to the inquiry said Azimov grew up with his family in Strasbourg in eastern France, which has a large community of Chechen refugees.

His parents, now living in Paris, have been taken into custody as well as a friend in Strasbourg described as the "individual closest" to Azimov, according to a source close to the investigation.

Amaq, the IS propaganda agency, released a video on Sunday in which it claimed responsibility for the attack, aided by footage allegedly showing Azimov pledging al-

legiance to the jihadist group.

IS has long urged followers to seek "martyrdom" by targeting American or European "infidels" by any available means, and allegiance videos help the group bolster its claims of responsibility.

Although Azimov had no criminal record, he had been on both of France's main watchlists for suspected radicals – the so-called "S file" and a more targeted File for the Prevention of Terrorist Radicalization (FSPRT), which focuses on people judged to be terror threats – since 2016.

One source said he was questioned last year "because he knew a man who was in contact with a person who had gone to Syria."

Hundreds of fighters from Chechnya have joined Islamic militant groups in recent years, following two bloody separatist wars against Russian-backed authorities in the 1990s and 2000s.

Azimov became a French citizen in 2010 after his mother was naturalized,

government spokesman Benjamin Griveaux told French television.

Chechen leader Ramzan Kadyrov said on the Telegram messenger app that Azimov had obtained a Russian passport when he was 14, before obtaining French nationality.

Kadyrov said France bears "full responsibility" for the attack, because although Azimov was born in Chechnya, "he grew up and formed his personality, his opinions and convictions within French society."

#### 'He looked crazy'

A 29-year-old man was killed in the attack, while a Chinese man aged 34 who lives in Luxembourg and a woman of 54 were seriously wounded and rushed to hospital.

A 26-year-old woman and a man of 31 were slightly wounded. Officials said all the wounded were out of danger.

Witnesses described dramatic scenes as the knifeman struck, that he was walking

along stabbing people and yelling "Allahu akbar" (Arabic for "God is the greatest").

"I was taking orders and I saw a young woman panicking and trying to get into the restaurant," Jonathan, a waiter at a Korean restaurant, told AFP.

"The attacker entered a shopping street, I saw him with a knife in his hand," he said. "He looked crazy."

French President Emmanuel Macron tweeted: "France has once again paid the price in blood but will not give an inch to the enemies of freedom."

"So sad to see the Terror Attack in Paris," US President Donald Trump said in a tweet late Sunday, adding: "This kind of sickness and hatred is not compatible with a loving, peaceful, and successful country."

#### 'Sentinelle'

The attack again underscored the difficulty in tracking suspected extremists by police facing thousands of

potential risks, either from home-grown radicals or recent arrivals.

About half of the nearly 20,000 people on the FSPRT watchlist are under active surveillance.

"What good does this S file do if we don't use it to get these ticking time bombs off French soil," far-right leader Marine Le Pen posted on Twitter.

But spokesman Griveaux defended the government, saying it had foiled 22 terror attacks over the past 15 months.

"Unfortunately, there's no such thing as zero risk," he said.

France has suffered a series of major Islamist attacks including the massacre at the satirical newspaper Charlie Hebdo in January 2015, followed 10 months later by the killing spree in Paris that claimed 130 lives. The next summer, the Bastille Day truck attack in Nice killed 86.

Most of the attacks have either been claimed by IS or were carried out in its name.

Thousands of French troops remain on the streets under an anti-terror operation known as "Sentinelle," patrolling transport hubs, tourist hotspots and other sensitive sites.

AFP

## ► Police widen probe into Chechen-born Paris knife attacker

# No zero risk

Flowers are seen on Marsollier Street in the heart of Paris on Sunday, where the knifeman in Saturday's terrorist attack was shot. One person was killed and four others were wounded, including two seriously.

Photo: AFP

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► **Petal pushers**



**Chinese farmers process rose petals at a plant in Hai'an county, East China's Jiangsu Province on Tuesday.** Photo: IC

**Indian exam women have sleeves cut to stop cheating**

An Indian college has been banned from conducting examinations after it cut off the sleeves of women candidates for nursing tests to prevent cheating, officials said Monday.

Video shown on Indian TV showed staff at the school using scissors and razor blades to slash the women's sleeves before allowing them into the exam building on Sunday.

Many of the women can be seen carrying the ripped-off sleeves into the exam hall as dozens

of police stand guard outside in the Muzaffarpur district of Bihar state.

The act sparked protests outside other exam centers and complaints on social media.

District education officer Lalan Prasad Singh said the sleeves were cut to protect the candidates but added that a probe has been launched to find who was responsible.

AFP

**Double amputee climbs Mt. Qomolangma**

A 69-year-old Chinese climber and double amputee has successfully summited the world's tallest mountain.

Xia Boyu, 69, reached the peak of Mount Qomolangma, also known as Mt. Everest, at 10:50 am Monday – his fifth attempt at the feat.

Xia arrived at base camp in Nepal on April 12 and began his climb on May 8.

His success follows the Kathmandu government lifting of a recent ban on solo

climbers and those with certain handicaps from attempting the trek.

Xia lost both his feet to frostbite during an attempt in 1975 to climb the 8,848-meter mountain. Two decades later, Xia had both legs amputated during a battle with cancer.

However, none of this deterred the former Chinese national team climber, who trains daily wearing advanced sport prosthetics.

"I do 1,500 10-kilogram

squats, 100 pull-ups, 360 push-ups and 240 sit-ups," Xia told Chengdu Business Daily in February.

Xia's previous attempts were riddled with disasters.

In 2014, he was forced to turn back after an avalanche. The following year, Nepal was devastated by a major earthquake. In 2016, Xia was thwarted by a sudden storm only 94 meters from the peak.

Global Times

**Newborn critical after ambulance driver gets lost**

A newborn suffered brain damage and remains in critical condition after an ambulance in East China got lost while en route to the hospital.

The tragic blunder involved driving hours out of the way and a stopover as the newborn was starved for oxygen, media reported.

Soon after the baby's birth on April 30, doctors at a hospital outside Nanjing, Jiangsu Province diagnosed the infant surnamed Lin with hypoxia, or lack of oxygen to the brain.

They ordered the newborn to be transferred to Nanjing Jiangning Hospital, a 50-kilometer distance.

After picking up the baby and family, however, the ambulance driver dispatched by the hospital headed south – the exact opposite direction.

Tragically, what should have been a one-hour trip instead took five hours.

The delay resulted in irreversible brain damage, doctors later said.

"We should have driven north according to the map," said the infant's grandfather, who had ridden in the passen-

ger's seat. "I had told the driver but he said he said he was taking a shortcut."

It was not until 50 kilometers later that the driver realized his mistake.

With precious minutes being wasted, the grandfather had to direct the driver to another nearby hospital as the infants' condition worsened.

There the newborn was given oxygen while the Lin family arranged for another ambulance to take them to Nanjing Children's Hospital (NCH).

The newborn arrived at 11 pm, five hours after they left the first hospital.

Doctors at NCH later diagnosed the baby with pneumonia and brain damage resulting from lack of oxygen.

The infant Lin is in critical condition and being monitored at the hospital.

The Lin family has since called the driver's credentials into question. It was not reported if they plan to sue.

Jiangning Hospital, who dispatched the driver, has yet to comment.

Jiangsu TV

**Australian wins lottery twice in a week**

A stunned Sydney man who was celebrating an Australian lottery windfall could not believe it when he won again less than a week later.

The unidentified man, in his 40s and from the suburb of Bondi, picked up Aus\$1,020,487 (\$770,000) on Monday last week and then scooped another Aus\$1,457,834 on Saturday.

"I just thought this is too good to be true," he told NSW Lotteries Monday after being informed of his good fortune.

"The chances of winning twice in such a short period of time must be non-existent. I wish I had some advice to

others on how to win the lottery, but I don't."

Asked what he would do with the cash, he said: "I'm not going to be stupid with it." He plans to invest in some Sydney real estate, buy a new car and "a holiday to Honolulu goes without saying."

Lottery organizers could not estimate the likelihood of winning twice in a week, but the odds of winning once are one in 1.845 million.

AFP

Page Editor: liucaiyu@globaltimes.com.cn

**Chinese pilot lands plane after mid-flight windshield blowout**

A brave pilot landed a plane carrying 119 passengers after one of its windshield panels blew out over Southwest China.

Sichuan Airlines flight 3U8633 from Chongqing made an emergency landing at Chengdu Shuangliu International Airport early on Tuesday.

Captain Liu Chuanjian managed to keep his cool as -40 C winds blasted through the plane's opening at around 9,750 meters, media reported.

"It happened as the flight attendants were serving our meals. People were shocked," a passenger on board the Lhasa-bound flight told media.

There was a feeling of weightlessness, the passenger said, adding many cried and vomited.

Nine crew members were also on the plane.

While reports said the 119 passengers came out of ordeal unscathed, the co-pilot and a flight attendant were treated for minor injuries.

Miraculously, Liu was not visibly injured.

Liu, who had served in the military before joining Sichuan Airlines in 2006, is now being hailed as a hero on Chinese social media.

Global Times

► **Mr. Makeup**



**Livestreamer Hu Yu, 21, has made a name for himself teaching makeup and cosmetics skills online, media reported on Tuesday.** Photo: IC



- Foreign firms are falling out of privilege in the Chinese market and many are moving out of Beijing's central business area.
- Competing with domestic companies that can provide better salary and career future, foreign companies struggle to retain talents.

When there were two job offers – Chinese company Huawei and French enterprise Schneider Electric – given to Meng Lei for her choice, she firmly put her hands on the domestic one, Huawei, a leading information and communication technology (ICT) solutions provider in China.

“Foreign-owned firms had long been our favorite choice because of their fashionable lifestyle and advanced management. But in recent years, we turned to domestic companies that are more prominent in the sunrise industry,” Meng, a graduate of Peking University, told the Global Times. “Their competitive strength over foreign companies is apparent to us.”

Due to its attractive payments and bonuses, Meng said that such an offer would be a great stepping-stone to a bigger and better career path.

In a recent report released by LinkedIn, Chinese graduates' ranking of foreign employers dropped below that of State-owned enterprises and promising Chinese private enterprises, especially those in the TMT (telecommunications, media and technology) industry.

Meanwhile, as more domestic brands are expanding their market share, multinationals, once considered the “front runners,” now have to seek new strategies, including layoffs, to survive in the Chinese market.

In 2017, US tech giant Seagate Technology announced the closure of its largest HDD hub worldwide, located in Suzhou, East China's Jiangsu Province. Oracle, a US technology conglomerate, has reportedly cut more than 200 jobs at its research and development center in Beijing; Global digital industrial company General Electric recently announced it would shut down its Shanghai technology center, with thousands of layoffs.

With more multinationals joining the list, many have started to worry that life for foreign investors is becoming increasingly difficult in China.

#### Goodbye, Guomao

About a decade ago, the logos of HP and Motorola glittered on the buildings that they owned or named in Guomao, an area at

the center of Beijing's CBD. The early stage of China's telecom industry was their golden period.

Over the past 30 years, the gleaming high-rises in Guomao have gathered an array of well-known foreign-owned enterprises that tapped into the Chinese market. Guomao, which is referred to as the Manhattan of China, hosts a number of Fortune Global 500 brands, such as Apple, Shell, Sumitomo Mitsui and HSBC's China office.

During the boom years, more than 170 out of the world's Top 500 gathered here, with over 400,000 people working within a 10-square-kilometer area. Recent years, however, have witnessed these same companies fleeing downtown Beijing to less central locations such as Wangjing and Yizhuang due to unbearable rents.

The moving-out list contains many big brands such as Intel, Yahoo, Mercedes, HP, Motorola and Alston. Meanwhile, the number of home-grown firms moving in to Guomao has increased proportionally.

Savills, one of the world's leading real estate firms, told media that foreign firms in China have a harder time paying rent than domestic businesses with an adequate budget. The tight rent budget to some extent reflects the sluggish status of some foreign enterprises.

Zhang Yong, the manager of a large transnational pharmaceutical company, told the Beijing-based media Daily People, that their team-building outing to Australia has been moved to Sanya, South China's Hainan Province, to lower their budget. Moreover, their year-end prize for most outstanding employee has been decreased from a free trip-for-two to Europe to a cell phone.

A company's year-end bonus has always been regarded by employees as a barometer of corporate profits. Amazon China, when going through its darkest moments, first switched its year-end bonus from high-end vintage red wine to Chinese olive oil, then to a portable phone battery charger, according to the Daily People.

A woman who worked at Amazon China for two years said that Amazon's retail sector in China has been unable to stop its losses in recent years, shrinking its market share from 20 percent (its most prosperous year) to just 0.6 percent at present.

“Last year our year-end party was even cancelled because of our poor profits,” she said.

#### Deprived of privilege

“A decent salary, five-star hotels and high-profile meetings

# FADING

▶ Foreign companies lose luster among Chinese graduates as local firms catch up in income, welfare





# APPEAL

“Foreign-owned firms had long been our favorite choice because of their fashionable lifestyle and advanced management. But in recent years, we turned to domestic companies that are more prominent in the sunrise industry.”

**Meng Lei**

a graduate of Peking University

used to be standard configurations for employees at foreign firms. Now these perks are more common among deep-pocketed domestic enterprises,” Carrie Wang, who works for a foreign-owned bank in Beijing, told the Global Times.

“The old belief that foreign companies are superior to domestic ones no longer stands true for Chinese fresh graduates. They are increasingly turning their heads to domestic e-commerce giants like Alibaba or Huawei,” Wang said.

Foreign-owned human resources agency Manpower Employment found that Chinese people’s evaluation of their career prospects with foreign companies had dropped by 41 percent over the past six years.

“This tendency has also extended to the consumption side as China sees a rise of young consumers who prefer to grab home-made products due to ‘nationalism’ or a ‘sense of national pride,’” Wang said.

Daily People reported that the golden era for foreign companies traces back to 1994, when foreigners could take advantage of policies not offered to their Chinese rivals, including lower rate-paying and easier access to government services.

But the new Enterprise Income Tax Law and Implementation Rules launched in 2008 stipulated that the tax rates for both domestic and foreign enterprises should be the same – 25 percent. Before that, foreign-owned companies were only subject to a 15-percent or 24-percent tax rate while domestic firms had to pay 33 percent.

“It is hard to completely attribute the plight of foreign-owned firms in China to the phasing out of preferential policies for them,” said Wang Jun, vice minister of consulting and research department of China Center for International Economic Exchanges.

“To end the ‘super-national treatment’ of foreign companies is reasonable. China is now advocating industrial upgrading and in the ever-changing environment domestic and foreign companies should compete equally,”

he told the Global Times.

### Follow government’s call

On some levels, foreign companies have long understood the importance of respecting China’s policies and some even responded to the Chinese government’s call more actively than domestic competitors.

By the end of 2016, 70 percent of foreign companies in China had established Party organizations, higher than the 67.9 percent in Chinese private companies, according to figures released by the Organization Department of the Communist Party of China.

According to news portal caixin.com, China’s higher demands on the cyber environment also aroused concern among some foreign companies operating in China.

The general counsel of a transnational company in China told caixin.com that supervision over cyber data would to some extent influence their business lines, especially in the internet sector, but that they would find a way to deal with it.

For Chinese employees in those foreign companies, changes are happening. Fiona, who is working for one of the Big Four accountancy firms, is now focusing her time on taking the Chinese CPA (Certified Public Accountant) examination.

Her new boss, a Chinese, attaches more importance to a domestic CPA certificate than the international equivalent, in order to better serve their domestic customers. The boss’s reward for employees who successfully pass CPA includes a 5-day holiday.

For Tara who works at a British law firm in Beijing, she also changed her work focus. The firm used to only serve large enterprises or State-owned banks.

But now, as some large-scale foreign enterprises withdraw from the Chinese market, the company is offering IPO application services for small- and medium-sized private enterprises in order to better survive in the ever-changing environment.

Global Times – Agencies

A night view of Guomao, an area at the center of Beijing’s CBD  
Photo: VCC



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# US Embassy move opens Pandora's box

The US Embassy in Israel was relocated from Tel Aviv to Jerusalem, with Ivanka Trump, Jared Kushner and many US officials attending the opening ceremony on Monday. But the move triggered intense clashes between Israeli police and protesting Palestinians, resulting in at least 41 deaths.

Donald Trump pledged to move the embassy to Jerusalem during his 2016 presidential campaign, but nobody took him seriously. Even when Washington recognized Jerusalem as the Israeli capital last year, many conjectured that the White House might postpone the embassy relocation. But now the US president really fulfilled his promise.

There seems to be no clear logic behind the Jerusalem move. The relocation will for sure enrage Palestinians and offend the Arab public, and may even trigger a new uprising in Palestine. Washington seems to be making

trouble out of nothing.

But Trump is not that illogical. His reckless behavior and devil-may-care campaign pledges reflect his smug confidence in Washington's strength. Trump believes that former presidents of the US haven't fully exploited the country's strength. He can take advantage of Washington's comprehensive strength to forcibly create new realities. Dissatisfaction in the outside world cannot obstruct the implementation of his tough policies.

