

BEIJING REVIEW

VOL.61 NO.2 JANUARY 11, 2018

北京周报 WWW.BJREVIEW.COM

PASTORAL CHARM

A rise in fortune for rural areas



ISSN 1000-9140



9 771000 914185

RMB6.00
USD1.78
AUD3.00
GBP1.20
CAD2.60
CHF2.60
JPY188

邮发代号2-922·国内统一刊号: CN11-1576/G2

Follow

BEIJING REVIEW



And get in on the conversation

For almost 60 years, *Beijing Review* has presented contemporary news and views of China to the world in English and other languages. Targeting an African audience, *ChinAfrica*, an English and French monthly published by *Beijing Review*, brings news, views and analysis on hot topics related to China, Africa and China-Africa relations over the past 30 years. Find out about the world from a Chinese perspective. You will discover in-depth analysis, special columns and comprehensive reporting by professional journalists and editors from China and around the world. Follow us on our Twitter, YouTube and Facebook accounts and keep up with the latest developments.



BeijingReview



BeijingReview



@BeijingReview



Chinafrica-Magazine



@chinafrica1

EDITOR'S DESK

02 Roadmap for Rural Vitalization

THIS WEEK

SPECIAL REPORT

12 New Year Resolutions

President Xi's New Year speech outlines China's vision for 2018

COVER STORY

WORLD

22 The Coming Storm

Expert talks Trump, Jerusalem and stability in the Middle East

24 A Corridor of Power

How Pakistan is set to benefit from the Belt and Road Initiative

NATION

28 Toward One Direction

A look at the multiparty cooperation system

BUSINESS

39 Fruits of Labor

New potential as apple futures start trading

40 Market Watch

Cover Design: Cui Xiaodong

©2018 Beijing Review, all rights reserved.



16 COVER STORY

Rural Evolution

Central Rural Work Conference defines the future of the countryside

WORLD

P.20 | Tottering Forward

Potential for constructive development in China-Japan relations

BUSINESS

P.34 | Carbon Blueprint

China launches the world's largest nationwide carbon market

BUSINESS

P.36 | Food for Thought

The success and failure of culinary fads



CULTURE

44 Days Gone By

Traditional calendars make an unlikely comeback

FORUM

46 China's Development Concepts, Thoughts and Strategies for the New Era

EXPAT'S EYE

48 Thangka Making in Beijing

Meditation and healing through an ancient Buddhist art



Roadmap for Rural Vitalization

Solving issues relating to agriculture, rural areas and farmers has always had a central place on the work agenda of the Chinese Government as they directly concern the nation's stability and people's well-being.

The Central Rural Work Conference, convened in Beijing on December 28 and 29, 2017, has outlined tasks and targets for a rural vitalization strategy. Rural vitalization is one of the major aspects of developing a modernized economy, as stated in a report delivered to the 19th National Congress of the Communist Party of China (CPC).

Attending the two-day rural conference, President Xi Jinping summarized the achievements and changes in agriculture and rural areas over the past five years, expounded on the rural vitalization strategy and concrete requirements for the future.

The rural vitalization strategy requires the government to prioritize the development of agriculture and rural areas. To build rural areas with thriving businesses, pleasant living environments, improved social etiquette and civility, effective governance and prosperity, the nation needs to put in place sound systems, mechanisms, and policies for promoting integrated urban-rural development, and speed up the modernization of agriculture and rural areas.

Agriculture is the backbone of China, which has vast rural areas and a large rural population. China started rapid development when it launched reform in rural areas in 1978. But the development of rural areas has lagged behind rapid urbanization in the process of China's reform and opening up over the past 40 years.

Rural areas must catch up with the pace of China's economic and social development because agriculture is strategically related to the nation's food security and people's ever-growing needs for a better life. What's more, the development of rural areas plays an important role in building a moderately prosperous society in all respects.

Over the past five years, the Central Government has achieved progress in addressing issues relating to agriculture, rural areas, and rural people. But new problems emerge as social and economic development goes on. President Xi, also General Secretary of the CPC Central Committee, indicated in his report to the 19th National Congress of the CPC that "as socialism with Chinese characteristics has entered a new era, the principal contradiction facing Chinese society has evolved."

"What we now face is the contradiction between unbalanced and inadequate development and the people's ever-growing needs for a better life," the report said.

Currently, the most prominent problem is the development gap between cities and rural areas in China. Vast rural areas have not fully enjoyed adequate development opportunities. New solutions and approaches are needed to solve new problems. The rural vitalization strategy has been mapped out prudently in response to current challenges. Now governments at all levels across the nation have started to work on implementing the rural vitalization strategy. It is expected that with good policymaking and the support of the people, the development goal for rural areas will be achieved on schedule. ■

WRITERS



Send an e-mail: contact@bjreview.com.cn

Please provide your name and address along with your submissions. Submissions may be edited.