Trump is apparently confident that angry Palestinians cannot make waves and that dissatisfaction among Arab countries won't be transformed into resistance against the US, especially as conflicts between Iran and Sunni-dominated Arab countries are more acute than those between Israel and Palestine in the Middle East. Israel also shares a common stance with Sunni states on the Iran issue.

Both Israel and Saudi Arabia supported Washington's withdrawal from the Iran nuclear deal, and Riyadh is highly representative of Middle East countries. Perhaps Washington believes that suppressing Iran can alleviate Sunni states' anger at the embassy relocation.

Strength means everything, and thus Trump attaches more importance to reviving the American economy and increasing the defense budget than soft power. He was unswerving about launching a trade war.

Chinese must be clear that strength is all that matters to Washington in future negotiations. Rules and morality will be respected only if beneficial to the US. Otherwise they will be abandoned.

Washington has been taking advantage of its dominance to acquire more benefits in a US-led world order. But now Americans believe the benefits

gained from the world order are meager and that the US should coerce other countries to surrender to its will so as to accrue more benefits. In this way, the world will be dragged into a new turmoil.

China in response should build up its strength, especially its strategic deterrence. China's performance in this regard determines the extent to which the US respects us. On the other hand, China shouldn't provoke the US. A defensive strategy should be the basis of China's Washington policy. But Beijing should be confident that Washington cannot afford to clash with us in every field. We should stick to our core interests and peacefully coexist with the US.

Washington is acting tough but meanwhile its global battlefield is shrinking. This combination of aggressiveness and shrinkage provides the backdrop for the Trump administration's tactics.

## Voices

“Feeble-mindedness is costly for statesmen and they will eventually have to pay the price.”

**Ali Larijani, Iranian parliament speaker,** declaring US President Donald Trump “feeble-minded” for the controversial move of the US embassy to Jerusalem, quoted by AFP Monday.

“We can create conditions for real economic prosperity for the North Korean people that will rival that of the South.”

**Mike Pompeo, US secretary of state,** saying that Washington will lift sanctions if North Korea agrees to completely dismantle its nuclear weapons program, quoted by Reuters Monday.

## Road to hell



Illustration: Liu Rui/GT

## Singapore's wisdom reflected in hosting Kim-Trump meet

By Sun Xiaobo

US President Donald Trump and his North Korean counterpart Kim Jong-un are set to have a historic meet in Singapore on June 12, the first ever meeting between a sitting US president and North Korean leader.

The thrilling news again thrust in the limelight Singapore's constant efforts to be an intermediary in hotspot issues despite its small size. For instance, the city state has been coordinating communication between the Chinese mainland and Taiwan, and in 2015 hosted the historic meeting of Xi Jinping and Ma Ying-jeou, leaders from across the Straits.

Singapore was also instrumental within the Association of Southeast Asian Nations (ASEAN) and served as an important coordinator between ASEAN and major countries like China and Western nations.

Small Asian countries are now enhancing cooperation in a bid to become more influential, during which Singapore has played a key role. The “little red dot” has a big diplomatic role to play in the international com-

## BSERVER

munity, which should never be underestimated.

The diplomatic ambitions of Singapore were set by its founding father Lee Kuan Yew. As the smallest country in Southeast Asia, Singapore is clearly aware of where it should be going in the first place. It wisely adopts pragmatism, allowing no constraint by any dogma and upholding open and free trade. While prioritizing economic development, it seeks to be useful in the international community, a feat few small nations could achieve.

Singapore does rely on the West for its security guarantee and the benefits of a global free trade system, but whenever there are chances it seeks to keep sound relations with any other country. In less than six decades the resource-scarce country has become developed with a good international reputation. In the case of the Trump-Kim meeting, observers believe that Singapore's close diplo-

matic relations with both the US and North Korea are also a factor considered when the two countries picked the small nation as the site for their summit.

It's never easy for a small nation to struggle for survival among large countries and strike a balance between powers. So far Singapore has done well in this regard compared with Qatar that was embroiled in a diplomatic crisis last year. While some in China often overlook Singapore's particular role and consider it simply a puppet of major powers, perhaps we should show more understanding for its stance.

Given its economic power and regional influence, Singapore is expected to play its role in facilitating the Belt and Road initiative and China's relations with ASEAN, such as crafting the South China Sea Code of Conduct. China needs to attach more importance to the coordinating role of Singapore.

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# Mahathir won't thwart China ties in long run

By Ge Hongliang

The 2018 Malaysian general election has finally come to an end, bringing about a historic change in the country's political landscape. The Malaysian people have effected a historic power shift with a "voter tsunami." The Barisan Nasional coalition led by the United Malays National Organization party, which ruled Malaysia for 61 years, has been dethroned. The Pakatan Harapan led by Mahathir Mohamad, a former Malaysian prime minister, formed the new ruling coalition. The power shift in the general election is unprecedented for the Southeast Asian nation. The upheaval, particularly Mahathir's re-election, is especially important for China-Malaysia relations.

The power shift will definitely increase the uncertainty of China developing cooperative relations with Malaysia and developing bilateral ties. China's cooperation with ASEAN countries is now in a critical phase that is fraught with all kinds of problems. The problems hidden in the previous phase are likely to become more sensitive in the changed times.

Before the general election, China and Malaysia achieved remarkable progress in relations within the framework of the Belt and Road initiative. However, some uncertain factors, such as the corruption scandal surrounding Malaysia Development Berhad of former prime minister Najib Razak's government, also existed.

The political reshuffle in Malaysia and Mahathir's remarks on Chinese investment are very likely to hit China-Malaysia cooperation in the short run. Mahathir's disenchantment with former prime minister Najib reached a peak in recent years, and dethroning the latter had become a vital goal of



Illustration: Liu Rui/GT

Mahathir's comeback. While trying to realize his goal and showing disappointment with Najib, Mahathir often directed criticism at Chinese investment or related projects in Malaysia.

In his view, Najib had been too close to China and Chinese investment has raised concerns over sovereignty. Mahathir stated clearly before the general election that if elected he would strictly scrutinize China-funded programs. After the victory of his coalition, he reiterated this at a press conference on Thursday. China is now Malaysia's largest foreign investor. Chinese-funded programs, including the East Coast Rail Link project, are very likely to become the key targets of reassessment. It is possible that the power shift in Malaysia would give rise to short-term fluctuations in China-funded programs in the

country. In the long run, the power shift will not cause major damage to China-Malaysia ties. Mahathir has actually left some leeway and set certain conditions in his remarks over Chinese-funded programs.

Although he reiterated that he would reexamine related programs, he also stressed that the step was not directed at China. All projects will be assessed, and only those with unfair terms will be revised, he emphasized.

Mahathir is also positive about the Belt and Road initiative and hopes to expand the railways. In his eyes, the problems of Chinese investment in Malaysia are not of scale but relate to specific terms and modes of investment. Moreover, Mahathir has rich experience in pragmatic cooperation with China and also has a welcoming

attitude toward China's investment in Malaysia and the country's economic and trade relations with China.

The power transition in the Malaysian general election has indeed posed a challenge to China-Malaysia cooperation, and is very likely to cause short-term fluctuations and setbacks. However, in the long run, the Malaysian ruling party rotation will not have an adverse impact on bilateral ties. Instead, it is likely to provide a good opportunity for fixing the problems in China-Malaysia cooperation, and inject new momentum to improve bilateral ties.

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## China's role indispensable in resolving North Korea nuclear crisis

North Korea has declared that it would hold a ceremony for dismantling the Punggye-ri nuclear test site between May 23 and 25 and would invite foreign journalists to the event. The dismantling will involve destroying all tunnels using explosives and the removal of observation facilities, research buildings and security posts.

The announcement was welcomed by Washington. US President Donald Trump called it "a very smart and gracious gesture!" tweeting an unusual "Thank you." Most international opinion was also positive.

The Punggye-ri nuclear test site, located in the north of the country, is only about 100 kilometers from the Chinese border and poses nuclear pollution risk to Northeast China. Abandoning it would bring huge benefits to the region and we hope the ongoing denuclearization and the process of rap-

prochement among the parties will be irreversible.

Just a few days ago, US Secretary of State Mike Pompeo visited North Korea and brought back with him three Americans who were detained in North Korea for more than a year. It was Pompeo's second visit to Pyongyang. The two countries are interacting before the Trump-Kim summit and North Korea's decision to destroy the nuclear test site could hint at Washington and Pyongyang's deepening consensus over reconciliation.

However, people are still worried. Pyongyang has paid a big price to obtain nuclear weapons and will it abandon them if the US cannot fully agree to its requests? Washington has indicated that it will not respond if North Korea doesn't abandon its nuclear program first. Will Washington adopt a more flexible attitude?

When the US and North Korea are moving toward the summit, they need to push forward and should make efforts to prevent a relapse. It is worth noting that in 1994, the US and North Korea signed an agreed framework that froze Pyongyang's nuclear program and helped the country economically. In 2002, then US President George W. Bush administration's 2002 National Security Strategy listed North Korea as a "rogue" regime and stopped aid. An outraged Pyongyang restarted nuclear tests. After the Six-Party Talks, North Korea blew up the cooling tower at Yongbyon nuclear complex but the denuclearization process that saw ups and downs did not succeed.

Prospects of easing tensions on the peninsula this time seem stronger than they have at any time in the past, the reason being that the Workers Party of

Korea decided to switch its focus to economic development. Currently, relations between the two Koreas have improved and international public opinion has high hopes of lasting peace on the peninsula. When resolution of the North Korea nuclear crisis is at a critical juncture, it's of particular significance to hold the US-North Korea summit.

Attempts at resolving the Korean nuclear standoff have failed earlier, but it should not be a ruse for Washington hesitation. When Pyongyang pledges to stop nuclear tests and launch of intercontinental ballistic missiles and announces the dismantling of a nuclear test site, the US must step up bilateral interaction.

In theory, the US has definite advantage over North Korea. Therefore, it is Pyongyang, not Washington, which has more to fear a change in the

denuclearization plan. Derailing of the denuclearization process in the past cannot be only Pyongyang's fault as the US used to allege. Is it only Tehran's fault that the US withdrew from the Iran nuclear deal?

Unlike before, China has become stronger. Without China's support, the United Nations' framework on resolving the peninsula issue cannot work. In the absence of Chinese support, North Korea's security will become weaker and the US will get lost in dealing with the issue. China is the power which can really provide support in resolving the issue and it should take the initiative to do so.

This is an editorial of Global Times. [opinion@globaltimes.com.cn](mailto:opinion@globaltimes.com.cn)





# China, EU can curb fallout of US' Iran deal exit

By Dong Yifan

US President Donald Trump's vaunted withdrawal from the Iran nuclear deal on May 8, leading to re-imposing of sanctions lifted under the accord, has triggered strong displeasure among European countries.

In a joint statement, French, German and British leaders regretted the US decision. They reiterated their "continued commitment" to the Iran nuclear deal, stressing that the agreement "is of particular importance to our shared security." The US move has again undermined the interest of European states, a heavy blow to EU-US ties after World War II.

Trump's decision to pull the US out of the agreement is undoubtedly a unilateral step that has shaken the credibility of the international community. It is also a manifestation of Washington's proclivity to advance its own interests at the cost of its EU allies. Such a move has jeopardized US-EU efforts to strengthen multilateralism, promote common values and develop shared interests after WWII.

The EU has been frequently hit by the "America First" doctrine through US tariffs on steel and aluminum imports and Trump-generated fracas over the NATO defense budget. The potential political, economic and security fallout of Washington's decision to ditch the Iran nuclear deal has further upset the EU. Obviously, Europeans are frustrated by French President Emmanuel Macron and German Chancellor Angela Merkel's failure to win over Trump over the Iran nuclear agreement during their visits to the US.

Trump's announcement to withdraw from the deal and re-impose sanctions on Iran has hurt the EU's economic interests. Trade volume between the EU and Iran rose from 9.2 billion euros (\$11 billion) in 2015 to 25 billion euros in 2017 after the agreement. However, the US move has dealt a heavy blow to European firms eyeing more inroads into the Iranian market.

As the US controls the dollar settlement system and trade between Iran and other countries needs to be settled in the greenback, foreign companies in business ties with Iran could be punished for violating US sanctions. In 2014, French bank BNP Paribas paid an \$8.9 billion penalty, a record sum for the bank accused of doing business with countries including Sudan, Cuba and Iran that face US sanctions.

The revival of the European economy has benefited from the downturn in world oil prices since 2014, but geopolitical turbulence in the Middle East will likely raise the oil bill. Brent crude oil prices, following

Trump's announcement, rose by 3.15 percent to \$77.21 per barrel and may further go up. The Spanish government estimated that if the barrel price rises to \$75, it could result in a -0.7 percent decrease in the GDP and 150,000 job losses. Euractive, an EU media outlet, even used the headline – "Trump becomes number one threat to European economy."

Europe has also suffered political and security setbacks. Trump's meddling in Syria, the Iran nuclear issue and the Palestinian-Israeli conflict have

upset Europeans who understand the importance of stability in the Middle East in ensuring peripheral security after the Arab Spring uprisings. If Trump's decision to leave the deal propels Iran's nuclear development and involvement in regional competition, the EU will bear severe consequences of a regional nuclear weapons race, the escalating conflicts in Syria and Yemen and the worsening of the refugee crisis and terrorism.

US withdrawal from the Iran nuclear deal has hit EU's endeavor to promote multilateral diplomacy and address the Middle East issue. Besides, the Trump administration's cozying up to Israel and Saudi Arabia through the Iran nuclear issue at the expense of its traditional European allies has undermined the EU's dignity.

The EU will continue to adhere to the Iran nuclear agreement and protect Iran from further sanctions. Some European leaders are negotiating with Iran's President Hassan Rouhani to seek remedial measures while urging him to show restraint. However, due to the US' financial outreach and economic sanctions, trade relations between the EU and Iran will be significantly restricted. Therefore, more efforts from other countries are needed to save the deal.

China and the EU have played a significant role in reaching the Iran nuclear agreement and maintaining peace and stability in the Middle East. The two sides also share the goal of safeguarding multilateral international rules and systems. It's believed China and the EU can find a reasonable way of developing business ties with Tehran and preventing the Iran nuclear issue from spiraling out of control.

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Illustration: Liu Rui/GT

## Experts warn of dangerous repercussions of Trump's action on Iran agreement

The withdrawal of the US from the Iran nuclear deal would cause serious consequences and heighten tensions in the Middle East which may develop into an unprecedented global crisis, Algerian analysts said.

In an interview with Xinhua, Zohir Bouamama, a professor of political science and international relations at the University of Algiers, said that US withdrawal from the nuclear deal "would possibly spark direct military confrontation between Iran and Israel, keeping in mind the key role played by Israeli Prime Minister Benjamin Netanyahu in pushing toward the withdrawal."

Bouamama assumed that

US President Donald Trump "seems not aware of the seriousness of the repercussions of his decision, which could drag the whole region into an armed confrontation, mostly as the new US secretary of state stated that the solution for thwarting Iran from having a nuclear bomb is the destruction of the Iranian nuclear program as a whole." He added that such a decision "would also affect Washington's relations with its European allies who are still supporting the nuclear deal with Iran; and would also deepen the differences with Moscow and Beijing."

Bouamama said that the withdrawal from the nuclear

agreement would also lead to consumption of larger quantities of energy due to potential direct military confrontations in the air, and this would likely create more instability in oil prices in global markets.

Mustafa Saidj, an international relations expert, said that the US president's decision was largely expected as during his election campaign he considered the Iran nuclear agreement as one of the worst ever deals that his country has signed.

"I believe that the US foreign policy toward the Middle East in particular is dictated by the Israeli Zionist lobby, at a time when the Netanyahu adminis-

tration believes that it possesses intelligence leaks that Iran has the capabilities and is working to develop a nuclear bomb," said Saidj.

Saidj indicated that "the US military-industrial complex is also determining the compass of Trump's management of the Iran nuclear deal."

Experts assume that the US military industry tends to maintain the Iranian nuclear program as a bug to push each of the Gulf countries, led by Saudi Arabia, to keep their military spending high, noting that \$1,739 billion were spent globally in arms deals in 2017, and the figure is expected to rise in 2018. Saidj noted that there is

a need for European countries to keep the nuclear agreement in force because it serves the interests of companies, especially French and German ones.

"We are here talking about the a deal worth \$17 billion for the European Airbus industry in Iran, adding the promising Iranian automobile market that offers lucrative opportunities to the French and German car industry," added Saidj.

This is an article from the Xinhua News Agency. [opinion@globaltimes.com.cn](mailto:opinion@globaltimes.com.cn)



# China beckons in remote island nation

By Sun Xiaobo

Last month I visited Mauritius with a delegation of Chinese diplomats on a trip organized by The Charhar Institute. There is a whiff of China in the air in the remote Indian Ocean island nation, and I could feel it. It is said that ships belonging to the fleet of Zheng He, a Chinese seafaring explorer during the Ming Dynasty (AD1368-1644), once anchored off the African nation for provisions during his expeditionary voyages. The moment I stepped off the airplane, I could sense China around me: The terminal at Sir Seewoosagur Ramgoolam International Airport looks much like the Beijing Capital International Airport, and not surprisingly, it was funded by China.

In fact, Mauritius has the second largest Chinese population in Africa after South Africa. Of its 1.3 million inhabitants, about 3 percent are Chinese, mostly descendants who trace their ancestry to Guangdong Province in South China as early as the 17th century. Over centuries, generations of Chinese have been deeply rooted in all fields of the nation and earned due respect and status in the country.

This influence rubs off on daily life. Sir Moilin Jean Ah-Chuen, a Chinese-Mauritian politician, had his image put on Mauritius' 25-rupee banknote due to his immense contribution to the country – the only case of its kind in the world. China's traditional Spring Festival is a national holiday in Mauritius and tradition demands that there be a Chinese minister in every Mauritian administration.

Signboards written in Chinese can be found very often. Mauritius is also



home to the first China Cultural Center that the Chinese government set up overseas. Gao Yuchen, former Chinese ambassador to Mauritius, told me that China's relations with Mauritius can be a model of cooperation between large and small countries.

More often than not there is a "but" behind things that look good. Having long stayed away from China, local Chinese residents I met can hardly speak Chinese except for newcomers, who are mostly into business and other who make a living as workers. In restaur-

rants having traditional Chinese decor, Chinese food is served with knives and forks, not chopsticks, and is accompanied by dipping sauces with local flavor. This is Chinese culture that differs from the one I am familiar with.

The local Chinese community is also dwindling. Joseph Tsang Mang Kin, a Chinese-Mauritian who had served as Mauritius' minister of arts and culture, told me worryingly that many young Chinese-Mauritians are leaving for other places eyeing better opportunities. The 80-year-old was upset that a

smaller Chinese population would cripple the influence of Chinese community in the country. "We need you," he said wistfully, asking for more attention from China. As long as a strong China cares about the Chinese community in Mauritius, the local government will also give them more importance, he said.

Interestingly, when young Chinese descents are leaving Mauritius, China is drawing locals. We were taken to the Confucius Institute at the University of Mauritius. It was established one year ago after 10 years of difficult negotiations and now has over 300 students, including Chinese-Mauritians. Several students told me that they came to the institute because they found Chinese language and culture fascinating, aspiring to stay in China for some time and learn more about the country. Although this has so far reached just a small portion of the population, it is working.

China has grown to be a powerful and completely different country from what it was known to Chinese living overseas. In addition to traditional Chinese culture brought into Mauritius over the centuries, there is a lot about today's China

that's worth being told about. The local coordinator of our delegation surnamed Shen, who has been in the island nation for two years, told me that he taught staff of the resort we lived in modern Chinese cuisine and some Chinese cultural performance. I hope that one day people in the archipelago nation will be able to learn more about both the traditional and modern outlook of China. So are those in Africa.

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## Films can cement China-India relations: Indian-Chinese actor

By Pankaj Yadav

Screening of films in each other's country would lead to a bonhomie between India and China as they showcase a nation's real culture thereby promoting people-to-people contact and better mutual understanding, said Meiyang Chang, an Indian-Chinese who is a famed film-actor, singer, anchor and entertainer in India.

Chang's family is originally from Wuhan City of Hubei Province which witnessed the informal meeting between Chinese President Xi Jinping and Indian Prime Minister Narendra Modi in late April.

Chang's great grandparents fled China on foot during the Japanese invasion, walked through forests and mountains, before finally reaching India's eastern city of Kolkata.

"I've heard stories about how

they walked through forests and over mountains to reach India," Chang said, recalling the emotional tales which he heard from his grandparents, in an exclusive interview with Xinhua.

His father is a dentist and mother a beautician, both settled in India's eastern state of Jharkhand.

He is himself a qualified dentist but took to entertainment industry after being coaxed by one of his friends to participate in a reality show *Indian Idol* some years back. And, soon he became a household name in India. Now, he lives in Mumbai, the hub of India's film industry Bollywood.

"I've always heard how much a lot of Chinese people love Hindi songs and films, and that it is doing good business. Films like *3 Idiots* and *Dangal* have done exceedingly well in China, and *Kung Fu Yoga* did

decently in India as well. So, yes, I believe this soft power can bring us closer and as a product of both cultures, I could be in a unique position to showcase that. I'd love people in China watch my music, movies and TV shows," he said.

Not able to pick up Chinese as he had most of his school and college education away from home, Chang says, "as with any immigrant population, we follow and preserve our Chinese culture and practices, but have also adopted the indigenous ones, including Indian food. We do meet for weddings, prepare for the Chinese new year feast and also follow the egg-eating custom for the newborns."

Indicating that Chinese films have been quite popular in India, he said actors Bruce Lee and Jackie Chan are well known in India. "Take it from someone who has roots in both

countries, we have more in common than we know. Our sense of family, marriage, afterlife, movies and the like are uncannily similar," he said.

Expressing his views on the recently-concluded Xi-Modi informal meeting in his hometown Wuhan, Chang said that it sent out a "positive message to the people on both sides that we can peacefully co-exist as allies".

Chang said he has never been to his hometown Wuhan, but wishes to be there one day. Recalling how he spent time in Hubei Province a couple of years ago, he said, "In August 2013, I was invited to be part of a musical program for CCTV. I extended my stay in China for a short vacation and passed through the Hubei Province. We did not stop at Wuhan but explored quite a lot along the Yangtze River, including the Three Gorges Dam, amongst

other things."

"I intend to take a longer vacation some day to explore more of China, in particular, pandas and the Shaolin Temple. I'm quite fascinated by Chinese history and have read a few books on it," he said.

In a message to the Chinese, particularly his friends and family in hometown Wuhan, Chang said, "I hope you are well, and I pray we meet more often. I hope you'll visit India some day and let me take you around. There's so much to see, so much new food to sample, such warm people to meet and experiences to be had. And of course, stories to be shared!"

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As Meghan Markle's gown undergoes final adjustments for her wedding to Prince Harry, her gaffe-prone US family has been sending royal courtiers into a spin by airing its dirty laundry in public.

The bride-to-be remains close with divorced parents Tom Markle and Doria Ragland but other relatives have been barred from the May 19 nuptials amid unwelcome stories of bust-ups, heavy drinking – and even an arrest.

Markle, who grew up in the Los Angeles suburb of Woodland Hills, will be walked up the aisle by Tom, 73, an Emmy-winning Hollywood lighting director of Dutch-Irish descent who is enjoying retired life in Mexico.

Around the turn of the century, the future Duchess of Sussex was filmed as an aspiring teen actress by childhood friend Ninaki Priddy discussing her relationship with her father as they drove across LA.

"We aren't going to go there," she says on the video – posted to YouTube last year – as they near Tom's Los Angeles home, before adding, "We aren't on the best of terms."

There has been a detente in the intervening years, however, with Markle publicly expressing her love for her father in an Instagram message in 2016 and declaring, "Your hugs are still the very best in the whole wide world."

Markle's introduction to Hollywood came thanks to her father, who would bring her daily to the set of ABC's *General Hospital* and Fox sitcom *Married... with Children*.

#### 'Blurred line'

"There I was, behind the scenes of a glossy soap opera and a TV sitcom, surrounded by famous actors and their glam teams, multi-million dollar budgets, and crew lunches that always included filet mignon," Meghan wrote on her now-defunct blog, *The Tig*.

Tom reportedly put Markle through Hollywood's most exclusive schools and the private Northwestern University in Illinois after winning \$750,000 in the state lottery in 1990.

He met Harry in Toronto in mid-2016 and took to the prince immediately, describing him on a video obtained by British tabloid *The Sun* as "a gentleman."

Markle's mother, a 61-year-old African American yoga instructor and clinical therapist, met Tom while working as an assistant make-up artist at *General Hospital*.

The Ohio native has been through her own financial woes, according to the *Daily Mail*, which reported that she filed for bankruptcy in 2002 with assets of just \$10,400 and credit card debts of \$58,000.

"While my mixed heritage may have created a gray area surrounding my self-identification, keeping me with a foot on both sides of the fence, I have come to embrace that," Markle wrote in a 2015 essay for *Elle* magazine about being biracial.

She and Prince Harry revealed in an inter-

view with BBC they'd spent much time with Ragland ahead of their engagement. "Her mum's amazing!" enthused Harry, who is sixth in line to the British throne.

There was speculation that Markle's father would be left off the guest list after the US star barred estranged half-siblings Tom Jr and Samantha, Tom Snr's children from a previous marriage.

Tom Jr, 51, who lives in Oregon, was arrested in January on suspicion of holding a gun to his girlfriend's head while drunk, although the charges were dropped and the couple got engaged.

#### 'Princess Pushy'

The twice-divorced father-of-two says he and Meghan haven't been close since she moved from LA to Toronto in 2011 to start work on legal drama *Suits*.

Relations are unlikely to have improved since Tom Jr sent Prince Harry a letter to call off the "fake fairytale wedding," arguing that his half-sister was "obviously not the right woman" for the royal.

"As more time passes to your royal wedding, it became very clear that this is the biggest mistake in royal wedding history," he said in the April 26 missive, which he shared with *In Touch* magazine.

He professed to be bored with Markle – "like a below C average Hollywood actress" – playing the part of princess and accused her of draining their father's money until he went bankrupt in 2016.

Samantha, 53 – who lives in Florida and recently changed her surname from Grant to Markle – is said to have angered the Markle clan with the announcement that she was planning a tell-all book called *The Diary of Princess Pushy's Sister*.

Other members of the extended family include Thomas Jr's sons, Tyler, 27, and Thomas Markle III, who has berated his "crazy" father and aunt for their public feuding.

There is another half-nephew and an uncle, Tom Snr's older brother Frederick, who runs a Florida chapel that reportedly has little or no congregation.

AFP



► Royal Wedding: Will raucous US in-laws out-sparkle Markle?

# FAMILIAL WOES

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Wax figures of Prince Harry (left) and Meghan Markle at Madame Tussauds London Photo: VCG



**Zhao Yun by Yu Zuokun**

Photos: Courtesy of Yu Zuokun

# Traditional charm



From the Monkey King, one of the most well-known fictional characters around the world, to Zhao Yun, the fearless general and warrior from China's Three Kingdoms period (220-280)... characters both fictional and historic come to life under the hands of Chinese artist Yu Zuokun.

Yu has been showcasing a series of Peking Opera inspired sculptures as well as some new works at the National Center for the Performing Arts.

"They all come from my childhood memories about opera, which took up a lot of my spare time when growing up in my village," he told the Global Times on Monday when talking about his exhibition *Peking Opera Charm*.

Yu said that appreciating amateur opera performances on simple stages was the only source of entertainment for him and the other children while growing up in a small village in East China's Fujian Province.

Yu decided to put all of his best memories about these operas in his works, such as an intricate sculpture of Yang Guifei, one of the Four Beauties of Ancient China.

"Most of my works were inspired

**Untitled landscape sculpture by artist Yu Zuokun (right)**

by my life experience. What I want to create comes out of the bottom of my heart, so I don't have to think too much about what it will look like," said he.

Taking his *Zhao Yun* sculpture as an example, the traditional image of this figure in China sees him wear a suit of white armor, yet Yu dresses him in black to make Zhao seem more mighty and sedate.

The dozens of works on display cover the artist's art career over the



past 20 years.

"Although I created a number of works each year, I only keep one or two, the best ones; those that record exactly what I want to express," he explained, adding that he is also willing to try new subjects.

A giant landscape sculpture that is displayed at the exhibition's entrance is one of his new works, and represents something that he hopes to continue in the future.

The exhibition is scheduled to come to an end on Saturday.

Global Times

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**State film bureau announces film watching app Smart Cinema 'not licensed'**

China's State film bureau announced in a statement that Smart Cinema, a new Chinese mobile app that claims to be licensed to stream films at the same time they debut in cinemas, "does not have the qualifications to release video and audio content (including movies) online," according to a China Film News report on Saturday.

First launched on Wednesday, the app claimed to be the first platform authorized to release films simultaneously with cinemas. According to a report from Beijing Youth Daily on Friday, the app advertised that users could watch one film for 25 yuan (\$4), and that the money would be counted as part of the films' total box office.

The app boasts on its promotional page that it obtained the official license rights to release the films. There are still two films, *Dude's Manual* and *Hong Kong Rescue*, available on the app as of the writing of this article.

Smart Cinema's debut sparked wide discussion among Chinese film industry insiders about the future of watching film in China.

Even though many Chinese online streaming platforms also stream films, there is usually a three-month delay before a film becomes available.

Global Times

**'Splendid China' concert to mark the 30th anniversary of Hainan Province**

The China National Traditional Orchestra will work with local Hainan cultural organizations to stage a large traditional orchestra performance to mark the 30th anniversary of the tropical island being lifted to the status of province, the troupe announced on Friday.

The *Splendid China* concert, which will make its debut in Haikou, capital of Hainan Province, on May 30-31 and return to Beijing's National Center for the Performing Arts on June 15, will feature a number of songs themed after Hainan's tropical atmosphere, said troupe director Xi Qiang.

According to Xi, members of the troupe visited Hainan two years ago in search of inspiration. During that time, they lived with local people of the Li ethnic minority group in order to research their traditional music. Songs that resulted from the trip include "Ode to Hainan" and "I Love Wuzhi Mountain."

Renowned musician Feng Mantian will also play his signature instrument, the Chinese plucked string instrument known as the *zhongruan*.

**Pipa player Zhao Cong** Photo: Courtesy of the China National Traditional Orchestra

Global Times



By Luo Yunzhou

Ten years ago in Wenchuan, Southwest China's Sichuan Province, people were going about a normal afternoon when suddenly a huge earthquake rocked the region. Reaching 8.0 in magnitude, the earthquake destroyed countless buildings over a more than hundred-thousand-square-kilometer area and led to the deaths of over 80,000 people, making it one of the most destructive earthquakes to hit the country after the founding of the People's Republic of China.

On Saturday, a decade after the earthquake, commemorative activities were held throughout China to remember those that lost their lives or were injured, but more importantly, to celebrate the rebirth of this area.

New houses and schools have been built, businesses are prospering and people have returned to their normal lives. Many people have contributed to this success.

Among them all, John Lin and Joshua Bolchover are two contributors that should not be forgotten, as the duos' Rural Urban Framework (RUF)

helped provide affordable housing to locals in need.

### Village renewal

One of the areas that was severely impacted by the disaster, Jintai Village is just a small town located near the city of Guangyuan in Sichuan Province. Adding to the tragedy, the misfortune that the village experienced wasn't limited to the earthquake. Following the Wenchuan earthquake in 2008, the village was subsequently damaged again by a decimating flood and accompanied landslides in 2011. This was a terrible blow to locals, many of whom had just moved into newly rebuilt homes.

Seeing people in need, RUF moved in to work with NGOs and the local government to help the community.

"We thought that in addition to being able to help out the community, it was a valuable opportunity to take part in designing an entire village from scratch and reflect on its significance and potentiality," Crystal Kwan, the project leader for RUF's Jintai Village Reconstruction Project told the Global Times.

A solution was quickly worked out. Instead of simply copying the designs of the residents' original homes or follow-

ing common urban designs, the team decided to come up with new buildings that would be in fitting with the unique lifestyle of the village.

"We hoped to offer an alternative solution that would not only preserve the authenticity of the village but also help foster a sense of self-reliance and community-living," Kwan noted.

In order to insure the safety of the houses, Lin and Bolchover gave up on traditional square shaped homes, instead going with irregular shaped buildings with an inclined and terraced roof.

"We rejected the easier way of tabula rasa and instead we terraced the site in order to follow the existing topography as much as possible," Kwan explained.

Making full use of space, designers turned everyone's roof into a small garden that could be used for farming. Taking into the watering and temperature needed for the plants, the architects worked high-tech solar panels and a private rainwater collection system into the design to help make residents' lives as cost efficient as possible.

### Perfect blend

"Second we valued a lot the relationship of the houses with the surrounding natural environment," Kwan explained.

"In a rural village, you have to feel yourself being in the landscape; architecture and landscape

should be more blended in with each other."

According to Kwan, one of RUF's goals was to incorporate the natural environment into the house, such as natural light, air circulation and view of the surroundings. At the same time, they emphasized the dialogue between the homes and its residents.

As a result, one can now find in the village homes that perfectly blend into the local environment to become a part of the rural view. Families are able to sell their home-grown vegetables and fruits at stalls by their front doors, while livestock that once defecated on the street, now enjoy "private toilets" that collect their droppings and turn it into usable methane.

Besides the natural environment, Kwan also believes that the house and village design has to be relevant to the villagers' rural livelihood as well.

"It is important not only to improve their lives but also to inform a new way of living."

With this in mind, the designers also built a community center where residents can get together to chat with family and friends.

Like the homes, the roof of the building can be used for farming, while an open space below the roof provides a place the dwellers can rest in the shade.

The spacious design makes it a great place for community meetings or spontaneous get-togethers among members of the community.