CHINA.....RMB6.00 U.S.A.....USD1.70 AUSTRALIA.....AUD3.00 UK.....GBP1.20 CANADA.....CAD2.60 SWITZERLAND.....CHF2.60
JAPAN.....JPY188 EUROPE.....EURO1.90 TURKEY.....YTL5.00 HK.....HKD9.30 NEPAL.....RS40

主管单位: 中国外文出版发行事业局

主办单位: 北京周报社

地址: 北京市西城区百万庄大街24号 邮编: 100037

编委会: 李雅芳 罗先勇 李建国 丁志涛 李振宙 曾文井

社长: 李雅芳

总编室电话: (010) 68996252 发行部电话: (010) 68310644

印刷: 北京华联印刷有限公司

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

广告许可证0171号 北京市期刊登记证第733号

国内零售价: 人民币6.00元



YUHANX

A NEW START

The Chinese People's Liberation Army (PLA) Guard of Honor performs the national flag-raising duty in Tiananmen Square, Beijing, on January 1.

More than 90,000 people waited for several hours on the wintry morning to be part of the ceremony. It signaled the start of a new daily routine for the PLA to raise the national flag in Tiananmen Square. Previously, the ceremony was conducted by an armed police unit.



YINHX

Running Into 2018

Residents attend a round-the-city race in Hengyang, central China's Hunan Province, on January 1. Cities across China held various sporting activities to ring in the New Year.

Environment Tax

On January 1, the government began collecting a tax to better protect the environment and cut pollutant discharge as the country's Environmental Protection Tax Law took effect.

The introduction of the tax signaled the end of the pollutant discharge fee which the authorities had been collecting for nearly 40 years.

This is China's first tax specifically designed with environmental protection in mind, which will help establish a green financial and taxation system and promote pollution control and the appropriate treatment of pollutants, said Wang Jinnan, head of the Chinese

Academy for Environmental Planning under the Ministry of Environmental Protection.

China had been collecting a pollutant discharge fee since 1979, however, some local governments exploited loopholes and exempted enterprises that were otherwise big contributors to fiscal revenue. For years, regulators had suggested replacing the fee system with a law which could be more effectively enforced.

Under the Environmental Protection Tax Law, which targets enterprises and public institutions that discharge listed pollutants directly into the environment, companies will pay taxes for producing noise, air and water pollutants as well as solid waste.

Tackling pollution has been described as one of the three tough battles facing China over the next three years, according to the Central Economic Work Conference in December 2017.

Ivory Trade Ban

The doors to the ivory trade in China closed on December 31, 2017.

China honors its commitment to cease the commercial processing and sale of ivory by the end of 2017, the State Forestry Administration has said.

The move affects 34 processing enterprises and 143 designated trading venues, with all of them to close, in the world's once largest ivory market.

"The Chinese authorities will continue to clamp down on ivory collection as well as the processing, sales, transportation and smuggling of elephant tusks," the administration said.

According to the International Union for Conservation of Nature, the population of African elephants declined by 111,000 over the past 10 years. The overall trends in the poaching of African elephants show a decline from the 2011 peak, but are still at unacceptable levels when viewed continent-wide.

In 2015, China joined global efforts to announce it would phase out the ivory trade and ban imports of ivory and ivory products.

The Chinese clampdown on the ivory trade has pushed the prices of ivory down, and the number of elephants killed in the last three years down by 65 percent, according to a report by Save the Elephants.

Save the Elephants researchers said the price of ivory dropped drastically from its peak of \$2,100 per kg in 2014 to \$730 per kg in February 2017.

The trading ban will put ivory carving craftsmen out of business. The Chinese Government shut down 67 ivory-carving workshops and retail outlets in March 2017, and the remaining 105 were closed by the end of the year.

Ivory carving in China traces its origins to the Ming and Qing dynasties, from the 14th to the early 20th centuries, when the craft's main consumers came from the imperial court and elite scholar-officials.

Water Conservation

According to a senior water resources official on January 2, China began construction on 16 major water conservation projects in 2017, outperforming the annual target of 15.

In 2014, the State Council, China's cabinet, decided to build 172 major water conservation projects in seven years and so far 122 of them are either in operation or under construction, Minister of Water Resources Chen Lei said at a meeting.

Around 2.64 trillion yuan (\$406.8 billion) has been invested to finance water conservation projects since 2013, while investment for projects still under construction exceeds 900 billion yuan (\$138.7 billion).