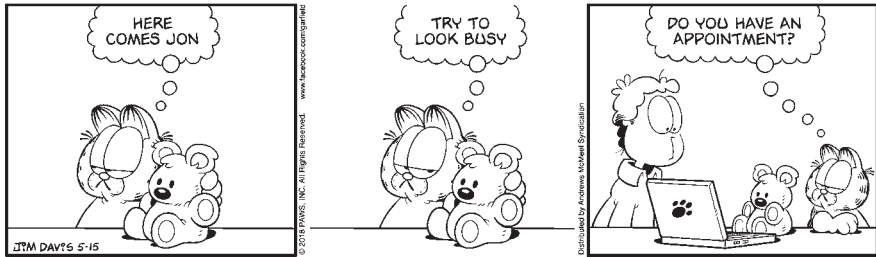
"We often strive to plan the project so that the whole village can benefit from it. Instead of just satisfying the program needs, we want the project to integrate into the village and people's lives," Kwan noted.

# RISING FROM RUIN

Aid program redesigns village devastated by Wenchuan earthquake



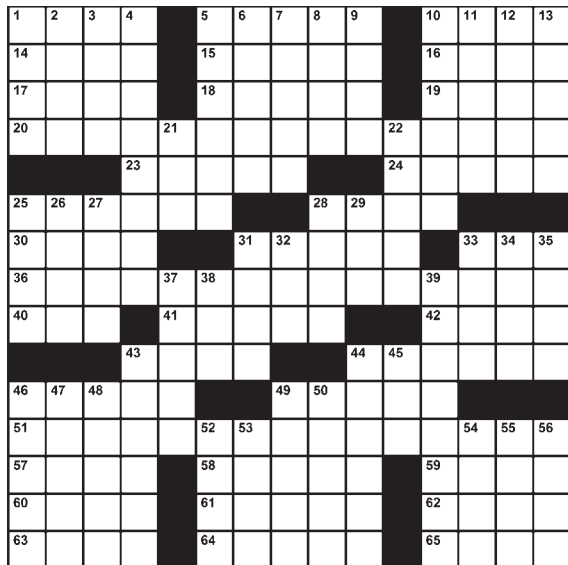
Garfield



Crossword

ACROSS

- 1 Hit the tight end
- 5 Igneous rock form
- 10 Hot tin place
- 14 Cookie brand
- 15 Ran \_\_\_ of the law
- 16 Whale variety
- 17 Middling shade
- 18 Blunders
- 19 "Save that deletion!"
- 20 Appreciative phrase of relief
- 23 The Almighty, e.g.
- 24 It involves a twist
- 25 Make an accusation
- 28 Soda type
- 30 Expansive pastures
- 31 In the know
- 33 Her kin?
- 36 Attempting to flirt
- 40 Heston called one dirty
- 41 Wild West loop
- 42 Panner's target
- 43 Singer k.d.
- 44 Wise way to think
- 46 Once over
- 49 Canvas cover
- 51 Charity on the greens
- 57 First poker chip
- 58 Squash variety
- 59 U-turn from less
- 60 Anjou thing
- 61 Native American craft
- 62 Refine wordings
- 63 Shows fallibility
- 64 Add riders
- 65 Cincinnati nine



- 13 Type of acid
- 14 Beer barrel
- 15 B-ball coach Pat
- 16 Jessica of TV and films
- 17 Bound
- 18 After hours
- 19 Walker's prop
- 20 Really good rock
- 21 All worked up
- 22 Is no 59-Across
- 23 Gin fizz flavor
- 24 Faith with the pipes
- 25 Boater's hazard
- 26 Silly as can be
- 27 Nice no?
- 28 Boardgame accessory, sometimes
- 29 Cons for good
- 30 Violated a commandment
- 31 Word that links
- 32 Amazed, mouthwise
- 33 Dead duck
- 34 Bridal path stopper
- 35 It's dialed up
- 36 Brother of Moses
- 37 Try to outspurt
- 38 Deceive
- 39 \_\_\_ of silence

Today's Solution



DOWN

- 1 Any limerick writer
- 2 Anagram of "char"
- 3 Evening in Rome
- 4 Most solid
- 5 An animated Simpson
- 6 What the game is, old-style
- 7 "Oh, boy!"
- 8 Hand-warming tube
- 9 "And before I forget ..."
- 10 Speaking platforms
- 11 Prefix meaning "straight"
- 12 "... sailed the \_\_\_ blue"

Horoscope

Happy birthday:

The day may go by in a blur today. Working in some physical exercise may help bring things back into focus, so try to take any chance you can to work some athletic activities into your agenda. Your lucky numbers: 2, 3, 6, 10, 15.

Taurus (Apr 20 - May 20)

Any carelessness on your part will cause major problems for you down the line. Do your best to ensure that mistakes are kept to a minimum by going over everything twice. Bringing in another set of eyes is also sure to help immensely. ★★★

Gemini (May 21 - Jun 20)

Although good fortune will shine down on you today, don't tempt fate by getting too cocky. Keeping things small and low-key will ensure your success. Purple will be your lucky color. ★★★

Cancer (Jun 21 - Jul 22)

Storm clouds are gathering on the horizon. There is no need to worry for now, but you should prepare yourself for some rocky times ahead. Make sure you have an adequate emergency fund. By doing so you will be able to see your way through without major incident. ★★★

Leo (Jul 23 - Aug 22)

Your drive to attain perfection means that the more you challenge yourself the better you will perform. Involving yourself in activities that will push you to your limits will increase your chances of success. ★★★

Virgo (Aug 23 - Sep 22)

Self-doubt will only drag you down and keep you from achieving your full potential. There is no way to know if you will succeed or fail unless you try! ★★★

Libra (Sep 23 - Oct 22)

Focus your energies looking for opportunities to further your education. The more you know the more career opportunities will open up before you. ★★★

Scorpio (Oct 23 - Nov 21)

Pay close attention to the signs the universe is sending your way. A major choice must be made today that will have a long-lasting impact on your life. Money matters are looking up for you and yours. ★★★

Sagittarius (Nov 22 - Dec 21)

The fact that the work week has just begun does not mean you can't have any fun. No matter how busy you are, take some time out tonight to just relax and enjoy yourself for a while. Lady Luck will smile down on you when it comes to money. ★★★

Capricorn (Dec 22 - Jan 19)

Prepare to face some serious challenges today. While things may get frustrating just keep in mind that nothing of value comes easy or for free. A conversation with a friend will reveal some interesting information. ★★★

Aquarius (Jan 20 - Feb 18)

Taking time out today for some self exploration will pay off big dividends both emotionally and spiritually. If you aren't quite sure how to begin, you can turn to the Internet for some tips that can help you with your meditations. ★★★

Pisces (Feb 19 - Mar 20)

Someone may be looking to pull the wool over your eyes today, so make sure you stay on your toes. Pay more attention to what people do instead of what they say. ★★★

Aries (Mar 21 - Apr 19)

The devil will be in the details today so make sure you take your time as you deal with tasks. Financial investments should be a major focus as the stars indicate good economic fortune in your future. ★★★

RATINGS ★

- 5: Head for Macao!
- 4: Ye gods! The planets align!
- 3: Things are looking up.
- 2: Don't bet on things working out.
- 1: Watch out for black cats and ladders.

Learning Chinese

Chat attack

ridiculous plot  
狗血剧情  
(gǒuxuè jùqíng)

A: There have been a lot of really good movies coming out recently. I don't know what to watch when I head to the cinema tonight.  
最近好看的电影真多，我都不知道晚上去电影院要先看哪个。  
(zuìjìn hǎokàn de diànyǐng zhēnduō. wǒ dōu bù zhīdào wǎnshàng qù diànyǐng yuàn yào xiān kàn nǎ gè.)

B: There are a lot of good films, but there are also quite a few ones with ridiculous plots out there as well. I watched a movie I have been waiting for for a long time last night, but the storyline really left me disappointed.  
好电影虽然多，但狗血剧情的也不少，我昨天就看了一个一直很期待的电影，结果故事情节让我大失所望。  
(hǎo diànyǐng suīrán duō. dàn gǒuxuè jùqíng de yě bùshǎo. wǒ zuótiān jiù kàn le yīgè yízhí hěn qīdài de diànyǐng. jiéguǒ gùshì qíngjié ràng wǒ dà shī suǒ wàng.)

A: How was it ridiculous?  
怎么狗血了?  
(zěnmē gǒu xuè le?)

B: There were a lot of plot holes and the characters didn't make sense.  
情节漏洞特别多，人设也根本立不起来。  
(qíngjié lòudòng tèbié duō. rénsè yě gēnběn lì bù qǐlái.)





► Kuznetsov continues red-hot form in away games

# Capitals grab control of NHL East finals

Evgeny Kuznetsov scored off a lucky bounce late in the second period as the Washington Capitals seized command of the Eastern Conference finals with a lopsided 6-2 win over the Tampa Bay Lightning on Sunday.

Goaltender Andrei Vasilevskiy misplayed a Kuznetsov centring pass that deflected into the net at the end of the second period to make it 4-2, helping the Capitals take a 2-0 playoff series lead.

"We played hard and we played smart," said Capitals forward Alex Ovechkin. "All four lines did their job. We waited for our opportunities."

The series now shifts from Florida to Washington on Tuesday night where the Capitals will try to take a 3-0 stranglehold.

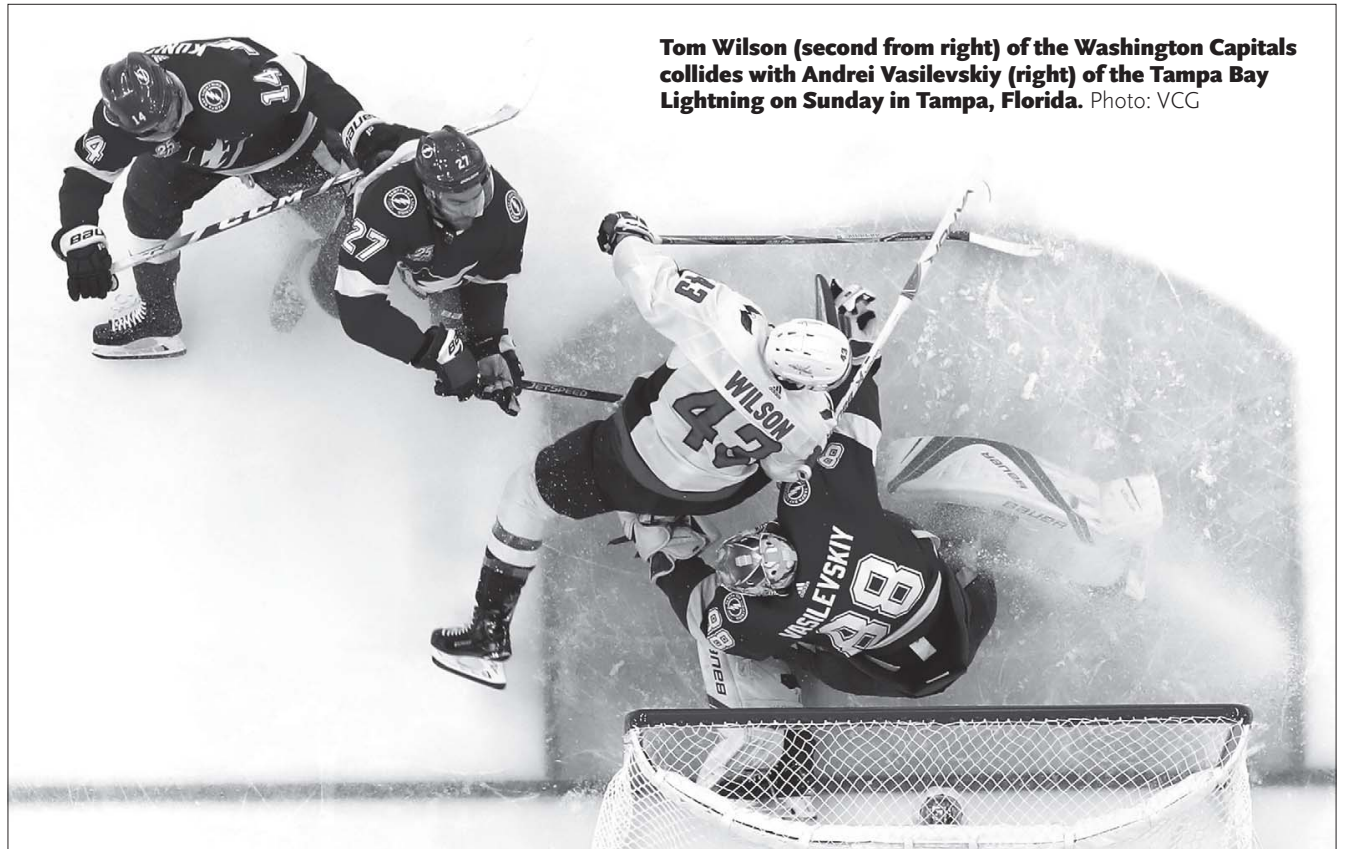
Kuznetsov also had two assists, Lars Eller finished with a goal and two assists and Braden Holtby made 33 saves for the Capitals, who are in the NHL semifinals for the first time in two decades.

They are playing for a spot in the NHL's Stanley Cup finals against either the Las Vegas Golden Knights or Winnipeg.

Russian forward Kuznetsov said he doesn't know how to explain it but he performs better in road games like Sunday's contest at Tampa's Amalie Arena. He loves the idea of sweeping the series with two wins at home but can't wait to get back to Florida if the series goes that far.

"I don't know, man. The last couple of years I've just been dreaming to play all games on the road. I don't know why," Kuznetsov said. "I feel bad for our fans. I want to play in front of them, but overall I really like to be on the road."

The Capitals are also winning without their top two-way player Nicklas Backstrom who is out with a hand injury. His place in the lineup has been



Tom Wilson (second from right) of the Washington Capitals collides with Andrei Vasilevskiy (right) of the Tampa Bay Lightning on Sunday in Tampa, Florida. Photo: VCG

taken by Eller who has stepped out of the shadows to give the Capitals the extra punch they need.

Eller was instrumental on both plays when the turning point came in the final minute of the second period.

He scored the eventual winner with 62 seconds left and then assisted on Kuznetsov's power-play goal.

The Capitals were given a power play with 10 seconds left after netminder Vasilevskiy tripped Washington's Andre Burakovsky, sending the Swedish forward hard into the end boards.

Vasilevskiy then attempted to inter-

cept Kuznetsov's centering pass to Eller, but the puck hit his blocker and went in just before the buzzer to give the Capitals a two-goal lead heading into the intermission.

Tampa tried to battle back in the third but the Capitals did a good job of slowing them down and not allowing them to utilize their speed and skill around the net.

Holtby also made clutch saves when he had to. He had back-to-back stops from in close on Tampa forward Brayden Point on the power play halfway through the third.

Washington forward Brett Connolly scored at 12:57 after taking a pass on his stick blade and then, like a lacrosse player, whipping the puck into the upper half of the net to round out the scoring.

Russia's Ovechkin, with his team-leading 10th goal of the postseason, Tom Wilson and Devante Smith-Pelly also scored for the Capitals.

Point and Steven Stamkos scored goals for Tampa, who may have dug a hole too deep to climb out of by losing the first two games on home ice.

AFP

## Federer replaces Nadal as No.1, Djokovic on the slide

### ► TENNIS

Rafael Nadal's surprise quarter-final exit at the Madrid Masters has seen the Spaniard replaced as world No.1 by Roger Federer in the latest ATP rankings published on Monday.

Former world No.1 Novak Djokovic slipped six places to 18th after his second-round defeat in Madrid, his lowest ranking since October 2006.

Madrid winner Alexander Zverev remains in third, but the man he beat in Sunday's final, Dominic Thiem, dropped a place to eighth despite knocking out Nadal on his way to facing Zverev.

Thiem saw off Kevin Anderson in the semifinals and it is the South African who inherits his seventh spot, the 31-year-

old's highest-ever ranking.

The highest mover in the men's charts is Madrid semi-finalist Denis Shapovalov with the Russian teenager jumping 14 rungs to a best-ever 29th.

On the women's side, Czech Petra Kvitova jumped two spots to eighth in the latest WTA rankings after beating Kiki Bertens to win the Madrid Open for the third time on Saturday.

Losing Madrid finalist Bertens shot up five places to 15th, while Russian Maria Sharapova's quarterfinal showing meant she went up 12 spots to 40th in the rankings headed by Romania's Simona Halep, Dane Caroline Wozniacki and Spaniard Garbine Muguruza.

AFP

## Sapporo has second thoughts about 2026 bid

### ► OLYMPIC GAMES

The Japanese city of Sapporo is reconsidering plans to host the 2026 Winter Olympics in favor of an improved bid for the 2030 Games, officials said Monday.

Sapporo, which staged the Winter Olympics in 1972, appears to have decided that waiting an extra four years for bullet train and road projects to be completed would give it a better chance of winning hosting rights.

"Sapporo's urban development is unlikely to be fully ready by 2026," Sapporo Mayor Katsuhiko Akimoto told a joint news conference with Japanese Olympic chief Tsunekazu Takeda.

"By 2030 they will be ready to a degree, so we are currently discussing whether to go forward with our bid for the 2026

Games along with the possibility of looking instead at 2030."

Akimoto insisted Sapporo had not yet decided to pull the plug on plans for 2026, but the northern city may also be conscious of the fact it would be Asia's third successive Winter Olympics and fourth overall.

The 2018 Winter Olympics were held in Pyeongchang, South Korea earlier this year, the 2020 Summer Games will be in Tokyo and the 2022 Winter Olympics in Beijing.