China will continue to advance water conservation projects, including the allocation of water resources in the Pearl River Delta region and the fortification of small and vulnerable reservoirs across the country in 2018, according to Chen.

Elderly Nursing

China has improved services at nursing institutions for the elderly, Minister of Civil Affairs Huang Shuxian said on January 2.

Medical services were provided in 93.4 percent of all nursing homes, and the proportion of nursing beds designed for those incapable of taking care of themselves rose from less than 30 percent in 2015 to 46.4 percent by the end of November 2017, according to Huang.

As of September 2017, the country had more than 28,000 registered nursing institutions for the elderly, with nearly 7 million beds. More than 12,500 of these institutions were private, up 7.8 percent year on year, Huang said.

Of China's 1.4 billion people, around 230 million were aged 60 or above at the end of 2016, 16.7 percent of the total population. Among them, 51.3 percent were not living with their children.

Power Access

A sparsely populated township in southwest China's Tibet Autonomous Region has been connected to the state electricity grid, bringing to an end life without electricity for its 32 residents, local authorities said on January 2.

The 15-km-long, 10-kv power line, which took five months to complete, is connected to the remote Yulmed Township in Luntse County via 108 electric poles which traverse a 5,000-meter-high mountain, according to the contractor, an electric power company in neighboring Qinghai Province.

Yulmed has an average elevation of 3,650 meters and its population was once reduced to one three-member household. There are currently nine households living in the township.

In 2008, the local government built a small hydropower station, but it was unable to meet increasing power demands due to the improved living standards of the residents, resulting in frequent power outages.

Intelligence Park

A technology park dedicated to the development of artificial intelligence will be built in Beijing in the next five years, authorities said.

The park will be located in the suburban Mentougou District in west Beijing, covering 54.87 hectares. The Beijing News reported, citing a plan released by the Mentougou District



Cashless Journey

Passengers use mobile payment to take the subway at the Dayanta Station in Xi'an, northwest China's Shaanxi Province, on January 1. Subway riders in the city are now able to pay for journeys by using the Xi'an Subway app or scanning a QR code.

Government on January 2.

With a projected investment of 13.8 billion yuan (\$2.1 billion), the park is expected to attract around 400 enterprises, with an estimated annual output value of 50 billion yuan (\$7.7 billion).

Enterprises in the park will focus on developing areas such as super high-speed big data, cloud computing, biometric identification and deep learning. Its technologi-

cal infrastructure includes a fifth-generation mobile network, a super computer and cloud services.

The developer of the park, a company of the Zhongguancun Development Group, will seek partnerships with Chinese and overseas universities, research institutes and large companies to establish various research centers in the park, including a national-level artificial intelligence lab.



Traditional Art Class

A pupil from the Xichang Elementary School practices Peking Opera with the guidance of a teacher in Chengdong Town, east China's Jiangsu Province, on January 2. The school has set up a Peking Opera club and invites professional performers to teach students.

Innovation Friendly

On January 2, the Supreme People's Court issued a circular, requiring courts nationwide to create an entrepreneurial and innovation friendly legal environment.

Courts at all levels should use their judicial function to protect the legitimate interests of entrepreneurs equally according to the law, the circular said.

As long as entrepreneurship and innovation in production, management and financing does not violate criminal law, it cannot be judged a crime, it said.

The circular also requires courts to strictly differentiate between the legal property and illegal gains of entrepreneurs. Courts should not confiscate or restate property which has not been proven illegal.

The circular states that courts

must protect the legitimate interests of honest and responsible entrepreneurs, and punish dishonest ones according to law.

Steel Profits

China's steel industry profits have improved despite capacity cut pressure in 2017, the Ministry of Industry and Information Technology (MIIT) said on January 3.

"In the January-November period last year, combined net profits in the ferrous metal smelting and rolling sector surged 180 percent year on year to 313.88 billion yuan (\$48 billion)," said an MIIT statement.

Meanwhile, operating revenue from primary business in the sector increased 20 percent year on year to 5.66 trillion yuan (\$871 billion).

The steel sector must be focused on quality and profit improvement

while cutting overcapacity in a bid to push forward industrial upgrades, the statement said.

Loss-making "zombie enterprises" will also continue to be dealt with in order to cut inefficient capacity.

"Under no circumstance should iron and steel capacity be increased in 2018," said the statement.

The industrial sector, which accounts for about one third of China's GDP, started to pick up in 2016 amid nationwide supply-side structural reform efforts, which include measures to trim excess production capacity, reduce inventory, cut costs, deleverage and address weak points.

Coal and steel-related companies have largely benefited from supply-side structural reform, which targets the reduction of outdated capacity and production costs.

China plans to eliminate 100

million to 150 million tons of crude steel capacity and 500 million tons of coal in the five years from 2016. The country completed its 2017 objectives for capacity cuts in both sectors, according to the National Bureau of Statistics.

Solar Power Boost

China's solar power generation has picked up amid the government's efforts to expand clean energy in order to curb pollution.

The generation of solar power totaled 106.9 billion kilowatt hours in the first 11 months of 2017, up 72 percent from one year earlier, according to data released by the National Energy Administration on January 2.

This was equivalent to 33 million tons of standard coal, helping to cut carbon dioxide emissions by 93 million tons, the administration said.

By the end of November, the country's installed solar power generation capacity surged 67 percent year on year to 125.79 gigawatts, and accounted for 7.5 percent of the national total, up from 4.8 percent one year earlier.

China has been promoting green energies such as wind and solar in recent years to cope with pollution and to boost the quality of its industrial and economic growth.

Pollution control will remain a top priority, as the government has made it one of the "three tough battles" for the next three years, together with major risk prevention and poverty reduction.

The country aims to cap its coal-fired power capacity at 1,000 gigawatts in 2020, and non-fossil fuels will account for half of the country's total power generation by 2030.

Rail Investment

China met its annual targets for increasing railway investment in 2017, as the authorities continued to promote the construction of railways.

China spent 801 billion yuan



Next Stop Africa

More than 500 buses are parked ready for export to Africa at the Lianyungang Port in east China's Jiangsu Province on January 2.



Helping Themselves

Customers peruse a self-service supermarket in Yantai, east China's Shandong Province, on December 30, 2017. Thanks to the technology of face recognition and radio frequency identification, customers can purchase products just by walking out of the shop.

(\$123 billion) on railway projects and put 3,038 km of new tracks into operation in 2017, surpassing its annual targets of 800 billion yuan of investment and 2,100 km of new lines, according to the China Railway Corp.

By the end of 2017, the total mileage of operational railways in China reached 127,000 km. Among this total, high-speed railways rose to 25,000 km from 22,000 km at the end of 2016.

The growth of railway construction comes at a time when the country is enduring continuous deceleration in the growth of fixed assets investment.

In the first 11 months of 2017, fixed assets investment grew 7.2 percent year on year, down from 8.3 percent during the same period in 2016.

China will invest steadily in transport development this year, flat with 2017, Minister of Transport Li Xiaopeng said in late December, citing the main transport target for 2018.

In the coming three years, transport will play a bigger role in eradicating poverty and achieving

greener, safer development, according to Li.

PMI Steady

China's manufacturing sector expanded at a slower pace in December 2017.

The country's manufacturing purchasing managers' index (PMI) came in at 51.6 in December, decelerating from 51.8 in November, according to the National Bureau of Statistics (NBS).

A reading above 50 indicates expansion, while a reading below reflects contraction.

The index in December is on par with the annual average, still pointing to a strong resilience in China's growth, according to NBS senior statistician Zhao Qinghe.

Despite an overall slower expansion, the country's manufacturing PMI has been in positive territory for 17 months in a row.

The NBS data also showed that the country's non-manufacturing sector expanded faster in December, with non-manufacturing PMI in at

55 for December, up from 54.8 in November.

The service sector, which accounts for more than half of the country's GDP, continued to experience steady growth, with the sector's business activity index standing at 53.4 in December, although declining 0.2 percentage points month on month.

"Early indicators for December show China's economy pushing into 2018 with growth steady, if unspectacular," said Tom Orlik, Bloomberg chief Asia economist.

"Growth remains remarkably robust, underpinned by resurgent global demand, stimulus-boosted infrastructure spending and a deleveraging program that remains more honored in the breach than the observance," Orlik said in a research note.

Less Debt

Local governments in China issued less debt in 2017 as a result of efforts to ease the country's debt burden.

Local governments raised 4.36 trillion yuan (\$670 billion)

through 1,134 instances of debt issuance in 2017, according to data from Wind, a financial information provider.

The value was almost 30 percent lower than the 6.05 trillion yuan (\$932 billion) in debt issuance for 2016.

New debt issuance stood at 1.58 trillion yuan (\$243 billion) while that issued through the debt-for-bond swap program reached 2.77 trillion yuan (\$427 billion).

The swap program allows local governments to exchange higher-cost loans with lower-cost bonds, saving interest costs while also giving lenders higher liquidity on their receivables.

China's local government debt soared amid an investment and construction binge following the global financial crisis in 2008. Well aware of the risks, authorities have rolled out a string of measures to reduce the local debt burden.