"We have heard [from Sapporo officials] that the city would have a better-prepared environment in 2030," said Takeda.

"It is essential for an Olympic host city to have that development and 'shinkansen' [bullet train] links. It will be a powerful factor in an Olympic bid."

Sapporo is one of seven cities that have expressed interest in 2026, and faces competition from Calgary, Stockholm, Graz in Austria, the Swiss city of Sion, Erzurum in Turkey and a joint Italian bid from Cortina d'Ampezzo, Milan and Turin.

The International Olympic Committee is expected to select the winner in September 2019.

Sapporo, located on Japan's northern island of Hokkaido, could also face a strong challenge for 2030 if it opts to delay by four years, with former Olympic host cities Lillehammer (1994) and Salt Lake City (2002) suggesting they were prepared to bid.

AFP





## ► Italian giants seal 4th straight league and cup double

# Juventus claim magnificent 7

Juventus wrapped up their seventh successive Serie A title, and their fourth league and cup double in a row, on Sunday with a pragmatic 0-0 draw away to AS Roma in the style that has become their hallmark under Massimiliano Allegri.

Rivals Napoli, the neutrals' favorites thanks to their more flamboyant approach, won 2-0 at Sampdoria and set a new club points record but it was all in vain as they were left four points behind Juve with one game left.

Napoli, whose match was briefly interrupted in the second half because of anti-Neapolitan chants by home supporters, will finish as runners-up for the second time in three seasons under chain-smoking coach Maurizio Sarri.

Juventus, who won a record 34th Serie A title, maintained their perfect domestic record in their four seasons under Allegri, who also won a Serie A title with AC Milan in 2011. They have also reached two Champions League finals in that period.

Allegri often talks about the importance of "administering the game" and that was exactly what Juventus did as they coasted home, doing the absolute minimum required of them.

Third-placed Roma, already qualified for next season's Champions League, took the initiative and looked dangerous, although Edin Dzeko, Radja Nainggolan and Lorenzo Pellegrini all missed the target.

Paulo Dybala had the ball in

the net two minutes after half-time but he was fractionally off-side. Roma were reduced to 10 men when Nainggolan, already booked, was sent off for an ugly foul on Dybala in the 68th minute and the game petered out.

Napoli's Arkadiusz Milik and Raul Albiol scored second-half goals to secure three points at the Marassi stadium, but their chances had already gone with a 3-0 loss at Fiorentina and 2-2 draw against Torino in their previous two games.

The referee stopped the game during the second half because of the chanting by fans – officially termed "territorial discrimination" – and Sampdoria President Massimo Ferrero came onto the pitch and appealed for it to stop.

Lazio missed a chance to clinch the fourth and final Italian place in next season's Champions League group stage when they were held to a 2-2 draw at relegation-threatened Crotona, handing a lifeline to Inter Milan who lost 2-1 at home to Sassuolo on Saturday.

Inter visit Lazio for their final game and a win will lift them into fourth place on their head-to-head record.

Senad Lulic put Lazio ahead with a penalty in the 17th minute, then Crotona hit back through Simy and Federico Ceccherini before a brilliantly-taken goal by Sergej Milinkovic-Savic rescued a point for Lazio six minutes from full time.

.....  
Reuters

## Mancini to seal Italy deal on Tuesday: report

### ► SOCCER

Roberto Mancini has agreed a deal with the Italian FA (FIGC) to take over as national coach and will sign his contract on Tuesday, according to reports in Italy.

The 53-year-old former Manchester City manager quit as Zenit Saint Petersburg coach on Sunday, saying he now felt free to open talks with Italy.

Sky Sports Italia reported Monday that Mancini has now agreed a two-year deal and will sign a contract in Rome on Tuesday.

Italy have been without a permanent coach since Gian Piero Ventura was sacked after they failed to qualify for the World Cup for the first time in 60 years after losing to Sweden in November.

Mancini, who have also coached Inter Milan, signed for three years with Zenit last summer and led the club to a fifth-place finish in the Russian league.

FIGC Commissioner Roberto Fabbricini said last week that Mancini had agreed in principle to become the next manager of the four-time world champions, who failed to qualify for the World Cup in Russia after defeat to Sweden in a two-leg playoff. Mancini led City to their first English league title in 44 years in 2012, and won three Serie A titles with Inter. He also won Italian Cups with Inter, Fiorentina and Lazio.

The Italian national team will meet on May 22 to prepare three international friendlies against Saudi Arabia on May 28, France on June 1 and Holland on June 4.

.....  
AFP

**Juventus players celebrate winning the Italian Serie A title after a goalless draw away to AS Roma on Sunday at Stadio Olimpico in Rome, Italy.**

Photo: VCG



## Pochettino to hold talks with club boss over Spurs' future direction

### ► SOCCER

Tottenham Hotspur manager Mauricio Pochettino will hold talks with Chairman Daniel Levy this week to outline the club's plans for the future, refusing to guarantee he will stay in charge.

Pochettino's side beat Leicester City 5-4 at Wembley on Sunday to seal third spot in the Premier League.

In his three previous seasons they finished second, third and fifth – a period of sustained improvement that has made Pochettino one of the most admired managers in the game.

He is yet to win a trophy though and while Tottenham will move into their

new 61,000-seater stadium next season with Champions League soccer to look forward to, Pochettino hinted that it might not necessarily be him at the helm, calling on the club's hierarchy to "take risks."

"We need to talk a lot between us and the club. I think I have a very clear idea of what we need to do," he told reporters in his news conference after the game.

"I don't know if the club will agree with me or not, but we are going to talk next week to create what I think we need to do together again, to try to improve.

"That is a little bit up to Daniel and the club, of course, to agree with us because, after four years, I think we need

to assess that period if we want to compete for big, big trophies.

"I think all that we achieved until today is fantastic but it will be so important to create again."

Pochettino said he sometimes has "crazy ideas" but hoped Levy would be on the same page.

"You need to be brave in this kind of situation, in our club with our unbelievable fans, and take risks. I think it's a moment for the club to take risks and try to be competitive," he added.

"I am sure Daniel is going to listen to me, and of course we can create together to help the team to move on."

Levy operates a strict wage structure

at Tottenham with the club's salary budget dwarfed by their top-six rivals.

Right back Kyle Walker joined Manchester City last summer in a deal that more than doubled his wages.

Asked if he could guarantee whether he would be Tottenham manager next season, Pochettino's answer will not have been particularly reassuring to the club's fans.

"Today 100 percent I feel I am here, but it is important to think that tomorrow all can change, because it's not in my hands. It's not my decision to be here or not," he said.

.....  
Reuters

Page Editor:  
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# SPORTS



Jaylen Brown had 23 points and eight rebounds, and Marcus Morris added 21 points and 10 boards as the Boston Celtics stunned the LeBron James-led Cleveland Cavaliers 108-83 in Game 1 of the Eastern Conference finals on Sunday.

Al Horford finished with 20 points and six assists, and Jayson Tatum scored 16 for the undermanned Celtics, who reached the East finals without injured stars Kyrie Irving and Gordon Hayward.

"I just try to lead them the best way that I can and really lead by example," Horford told the ABC broadcast about the Celtics' young roster after the game. "We're just out here playing hard and having fun."

James totaled 15 points, nine assists and seven rebounds as the Cavaliers' five-game playoff winning streak ended. Kevin Love led the Cavs with 17 points and grabbed

eight rebounds. Rodney Hood added 11 points and Jordan Clarkson had 10.

"Just as confident going into a series no matter if it's a 0-0 series or if I'm down 0-1," James said.

Cleveland swept the Toronto Raptors and Boston beat the Philadelphia 76ers in five games to set up a rematch of last year's East finals. James and the Cavaliers eliminated the Celtics in a five-game series in May last year.

"Last year we came off a grueling, seven-game series against Washington," Horford said. "One day rest, we had to play Cleveland. You give them credit - they were the better team."

## NBA 2017-18

"This year, we were able to close the series out with Philadelphia - have a couple of days. I feel like the coaches came out with a great game plan for our group, and you know we just bought in and did what we were supposed to do."

James has appeared in seven consecutive NBA Finals series, including three straight with Cleveland. Boston are seeking their first Finals berth since 2010, when they lost in seven games to the Los Angeles Lakers.

Boston shot 51.2 percent (43 of 84) from the field and 36.7 percent (11 of 30) from three-point range while out-rebounding the visitors 48-40.

Cleveland were held to 36 percent shooting (31 of 86) from the floor.

JR Smith's buzzer-beating jumper had the Cavaliers within 78-64 after three quarters, but a Tatum finger roll put the Boston lead over 20 at 85-64 with 10:52 remaining. Cleveland trailed by as many as 29 after that.

The Celtics were up 61-35 at half-time. Brown's three-pointer with 32.4 seconds left in the second quarter gave Boston their biggest lead of the half at 61-33. The Cavaliers never came closer than 15 in the period.

Boston led 36-18 after one quarter after going up by as many as 21, matching the biggest first-quarter deficit James has ever faced in a playoff game. Boston went on a 17-0 run midway through the period.

Boston started Morris in place of Aron Baynes.

### ▶ LeBron unfazed by Game 1 defeat

# Celtics ride roughshod over Cavs

Jayson Tatum of the Boston Celtics shoots the ball against the Cleveland Cavaliers on Sunday at the TD Garden in Boston, Massachusetts. Photo: VCC

Page Editor: wanghuayun@globaltimes.com.cn

Reuters

Clear

Cloudy

Overcast

Rain

Shower

Thunder

Wind

Snow

Smog

## WEATHER May 15

**Beijing** H: 32° L: 22°  
Humidity: 61%  
Wind Scale: 3  
Daily Air Pollution Index: Moderate  
UV Index: Low  
Two-day forecast: H: 30° L: 21° / H: 28° L: 19°

**Harbin** H: 25° L: 13°

**Shenyang** H: 29° L: 18°

**Tianjin** H: 33° L: 19°

**Shanghai** H: 34° L: 25°

**Taipei** H: 27° L: 23°

**Hong Kong** H: 32° L: 27°

**Guangzhou** H: 33° L: 25°

**Wuhan** H: 33° L: 25°

**Chongqing** H: 33° L: 24°

**Lhasa** H: 22° L: 8°

**Chengdu** H: 33° L: 21°

**Hohhot** H: 30° L: 16°

**Xi'an** H: 30° L: 18°

**Urumqi** H: 19° L: 10°

### NATIONAL

City	Hi (°C)	Lo (°C)	Forecast
Dali	26	13	Cloudy
Guilin	31	25	Cloudy
Hangzhou	33	25	Cloudy
Kunming	26	14	Cloudy
Lijiang	25	14	Cloudy
Macao	31	26	Cloudy
Nanjing	34	25	Cloudy
Qingdao	20	16	Thunder
Sanya	34	27	Cloudy
Shenzhen	32	26	Cloudy
Suzhou	34	26	Cloudy

### INTERNATIONAL

City	Hi (°C)	Lo (°C)	Forecast
Amsterdam	22	16	Cloudy
Bangkok	36	27	Rain
Berlin	21	11	Rain
Brussels	25	14	Rain
Cairo	24	14	Overcast
Colombo	30	25	Rain
Frankfurt	22	13	Rain
Karachi	36	27	Clear
Kuala Lumpur	33	25	Rain
London	18	8	Clear
Manila	32	25	Rain
Melbourne	12	9	Rain
Mexico City	25	14	Rain
Moscow	26	12	Rain
Mumbai	35	27	Rain
Nairobi	23	17	Rain
New York City	26	15	Rain
Paris	24	14	Rain
Rome	20	12	Rain
San Francisco	17	12	Rain
Sao Paulo	22	15	Rain
Seoul	27	21	Rain
Singapore	32	26	Rain
Sydney	19	11	Rain
Tokyo	26	18	Cloudy
Washington	28	18	Rain



► **Biz Update**  
Shanghai's  
new policy of  
opening-up **B2**



► **Biz Overview**  
Three Gorges' EDP takeover  
likely to proceed **B4-5**



► **Biz Comment**  
Pact can  
enlighten free  
trade push **B6**



► **Biz Insight**  
CMQIP  
exemplar  
of B&R **B8**



**GLOBAL**  
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# BUSINESS

www.globaltimes.cn

TUESDAY MAY 15, 2018

► **COMPANIES**

By Ma Jingjing

Tighter liquidity and the macroeconomic situation jointly contributed to an increase in the number of bond defaults this year, but experts said the defaults can help in exposing risks and promoting resource allocation.

By the end of April 2018, more than 10 companies from various industries had defaulted on 15 batches of bonds worth over 12.86 billion yuan (\$2 billion), up 25 percent and 33.58 percent year-on-year, respectively, according to a bond market risk report China Central Depository & Clearing Co released on Friday.

The companies included Sichuan Coal Industry Group, Dalian Machine Tools Group and Evergreen Holding Group. Quanzhou-based Fuguiniao Co, which is listed on the Shanghai Stock Exchange, saw its first bond default in April.

The main factors contributing to these bond defaults were banks' tight liquidity and weak profits for companies in traditional sectors, according to industry experts.

"In 2015 and 2016, when interest

.....  
"Some companies used  
to issue new bonds  
to fund maturing  
liabilities, covering  
up potential risks.  
However, bond defaults  
expose those risks,  
and this can promote  
efficient resource  
allocation and squeeze  
the inferior players out  
of the market."

**Dong Dengxin**

Director of the Finance and Securities Institute at the Wuhan University of Science and Technology

rates were low, domestic companies issued bonds. Since 2017, commercial banks' liquidity has been tightening and traditional enterprises have become less profitable. As a result, many

can't repay the bonds," an industry insider who only gave his surname as Liu told the Global Times on Monday.

Amid the nation's deleveraging efforts, commercial banks have been contracting their overall credit loans, while newly published regulations for the asset management sector also restricted capital flows into the bond market, said Dong Dengxin, director of the Finance and Securities Institute at the Wuhan University of Science and Technology.

In April, China's entrusted loans were at a low level, dropping 157.5 billion yuan in total, data from the People's Bank of China, the country's central bank, showed on Friday.

The rise in bond defaults is not necessarily a bad thing, Dong told the Global Times on Monday. "Some companies used to issue new bonds to fund maturing liabilities, covering up potential risks. However, bond defaults expose those risks, and this can promote efficient resource allocation and squeeze the inferior players out of the market in the long run."

Dong said he predicted bond defaults would continue this year, considering the large amount of maturing bonds, ongoing structural deleveraging

and corporations' fund pressure.

**Difficult issuance**

Now it is harder for companies to issue bonds, as many investors are unwilling to buy them, according to Liu. "Two years ago, the interest rate on bonds rated AA was about 5 to 6 percent, but it is over 7 percent now," he said. In China, credit ratings often cluster in two rating classes – AAA and AA – with the former at a higher level.

Since the start of May 2018, the issuance of 32 batches of bonds, worth 19.55 billion yuan, has been delayed or canceled, domestic news site stcn.com reported on Monday, citing data from financial information provider Wind. So far this year, the issuance of more than 300 batches of bonds worth nearly 182 billion yuan has been canceled.

Fund firms are more cautious about buying bonds, Liu said. "The industrial cycle and credit ratings are the main elements fund managers consider, and they tend to buy bonds issued by State-owned enterprises with high ratings."

Page Editor:  
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► Process can help root out risks: experts

## Rise seen in bond defaults in 2018



An employee arranges the display at a Fuguiniao store in Quanzhou, East China's Fujian Province. Photo: VCG



► Foreign firms allowed to set up local branches

# Shanghai issues new guidelines

## ► POLICY

Officials in Shanghai announced on Sunday detailed guidelines for further opening-up in the municipality's financial sector, focusing on six areas, including banking, securities and insurance.

Under the new guidelines, foreign-owned banks will be allowed to set up subsidiaries and branches in Shanghai. And foreign commercial banks will be able to establish financial asset investment and wealth management firms without shareholding caps, according to a statement on the Shanghai government's official WeChat account.

In the securities sector, foreign investors will be allowed to set up foreign-owned investment funds and securities and futures companies in Shanghai, with business operations in brokerage and consulting services.

Furthermore, the business scope of foreign insurance companies will

be expanded to areas such as insurance agencies and assessment services.

Shanghai will also allow foreign investors to set up foreign-controlled life insurance companies.

In terms of the financial market, foreign investors will be allowed to participate in the Shanghai securities market. And overseas innovative companies will be encouraged to issue Chinese Depository Receipts so that they can get listed in the A-share market.

Shanghai officials are also making efforts to open up the Shanghai-London Stock Connect scheme this year, while also further expanding the volume of Panda bonds.

Other measures with regard to further financial opening-up include promoting pilot free trade zones in the Yangtze River Delta region, facilitating the internationalization of the yuan and relaxing restrictions on

market entrance for bank-card clearing institutions and non-bank payment institutions.

The measures are in line with Chinese President Xi Jinping's speech at the Boao Forum for Asia on April 10 in Boao, South China's Hainan Province, where he announced several important policies related to the country's further opening-up.

The guidelines also echo the financial opening-up measures announced by Yi Gang, governor of the People's Bank of China, the country's central bank, on April 11, according to the WeChat statement.

Shanghai has been a pioneer in China's financial opening-up, the statement noted.

In 2017, foreign financial institutions accounted for about 30 percent of the municipality's total registered financial institutions.

Global Times

## Figuratively Speaking

**13 million units** Potential car sales in the Chinese auto market in the next five years, China News Service reported on Monday, citing an official.

**3 years** Freeze period in which newly purchased commercial homes cannot be re-sold in Guiyang, Southwest China's Guizhou Province, according to a local government circular.

**236.1b yuan** Amount of money China's central bank announced Monday it had pumped into the market via multiple tools, the Xinhua News Agency reported on Monday.

## China to ease 'one route, one airline' policy

## ► AVIATION

China will ease its near decade-old "one route, one airline" policy, the country's aviation regulator said on Monday, opening the door to greater levels of competition on long-haul routes between the nation's State-backed and private carriers.

The Civil Aviation Administration of China (CAAC) said in a statement on its website that the move was in recognition of the changing nature of China's aviation market, and also to prepare for the opening of Beijing's second international airport, which is scheduled for 2019.

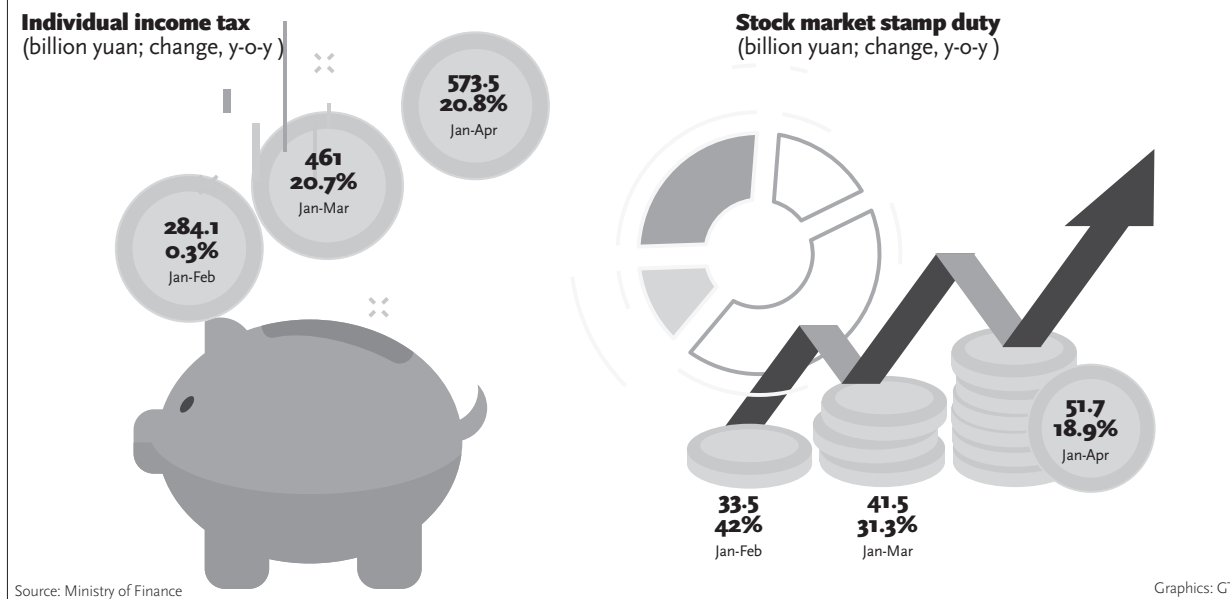
The regulator said it would divide international routes into two categories based on how open China's air transport agreement was with the destination country. The number of carriers would be unrestricted for one group, while some restrictions would be placed on the other.

The measures will go into effect on October 1, 2018, it said. The CAAC issued a draft of the proposed regulations in August.

The CAAC implemented the "one route, one airline" policy in 2009 for long-haul routes to prevent the country's mostly State-backed airlines from competing too aggressively against each other on routes that were hard to profit from.

Reuters – Global Times

## China's fiscal revenues in the first four months



## RoundUp

## POLICY

### Hainan free trade boost

South China's Hainan Province will implement in the free trade zone encompassing all of Hainan island all the pilot free trade policies being implemented in the existing free trade zones across China, according to China News service on Monday.

The Hainan government plans to achieve important advances in the development of the Hainan Free Trade Zone by 2020.

The provincial government of Hainan also announced it will eliminate restrictions for foreign investors in some important sectors, without giving details. It will also push other reforms such as pre-establishment national treatment and a negative list management system for foreign investors.

## REGULATION

### Qualcomm deal update

China has resumed its review of US chipmaker Qualcomm Inc's proposed \$44 billion takeover of NXP Semiconductors NV, Bloomberg reported on Monday, citing unidentified sources.

China's commerce ministry has been asked to speed up the review of the deal and Qualcomm's proposed remedies to protect local companies, Bloomberg reported, adding that local firms have voiced concerns the deal would extend Qualcomm's patent licensing business into areas such as mobile payments and autonomous driving.

It did not say who had asked the ministry to speed up the review, or what Qualcomm had proposed.

Agencies – Global Times

## Market entry for military products to be improved

## ► ECONOMY

China's State Administration of Science, Technology and Industry for National Defense (SASTIND) has reached a consensus with the defense sector to further improve the market entry mechanism for military products, a senior official said.

Repeated problems experienced by private companies should be resolved through the military-civilian integration mechanism, and the SASTIND will actively build an exchange platform as well as pilot projects to greatly improve the efficiency of private companies undertaking military product manufacturing, said Long Hongshan, chief engineer with SASTIND, People's Daily re-

ported on Monday.

At present, private enterprises account for more than two-thirds of the companies that have licenses for scientific research and production of weapons and equipment, and some are playing an increasingly important role in state-of-the-art technologies like micro and small-scale unmanned systems, said the report.

In addition, more than 2,000 aviation technologies have been developed in the national economy, it said.

However, China's military-civilian integration has not yet reached a profound level, and it still encounters structural and policy problems, Long said. Currently, ideas and policies

haven't kept up with the integration process, and resource sharing has not reached a desirable level.

It's too difficult for private companies to produce military products, said the owner of one private firm, noting that it is hard to understand military enterprises' product requirements due to obstructed channels of communication.

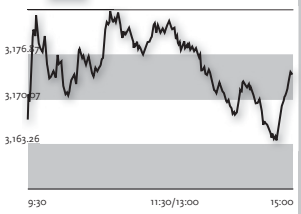
The central government's steering role should be brought into full play in boosting military-civilian integration.

Global Times

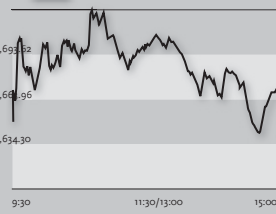


## Market-rates

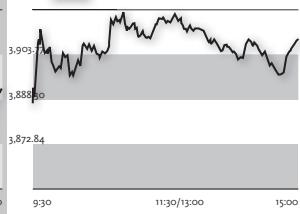
## Shanghai Composite

0.34%  
3,174.03

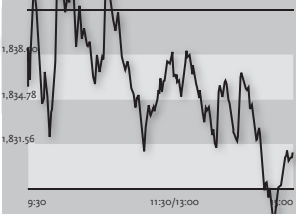
## SZSE Component

0.35%  
10,671.46

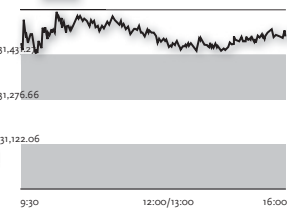
## CSI 300

0.94%  
3,909.29

## SZSE ChiNext

-0.21%  
1,830.98

## Hang Seng Index

1.26%  
31,515.51

## X-rates

	1 US dollar = 6.3345 yuan
	1 euro = 7.5703 yuan
	1 British pound = 8.5814 yuan
	100 Japanese yen = 5.7934 yuan
	1 Hong Kong dollar = 0.80695 yuan

► Firm plans to invest 27.2b yuan in projects related to 5G, Internet of Things

## Foxconn files for IPO on Shanghai exchange

### By Campos Santiago

Foxconn Industrial Internet Co, an internet and industrial-focused arm of Taiwan manufacturer Hon Hai Precision Industrial Co, filed on Monday an application for an IPO on the Shanghai Stock Exchange to fund projects related to 5G and cloud computing.

According to the published prospectus, Foxconn will issue a maximum of 1.97 billion A-shares. The newly issued

shares will amount to 10 percent of the company's enlarged share capital.

The proceedings of the IPO will be used to fund eight investment projects, including cloud computing, 5G and Internet of Things, data centers and intelligent manufacturing. The company plans to invest a total of 27.2 billion yuan (\$4.3 billion) in the eight projects.

The pricing for the IPO was not disclosed, but analysts expect Foxconn will be able to

raise over 200 billion yuan given its solid profit figures.

"Regional governments have already invested billions of yuan in anticipation of some of Foxconn's projects, such as the factory planned in Chengdu [capital of Southwest China's Sichuan Province]," Jiang Wei, a Beijing-based investor, told the Global Times Monday.

"The government wouldn't invest such amounts of money if they didn't expect Foxconn to come up with at least 20 bil-

lion yuan," he said. If Foxconn was able to raise the 27.2 billion yuan it says it requires, that would put the company's total valuation at \$43 billion.

Its initial IPO application to the China Securities Regulatory Commission followed a speedy approval process and was approved on March 8, a mere 36 days after the tech company filed for approval in February and a stark contrast to usual IPO applications that often take more than a year.

The speed of the approval is seen as a sign of the Chinese authorities' support for the tech industry in China.

Foxconn is known worldwide as the major contract manufacturer of Apple Inc, including its iPhone line. The company recorded a net profit of 16.2 billion yuan for 2017, up 13 percent from 14.4 billion yuan in 2016.

After the IPO is issued, Hon Hai will own 85 percent of Foxconn Industrial.

## Mainland stocks aided by easing trade frictions

### STOCKREVIEW

Chinese mainland stocks rose on Monday on signs that the US and China were toning down their trade war rhetoric, after US President Donald Trump pledged to help ZTE Corp "get back into business," potentially reversing earlier sanctions against the Chinese telecom company.

The blue-chip CSI300 index rose 0.94 percent to 3,909.29 points, while the Shanghai Composite Index gained 0.34 percent to 3,174.03 points.

Stocks were also aided by excitement toward MSCI's China A-share inclusion.

MSCI will include about 230 Chinese companies into its emerging market benchmark on June 1 and a list of the new constituents will be announced soon.

The financial sector sub-index was higher by 0.79 percent, the consumer staples sector up 2.81 percent, the real estate index up 0.09 percent and the healthcare sub-index up 0.88 percent.

The smaller Shenzhen index was up 0.35 percent, while the start-up board ChiNext index was down 0.21 percent.

The largest percentage gainers in the main Shanghai Composite Index were Henan Ancai Hi-tech Co up 10.04 percent, followed by Changzhou Shenli Electrical Machine Incorporated Co gaining 10.03 percent and Zhejiang Dibay Electric Co up by 10.02 percent.

The largest percentage losers in the Shanghai index were Qingdao Copton Technology Co down 10.02 percent, followed by Hangzhou Nbond Nonwovens Co falling 10.01 percent and Shanghai Wondertek Software Co down by 10.01 percent.

Reuters – Global Times

### ► Breaking records



**The Guantang Bridge, one of the world's longest arched bridges, is under construction in Liuzhou, South China's Guangxi Zhuang Autonomous Region. The main body of the steel bridge, weighing 5,885 tons, was completed on Monday. The total length of the bridge is 1,155.5 meters, with the section above the river spanning 462 meters. The foundation of the bridge carries the massive horizontal thrust of about 17,500 tons from the arch, breaking a world record.** Photo: VCG

## Chinese insurers turn to shadow lenders for higher returns

Chinese insurers are channeling funds through shadow lenders to real estate and local government infrastructure projects in a bid to boost returns, according to six insurance and trust sources.

The practice is undermining the Chinese government's efforts to cut local debt risks and curb a property bubble.

The amount insurers have allocated to alternative assets – trusts, asset management plans and bank wealth management products – has surged rapidly since authorities relaxed investment rules in 2012.

Analysts warn that the complex and opaque structure of such products makes it difficult for insurers

to see the ultimate borrowers and to then gauge their real exposure – a risk magnified by the long investment periods involved.

China's banking and insurance regulator did not respond to a request for comment.

Insurers are allowed to allocate up to 55 percent of total invested assets in alternative investments. Those investments accounted for 40 percent of invested assets in 2017, but the number has risen sharply in recent years. In 2012, the proportion was 9 percent.

Of the 40 percent recorded in 2017, the largest proportion was in debt investments, where the funds mostly end up as loans to infrastructure and

real estate projects, a Reuters analysis of insurance asset management product data shows.

In the three years to the end of 2017, insurers' investments in loans for infrastructure nearly tripled, and nearly doubled for real estate.

Higher yields are the main attraction for insurers. Trust products posted average returns of 9.42 percent at the end of 2017, while those on top-rated Chinese corporate bonds were around 5 percent, market data shows.

Reuters – Global Times

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## Around the world

### Shaanxi auto plant in Algeria

Truck manufacturer Shaanxi Automobile Group opened its first truck assembly plant in Algeria, according to the Xinhua News Agency on Monday.

The factory will produce 3,000 trucks every year under the brand Shacman.

The factory in the northeastern Setif province was built as a joint venture between the Chinese automaker and its Algerian partner Mazouz Trade Group.

The factory will create 8,000 jobs in the area, according to Mazouz. Mazouz also has agreements to produce vehicles under licenses from Chinese brands Chery and Higer.

### CNPC to take over Iran oil fields

China's oil major CNPC is planning to take over Total's participation in Iran's South Pars natural gas project, according to media reports on Monday.

The French oil company is seen as likely to pull out from the project after US President Donald Trump announced the US will abandon the Iran nuclear deal, domestic news website sina.com reported.

Total has a 50.1 percent stake in the South Pars field, the largest natural gas

field in the world, with estimated reserves worth \$2.9 trillion. CNPC holds 30 percent and Iran's PetroPars has 19.9 percent.

The deal signed last year gives CNPC the option to acquire Total's stake in case of a pullout.

### Jinfei Kaida buys Thai auto parts firm

Chinese auto and motorcycle parts supplier Zhejiang Jinfei Kaida Wheel Co announced on Monday that it has signed a letter of intent with shareholders of vehicle parts maker Vossen Manufacture (Thailand) Co to acquire full control of the latter.

The value of the deal was not disclosed in a filing with the Shenzhen Stock Exchange but the purchase would give the Chinese company full control of Vossen's operations in Thailand, which have not started, and its main asset, an industrial site covering 66,594 square meters, according to the filing.

If the deal is successfully made, Zhejiang Jinfei will use the land to build production lines for car and motorcycle wheels and expand the company's presence in the Southeast Asian market, it said.

Global Times

## JPMorgan plans 51%-owned securities firm

### FINANCE

JPMorgan Chase said on Monday it has applied to China's securities regulator to set up a securities business in which the US-based bank would own a majority stake under recently relaxed ownership rules.

The unit, in which JPMorgan would own 51 percent, would allow the bank's corporate and investment banking divisions to seek more Chinese clients on the Chinese mainland in an effort to expand and grow their businesses, JPMorgan said in a statement.

The US bank also said it is looking to double its research coverage of China-listed companies across all sectors, and that it has appointed banking veteran Mark Leung as chief executive of its China business.

The application is a step toward JPMorgan's return to the securities business

in China, after having sold its 33 percent holding in a similar venture to its local partner in 2016.

JPMorgan did not disclose who would own the remaining 49 percent of the new venture. However, it said it would raise its ownership to 100 percent if eventually permitted.

China in April said it aims to raise foreign ownership limits in securities, fund management and futures firms to 51 percent. The announcement came as the US and other trading partners complain of unfair limits on competition.

"These developments are important for China, the US and global commerce, and an encouraging sign for the world's two largest economies," JPMorgan Chief Executive Jamie Dimon said in the statement.

Reuters

## Leshi shares sink after capital crunch, debt warnings

### COMPANIES

Shares of Shenzhen-listed Leshi Internet Information & Technology Corp Beijing slumped more than 3.64 percent on Monday after top executives told a meeting that the company faces a capital crunch, massive debts and the risk of suspending listing.

"The company is having great difficulty in arranging capital and is strapped for cash. Most of Leshi's assets have been frozen and operating cash flow can't cover short-term debt," Chief Financial Officer Zhang Wei said at the meeting.

In 2017, short-term debt totaled 2.75 billion yuan (\$433.96 billion), most of which came from financial institutions, ac-

ording to Zhang. Management is looking at all possible methods to solve this problem.

With regard to the debt owed or incurred by parent company LeEcos founder Jia Yueting, Leshi's chairman Liu Shuqing told the meeting that the listed entity will use all means including lawsuits to make Jia and associated parties repay the debt in cash or in the shares and assets they control.

"The company's managers have been actively communicating with Jia and associated parties, including Ruichi Intelligent Automobile Co's land auctions... We hope Jia can offer effective solutions and a timeline to repay the debt as soon as possible, and

save the listed company from the funding crisis," Liu noted.

In April, Guangdong-based Ruichi, which is linked to Faraday Future – invested in by Jia – won a bid for an industrial site in Guangzhou, capital of South China's Guangdong Province, with an offer of 364.1 million yuan.

The move led investors to question whether Jia, who appears to have abundant funding sources, deliberately defaulted on his debt to Leshi.

Executives at the meeting also highlighted the risks that Leshi would be suspended from trading.

Under Shenzhen Stock Exchange regulations, if a company's auditors assign a negative

opinion to the financial statements or say they can't provide an opinion at all for two consecutive years, the company can be suspended from trading.

In 2017, Leshi's revenue dropped 68 percent and it reported a loss of 13.87 billion yuan compared with a year-earlier profit of 555 million yuan. Auditor BDO International said it wasn't able to provide an opinion on the results.

Zhao said that in 2018, the company will strive to "revive Leshi's main business and reactivate its capital flow and supply chain."

"But if these measures do not translate to a change in the audit report, Leshi faces the risk of suspending the listing," Zhao further noted.

Global Times

### DEALS

By Li Xuanmin

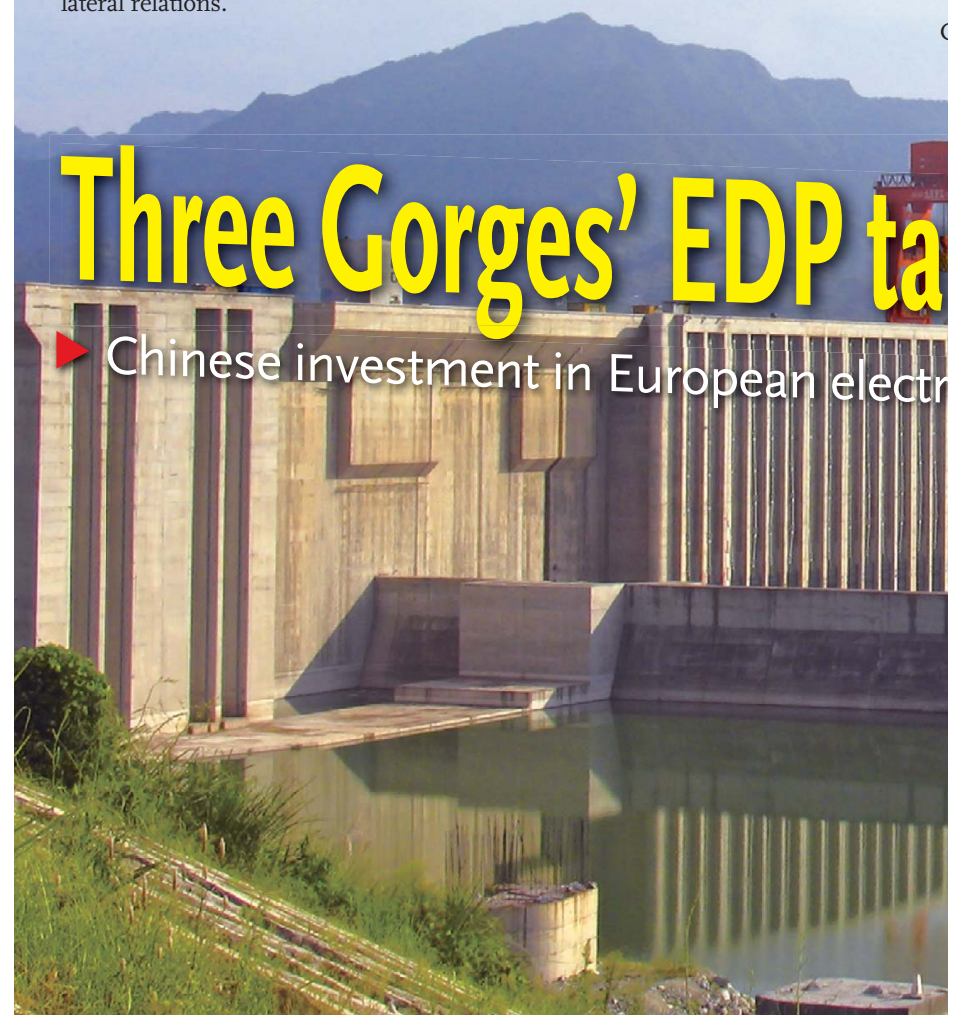
The proposed bid from State-owned China Three Gorges for a potential takeover of Portugal's electricity utility Energias de Portugal (EDP) is likely to gain regulatory approval from the EU and the US, as Chinese investment in EU member countries' electricity sectors is considered to be "not very sensitive" and the tie-up will boost Portugal's waning economy, experts said.

Western media outlets have been reporting that the proposed offer would be a test of the EU's readiness to allow China to take control of major infrastructure firms in its member nations and the attitude of US President Donald Trump's administration toward Chinese deals amid strained bilateral relations.

Three Gorges launched a 9.07 billion euros (\$10.83 billion) offer to buy 77 percent of Portuguese electricity generator and distributor EDP that it doesn't already own, the Chinese company said in a statement issued on Friday in Lisbon.

Three Gorges told the Global Times on Monday that "it does not have any updated information to disclose."

Zhang Jiayuan, a partner at Beijing-based Ranshenhuizhi Investment Fund Management Co, told the Global Times on Monday that for the proposed offer to proceed, the deal needs approval at a general shareholders' meeting. It is also subject to several regulatory approvals, including from the EU and the Committee on Foreign Investment in the US (CFIUS), as one of its subsidiaries – EDP Renewables – has wind and solar



## China's customs

### AGRICULTURE

China's customs said on Monday it had ramped up inspections of US pork and had taken unspecified regulatory steps on high-risk wa imports, confirming earlier Reuters reports.

China's General Administration of Customs said it has increased inspections of US pork imports after finding problems recently, according to a statement sent to Reuters. It gave no details of the problems it had encountered.

Reuters reported on May 8 that China has stepped up inspections of pork imported from the US, a move that some trade experts believed was a warning by Beijing in response to sweeping US trade demands made on China.

However, China's customs administration



# INTERVIEW

.....  
**"The electricity industry is a basic infrastructure sector [but] it is not a strategic core industry for the EU."**

**Lin Boqiang,**  
 Director of the China Center for Energy Economics Research at Xiamen University

power assets in the US.  
 Lin Boqiang, director of the China Center for Energy Economics Research at Xiamen University, told the Global Times on Monday that the chance is very "large" that the deal would be approved by the EU and CFIUS.  
 "The US is not very sensitive about Chinese investment in the electricity

sector ... Unlike industrial sectors such as steel or photovoltaics, the Trump administration has not engaged in any rhetoric on China's 'illegal subsidies' to the electricity industry," Lin explained.

Zhang also noted that Trump's stance on Chinese issues has "drastically softened" from Sunday, indicating a high chance that the deal could be completed.

Trump tweeted on Sunday night (US time) that he was working with Chinese President Xi Jinping to ensure ZTE would get back into business fast.

Lin noted that although the electricity industry is a basic infrastructure sector, it is not a strategic core industry for the EU, which may further ease EU member countries' concern on screening the deal. The only worry hanging over the bid is energy security, he added.

The Portuguese government has been very

supportive of Chinese investment.

Portuguese Prime Minister Antonio Costa told reporters earlier that the government "had nothing against [Three Gorges' proposed deal], no reservation," Reuters reported over the weekend. "The Chinese have been good investors," Costa added.

Since Portugal's 2010-14 financial crisis, Chinese companies have acquired various assets in the country, from infrastructure to the banking sector. Prominent examples include State Grid Corp's purchase of a 25 percent stake in Portuguese national energy network company Redes Energéticas Nacionais in 2012.

"These marriages have been a boon for Portugal's debt-ridden companies, which Portuguese authorities welcome," Zhang stressed.

Three Gorges said in the statement that it will be committed to preserving EDP's Portuguese identity and autonomy as well as its Portuguese public listing.

## Nation's opening-up maintains global trade, World Bank official says

### ► ECONOMY

China's renewed pledge to further open up its market for free trade and investment will help maintain an open international trade system, a World Bank official said in an interview with the Xinhua News Agency.

"Trade has been an important factor" for the success of the world economy over the past 30 years as so many countries "benefited from increased openness," said Bert Hofman, the World Bank's country director for China, Mongolia and Korea.

Particularly, countries in East Asia "have done so well" in economic growth and poverty reduction because of their openness for foreign investment and trade, said Hofman, the bank's former chief economist for the East Asia and Pacific Region.

As global trade tensions mount, "it's important that the international trade system remains intact because that's important for our mission, for poverty reduction, and for developing countries as a whole," he said.

Hofman believes China can do something to contribute to maintaining an open international trade system "as it has already done," such as further opening up the economy and addressing concerns about foreign investment in China.

"I think China has been moving on that quite rapidly, even in specific sectors they have opened up further," Hofman noted, adding China's policies toward openness can "take a different nature" as the country moves toward an upper-middle income country and becomes much closer to the technology frontier.

At the annual conference of the Boao Forum for Asia last month, China unveiled a series of new measures for further reform and opening-up, including easing foreign equity restrictions in the automobile industry and significantly lowering import tariffs for vehicles.

Xinhua

# Takeover likely to proceed

Electricity not seen as sensitive: experts



The Three Gorges Dam on the Yangtze River in Yichang, Central China's Hubei Province on Monday Photo: VCG

## Agency confirms it stepped up inspections of US pork imports

administration said it had not taken extra steps to check imports of US agricultural products, and that it gave equal treatment to inspections of agricultural products from all sources.

China's customs has also taken "regulatory steps on high-risk waste imports" since May 4, it said.

The US had become the largest exporter of waste that failed checks, the customs said, but again it said that the steps were not targeting particular countries and were based on analysis of the risk of environmental damage.

The customs did not specify what regulatory steps it has taken on the waste imports.

The North American unit of a Chinese customs inspection agency said on May 4 it would suspend checks on cargoes of scrap metal from the US

for a month, effectively halting all imports of US scrap.

US carmaker Ford Motor Co's imported vehicles are also being held up at Chinese ports, three people with knowledge of the matter told Reuters on Wednesday.

The three people said Ford cars and those of its premium Lincoln brand were facing unusual delays at customs, with officials asking for extra technical checks.

The world's two largest economies have been dragged into a trade spat in recent months, which has spread to the agricultural sector, fueling worries that China and the US may plunge into full-scale trade war.

The US has proposed tariffs on \$50 billion of Chinese goods under its Section 301 probe. Those could

go into effect in June following the completion of a 60-day consultation period, but activation plans have been kept vague.

China has said its own retaliatory tariffs on US goods, including soybeans and aircraft, will go into effect if the US duties are imposed.

However, US President Donald Trump pledged on Sunday to help China's ZTE Corp "get back into business, fast" after a US ban crippled the technology company, offering a job-saving concession to Beijing ahead of high-stakes trade talks this week.

Reuters

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## RoundUp

### VEHICLES

#### Tesla sets up Shanghai company

US electric car company Tesla Motors Inc established a wholly owned subsidiary in Shanghai on Thursday.

The registered capital is 100 million yuan (\$15.78 million) and its shareholder is Tesla Motors HK, according to information from the National Enterprise Credit Information Publicity System on Monday.

The subsidiary's business covers technological development and technical services for electric cars, batteries and related products, as well as imports and exports.

Panasonic Corp could jointly produce batteries with Tesla in China, Chief Executive Kazuhiro Tsuga said at an earnings briefing on Thursday in Tokyo.

### PROPERTY

#### Jiayuan buys Cambodian land

Chinese real estate developer Jiayuan International Group has entered into an agreement to acquire five parcels of land in Phnom Penh, Cambodia for an initial purchase price of about HK\$279 million (\$35.6 million), the company announced on Friday.

The purchase was completed through Jiayuan's wholly owned subsidiary in Cambodia, Gang Yuan (Cambodia) Development Co and the land will be used in a property development project, Jiayuan International said in a statement.

The company said that the purchase is part of its strategy to develop quality projects in countries and regions along the route of the Belt and Road initiative.

Global Times



# Upgraded pact can enlighten China's free trade push

By Bi Jing

The EU and Mexico have recently agreed in principle to upgrade their trade agreement, which was signed in 1997 and took effect in 2000. The upgrading offers a greater coverage of trade and moves toward more openness, which could also enlighten China's free trade push.

The revised deal covers more services sectors such as finance, postal, telecommunications, transport, e-commerce and the environment. It also allows for the mutual recognition of accreditation in the professions of accounting, architecture, engineering and law. Especially worth noting is that Mexico is pushing through sweeping reforms to its services sectors, for the first time opening its energy, telecommunications and financial services markets to foreign investors.

The upgraded deal also includes

provisions cracking down on corruption in the public and private sectors, a rarity among the free trade agreements the EU has signed with non-EU countries. In addition, the new deal pays attention to sustainable development and highlights both sides' commitment to protecting the environment and respecting human rights.

Concerning trade openness, the revised pact retains zero tariff rates for industrial products while substantially simplifying customs clearance, which is set to make trade in automobiles, vehicle parts and healthcare equipment much easier. The EU and Mexico also agreed to scrap all import tariffs on food items within seven years of the effective date of the new pact, which will ease trade in alcoholic beverages.

With regard to government procurement, Mexico has for the first time opened its public procurement market to non-Mexican companies at the state level and allowed EU businesses to participate in the bidding for Mexico's public-private partnership contracts.

As for dispute resolution, the pact replaces the traditional investor-state dispute settlement mechanism with a new investment court

system. This mechanism is considered fairer, more independent and transparent. On top of that, the two sides developed more substantial cooperation in areas including intellectual property, e-commerce, small and medium-sized enterprises and competition policy.

The revision has multiple implications for China's efforts to forge free trade deals. First, on the basis of open and fair trade principles, there could be attempts to add anti-corruption regulations and provisions on sustainable development such as environmental protection and labor policies to China's free trade agreements. This could elevate free trade pacts involving China to new levels, facilitating China's efforts to reshape global trade rules.

Such attempts could also be applied to the implementation of the China-proposed Belt and Road initiative, as corruption prevention and sustainable development bring security to the country's economic cooperation with countries and regions along the route of the initiative.

Second, China is now actively pushing to join the WTO's Government Procurement Agreement (GPA), but the bilateral and regional free trade pacts that the nation has signed have barely touched on government procurements. Therefore, it's necessary for China to consider including the issue with

The revision has multiple implications for China's efforts to forge free trade deals.

government procurements in bilateral trade negotiations it's working on, as finalizing multilateral pacts is more complex than concluding bilateral deals. This will be of great advantage to China's entry into the GPA under the WTO's framework.

Third, China has already approved the launch of more than 10 free trade zones across the country, conspicuously showcasing innovation in a variety of areas such as trade, investment, finance, and government services and supervision. Whether there will be deepening openness in certain services sectors will matter a lot to China's push for further reform and opening-up.

Also noteworthy is that the upgrade in the EU-Mexico trade deal means Mexico will open its market and sectors wider to the EU while exporting more products to the EU, effectively reducing its dependence on trade with the US. Although it remains a big challenge for Mexico to pledge more openness while resolving its huge trade deficit with the EU, the upgraded deal is still considered timely for the country, whose efforts to renegotiate the North American Free Trade Agreement with the US and Canada have yet to conclude.

On the part of the EU, the upgrading lays a solid foundation for its ties with Mexico and shows the bloc's resolve to continue safeguarding global free trade and its confidence about reshaping global trade rules. The upgraded deal, which follows the EU's free trade agreements with Canada and Japan, is a good attempt against the US' unilateral push for trade protectionism.

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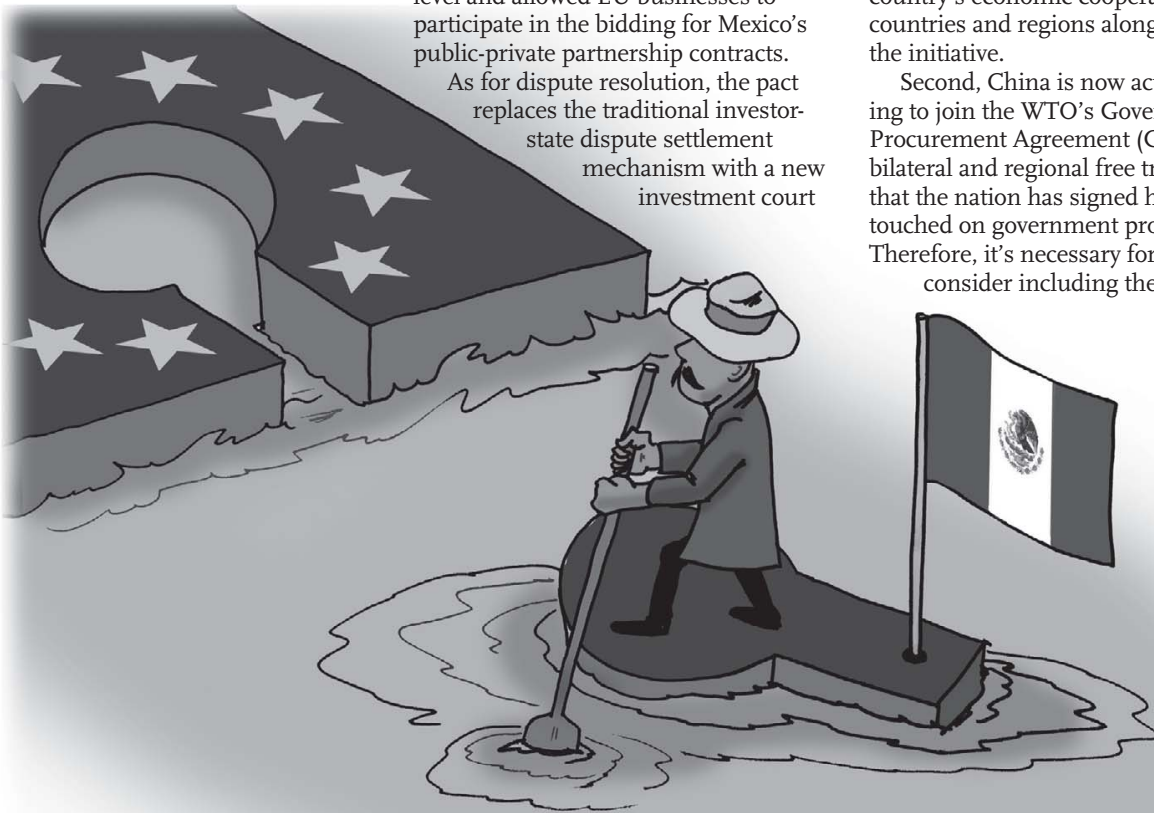


Illustration: Luo Xuan/GT

## US can't stop globalization process of increasingly competitive Chinese enterprises

By Hu Weijia

US President Donald Trump tweeted on Sunday that he has urged the US Commerce Department to give Chinese telecoms equipment group ZTE Corp "a way to get back into business, fast." A few hours after the announcement, shares of some US-based suppliers to ZTE picked up after hitting a low point due to a US ban on exports to the Chinese company.

ZTE is a major purchaser of US-made semiconductor equipment and components. In April, the US government imposed a seven-year ban on

### EYECONEOMY

US exports to ZTE, a move that caused both the Chinese company and its US suppliers to suffer big losses.

Washington has many misgivings when handling economic relations with Beijing. On the one hand, restrictions on Chinese investment have proliferated in the US since Trump took office, but on the other hand the US government does not dare to deliver a crushing blow to Chinese companies due to their close connections with the US economy.

The two countries' economic structures are highly complementary, enhancing the elasticity of bilateral economic ties. There is still room for development as well as opportunities in the US for Chinese companies, even for those in sensitive sectors.

The Trump administration might set up obstacles for Chinese companies hoping to step up outward investment, but as long as those companies handle their difficulties with determination and perseverance, they will eventually become great multinational enterprises that are able to keep abreast with their US competitors.

In recent months, a string of Chinese acquisition plans in the US have been blocked due to so-called national security concerns. Chinese companies should draw lessons from this situation, but restrictions on investment will not stop them from increasing their presence in the global market. Their muscles will become stronger as they strive to cushion the frontal attacks given by the US.

The international competitiveness of Chinese enterprises has increased in recent years. Earlier this month, Chinese phone maker Xiaomi filed for what's expected to be the world's largest IPO since Chinese e-

commerce giant Alibaba raised \$21.8 billion in New York in 2014. Chinese companies have seen their market shares increase significantly in the world, especially in countries and regions along the route of the Belt and Road initiative. This adds to the evidence that Washington will be unable to stop the globalization of Chinese enterprises.

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# Consensus can still be found in China-US talks

By Xu Qiyuan

China and the US are about to kick off the next round of dialogue and consultation. However, the two sides are currently very divided.

China's position is based on the perspective of global value chains and foreign-backed companies' investment interests in China. The US authorities, meanwhile, have to deal with voters who only focus on the importance of imports and exports.

To reach a consensus between China and the US, it will be necessary to see things from the point of view of the US, and to try to find ways to reduce the bilateral trade imbalance. At the same time, methods should be adopted that will minimize the negative impact on China. There are four possible ways to achieve this.

First, in the medium or the short term, tariffs could be significantly reduced and overseas travel purchasing could be more fully taken into account. And some of China's services trade deficit could be transferred to trade, thus offsetting the trade surplus.

Given the extent of the overseas travel shopping and purchasing by Chinese tourists, China's trade surplus may have been overestimated. Due to statistical difficulties, a considerable proportion of this overseas shopping is not included in the data for trade in services.

By drastically reducing tariffs and coordinating reductions in consumption taxes, this overseas purchasing can be transferred back to China, which would also boost employment in the domestic retail and logistics sectors.

Based on this measure, China's trade surplus with the US could be reduced. Mean-

while, the current account balance will be relatively stable, and the amount of errors and omissions will also be reduced.

Second, trade surpluses can be transferred. From China's point of view, a large proportion of the trade surplus is a result of international division of labor and is consistent with China's comparative advantages in the past.

However, in the medium and long term, China needs to take the "Made in China 2025" strategy as the basis for promoting the upgrading of the domestic industrial structure.

In the process, China should pay more attention to the opening-up of developing countries and emerging economies, and should accelerate the upgrading of domestic industries. While promoting the "Made in China 2025" plan, China can transfer some

of its capacity to countries in Southeast Asia. At the same time, it can gradually shift China's trade surplus with the US to these countries.

However, it is also necessary to coordinate the two major engines of emerging industries and traditional industries, taking into consideration the speed of the transformation and upgrading of domestic industries. A transfer away from traditional production capacity before advanced production capacity has been developed should be avoided.

In the past 40 years, China has been more open to advanced economies. In the future, we must pay more attention to developing countries. China's domestic economic reforms and its opening-up strategy in the new era will

simultaneously reshape the patterns of international capital and commodity circulation, both on the demand side and on the supply side.

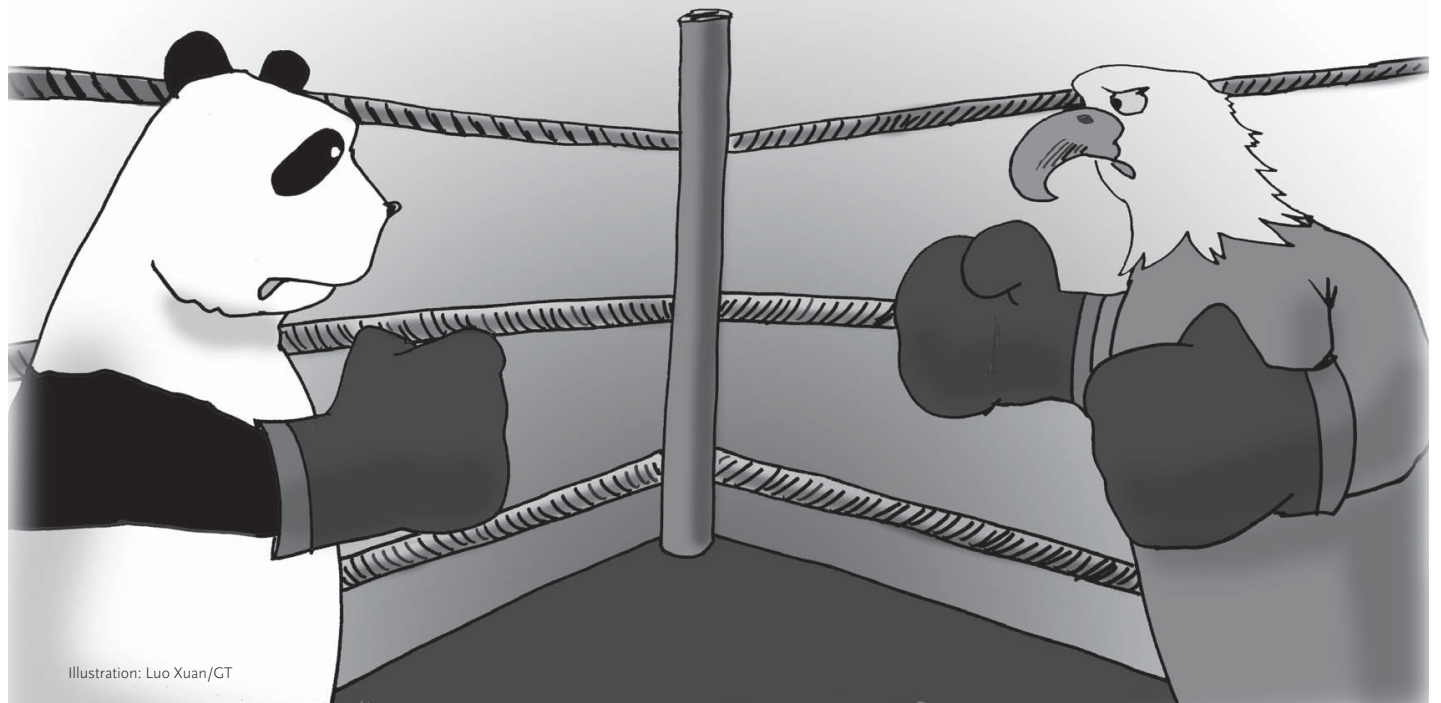
Third, the policy of overall opening-up is a fundamental policy rather than expediency. Even facing heavy external pressure, we must make overall arrangements and have a proper strategy. In terms of the opening-up of the financial sector in particular, two different issues must be distinguished: direct investment in the financial sector and short-term international capital flows. Specifically, in the Sino-US consultation process, one of the principles is that opening-up of the financial sector should differentiate between the opening-up of long-term direct investment

and the opening-up of short-term capital financial accounts in the financial industry.

The former, such as market access for securities, insurance and credit rating companies as well as banks and accounting firms, can be liberalized with greater intensity.

However, short-term international capital flow management is different. Based on international experience, especially what happened to Japan in the 1980s, there is a risk of a large impact on domestic macroeconomic and financial market order, and this should be avoided.

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## Bank of England governor not an 'unreliable boyfriend' but more doubt is coming

Bank of England Governor Mark Carney has struggled to shake off the "unreliable boyfriend" epithet coined by a British lawmaker. While the central banker has gone back on his word in the past, he can't be blamed this time if his message is misunderstood.

The UK central bank left its official interest rate at 0.5 percent on Thursday and issued a quarterly report in which it trimmed its growth and inflation forecasts for the year. The pound fell sharply, and money market traders now doubt that there will be a rate rise this year. Such skepticism may be overdone.

Carney repeatedly stressed on Thurs-

day that the UK economy doesn't have to grow very fast to generate price pressures. And while the impact of sterling's past depreciation is waning, there's a rising risk of home-grown price pressures, which the central bank is more apt to worry about than those caused by one-off shocks to the exchange rate.

For one thing, the UK labor market has very little slack. The UK jobless rate has fallen to 4.2 percent, its lowest since 1975; the employment rate is at its highest on record; and there has been a rise in the number of vacancies relative to the size of the workforce. True, the proportion of people who have part-time jobs

but would like full-time ones is higher than it was before the financial crisis. However, the share of those not currently looking for a job but who would like one has also been falling for most of the past two years. All of which suggests that wage pressures will continue to grow.

There are a couple of caveats. Carney will want to see if a pronounced weakening in growth in the first quarter, possibly caused by unusually cold weather, was temporary and whether consumer credit growth bounces back after slowing in March. It's also not clear whether households will rebuild savings, which they have dipped into over the past two

years to make up for the hit to real wages caused by imported inflation. But these are not reasons to rule out a rate rise so early in the year. Traders seem to have adopted an all-or-nothing approach to UK rate rises. Carney cannot carry the can for their oscillations.

The author is Swaha Pattanaik, a Reuters Breakingviews columnist. The article was first published on Reuters Breakingviews. bizopinion@globaltimes.com.cn



By Chen Qingqing in Qinzhou

An 88,000-square-meter facility stands in a spacious construction site in the China-Malaysia Qinzhou Industrial Park (CMQIP), which is expected to generate billions of yuan every year after it is put into operation.

"So far, there have already been 10 companies, both domestic and foreign-owned, set up in this facility to process raw edible bird's nests shipped from Malaysia to China," said Li Minglong, an employee at local investment firm Jin'gu, which is located in the park.

Since China and Malaysia inked a deal in 2016 to start exporting raw edible nests from the Southeast Asian country to China, CMQIP has been accelerating the construction of this processing plant, with a total investment of 690 million yuan (\$108.93 million), according to local official data.

Malaysia is one of the main countries where edible nests originated from. With an annual output of 200 tons, its businesses of bird's nest export is worth more than \$1 billion.

"China consumes about 90 percent of all bird's nests worldwide, so the Chinese market gives Malaysia high potential," said Huang Qidang, another Jin'gu employee, who is in charge of the construction of the plant.

Firms that have come to process raw edible nests at the facility have already spent millions of yuan on purchasing equipment such as water filters, as well as on operation areas and time-consuming production steps such as cleaning and selection.

"Although nobody works here yet, we have got everything ready apart from the export approval granted by the Malaysian government," said Wu Wanrong, an employee of Jing Yan (Guangxi) Birdnest Ltd Co, a firm invested in by Malaysian shareholders.

Investors of the edible bird's nest project have been watching closely in recent days for the results of the latest Malaysian general election, which may hinder the approval process of the exportation of the unique product.

South China's Guangxi Zhuang Autonomous Region has been working with Singapore on the Southern Transport Corridor (STC) since the beginning of 2017. The project, which is also playing a complementary role in the China-proposed Belt and Road initiative, aims to tie up Guangxi's Beibu Gulf areas with Southeast Asia in both transport and industrial cooperation. Global Times reporter Chen Qingqing last week visited a major port and industrial park in the area to find out how the STC is influencing China-ASEAN economic ties. This is part two of a two-part story.

## ONE BELT ONE ROAD

As a highly anticipated project at CMQIP, the edible nest processing plant in Qinzhou, South China's Guangxi Zhuang Autonomous Region is also part of an industrial cooperation agreement between China and Malaysia.

The park, along with its sister park the Malaysia-China Kuantan Industrial Park in eastern Malaysia, is known for its "two countries, twin parks" scheme and is also a pioneer project that was launched in 2012 under the China-proposed Belt and Road (B&R) initiative.

Located in the southern suburbs of Qinzhou, CMQIP has been built from scratch in a remote mountainous area. It aims to serve as a platform for further cooperation between China and the Association of Southeast Asian Nations (ASEAN), covering various sectors including healthcare, electronics, food processing as well as new-energy vehicles.

### Innovative ways

The development of the industrial park is capital-driven, and with the help of the central and regional governments, several funds have been set up to support its expansion, Xie Donggang, a senior official of the CMQIP Administrative Committee, told the Global Times.

So far, the park has established five funds with a total scale of 4.2 billion yuan, the CMQIP committee said in a statement provided to the Global Times. And investors include local State-owned enterprises, securities companies and banks.

In the coming years, the park will

## Location of Qinzhou



also try out yuan-denominated cross-border payments, Xie said.

Under the "two countries, twin parks" scheme, both sides have also established a dialogue mechanism on several issues concerning trade, cross-border finance, science and technology cooperation as well as infrastructure.

"China and Malaysia are also exploring possibilities in setting up a joint venture bank in the park, which will also facilitate foreign investment," the official noted.

Trucks have eaten up fugitive dust from dirt on the park's roads, where dozens of farmers have planted flowers.

At some crossroads within the park, safety signs and project planning drafts are displayed in front of construction sites, as more companies are expected to come to invest in the park in the coming years.

From 2012 to 2017, the park accumulated a total of 11 billion yuan in fixed-asset investment, within which 4.3 billion came in last year, an increase of 226 percent year-on-year,

the CMQIP statement showed. And the investment is expected to reach 10 billion yuan in 2018.

The park has also been operated by a joint venture (JV) company invested in by both Chinese and Malaysian investors, which is innovative in the world of corporate management, Xie said.

### Existing gaps

Mooi Mok Sang, CFO of CMQIP (Guangxi) Development Co Ltd, the JV that develops infrastructure projects in the park, said the rapid growth of the park is a good sign for investors, but not many companies have actually established operation facilities yet despite the fact that a slew of memorandums of understanding have been signed.

"All companies are looking for profits, what we call upstream and downstream support," Sang said, noting that the park is still in lack of that support, especially in terms of logistics and raw materials.

The shortage of funding is also another reason for some firms halting their projects there.

One of the major projects promoted by the commission was a halal food processing production line that could help companies expand their presence in the Muslim world. However, there has been no concrete progress on this project because one of its Malaysian investors has become entangled in financial problems.

In the next three years, the total investment in the park is estimated to exceed 50 billion yuan. However, its rapid expansion will make funding gaps much more obvious.

Government-backed investment platforms have relatively small scales, and had assets worth about 6.5 billion yuan by the end of 2017, and within that, net assets were 3 billion yuan. As some projects are still at the early stage of development, they won't be able to generate a significant amount of local revenues for further development.

"Here, [the park] needs more time to develop," said the CFO.

# CMQIP exemplar of B&R industrial cooperation

► Industry growth hindered by financing gaps, slow project progress

中国—马来西亚钦州产业园区  
CHINA-MALAYSIA QINZHOU INDUSTRIAL PARK

A sign at the China-Malaysia Qinzhou Industrial Park in South China's Guangxi Zhuang Autonomous Region. Photo: Chen Qingqing/GT

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