According to Yang Xiaojing, an analyst with credit rating agency CCXI, China is expected to complete the swap program by mid-year.



Clean and Green

A policeman installs a special license plate for a new energy car in Weinan, northwest China's Shaanxi Province, on December 20, 2017. A total of 265,700 green license plates, as opposed to the former blue version, have been issued for new energy vehicles in 107 cities as of December 28, 2017.

THIS WEEK WORLD



REUTERS



PERU

Rescue personnel work at the site of a bus accident north of Lima on January 2. At least 48 people were killed when their bus plummeted into a gorge



AUSTRALIA

Vehicles are seen at the Summernats Car Festival in Canberra on January 4. The 31st Summernats Car Festival opened at the city's Exhibition Park that day, with 2,200 cars on display



REUTERS

REUTERS



GERMANY

Two policemen stand guard in front of the Brandenburg Gate in Berlin on December 29, 2017. Several European cities announced tight security measures to prepare for New Year's Eve celebrations and to prevent against potential attacks



UNITED STATES

A frozen fountain at Bryant Park in New York City on January 2. Many northeastern cities saw record low temperatures due to cold air from the Arctic



LAOS

A woman places candles during a prayer event on December 31, 2017 at Wat Nathom in Vientiane to celebrate the coming of the New Year



SOUTH KOREA

A South Korean official talks with the North Korean side via a communication channel in Panmunjom, on January 3. The two sides reopened the communication channel in the truce village of Panmunjom amid rising expectations for North Korea's participation in the Winter Olympic Games hosted by South Korea's Pyeongchang



NEWLY APPOINTED VICE FOREIGN MINISTER

Kong Xuanyou has been appointed vice minister of foreign affairs, the State Council announced on January 2. Kong's last position was assistant minister of foreign affairs.

Kong was born in northeast China's Heilongjiang Province in July 1959. He studied Japanese at Shanghai International Studies University from 1979 to 1983 and continued further study of diplomacy at China Foreign Affairs University from 1983 to 1985. Then Kong started his diplomat career as a staff member and consular attaché at the Chinese Consulate-General in Osaka, Japan. Kong assumed the position of ambassador to Viet Nam during 2011-14. In 2015, Kong was appointed assistant minister of foreign affairs. In August 2017, Kong also took the position of special representative of the Chinese Government on Korean Peninsula affairs.

Kong is specialized in the areas of Asia, treaty and law, boundary and ocean affairs, and consular affairs.



Ban on Importing Trash

Legal Daily
January 2, 2018

In December 2017, the General Administration of Customs carried out a Blue Sky campaign in 13 provinces to crack down on smuggling of solid waste. During the campaign, 127 criminal suspects were arrested, and 323,000 tons of solid waste, including plastics and slag, were seized.

Increasing amounts of foreign waste continue to be imported because of the huge profits it brings. Some people buy these waste materials illegally and end up selling them at prices up to hundreds of times what they originally paid.

Loopholes in regulations and laws are also reasons why rubbish continues to flow into China. Article 25 of China's Law on the

Prevention and Control of Environmental Pollution by Solid Waste bans importing solid waste. But it also allows the import of solid waste that can be used as raw materials. Some companies utilize this ambiguity to bring hazardous foreign waste into China.

What worries people the most is whether smuggling of foreign waste will come back once the crackdown is over. In addition to campaigns, we must also prepare for a time-consuming war. Relevant government departments should perfect relevant laws, regulations and working mechanisms and join hands to severely punish the smuggling, acquisition, processing and sales of foreign waste in accordance with the law. The government could investigate the import of waste by enterprises through integrating environmental law enforcement, monitoring and solid waste management and with the use of on-site exploration and sampling. Apart from asset confiscation and fines, waste smugglers must bear criminal liability.

Thorny Problem of Going Bankrupt

Caixin Weekly
December 25, 2017

Going bankrupt is a solution for an enterprise that has fallen into deep trouble. In legislation, the law on bankruptcy aims to offer debtors a road to get relief and clear up debts as well as to protect the legal interests of all stakeholders. But in reality, many Chinese enterprises find it very hard to go bankrupt until their debt issues become incurable and have a big impact.

The history of law and regulations on bankruptcy is not long in China. China's top legislature issued the country's first Law on Bankruptcy for Enterprises in 1986, providing a legal framework and procedures for enterprises to go bankrupt. In the late 1990s, many state-owned enterprises across the country went bankrupt as part of the implementation of economic reform. At that time, liquidation was the major approach of bankruptcy, by which an enterprise shut down and sold assets to repay debts. In 2006, the Standing Committee of the National People's Congress amended the bankruptcy law. So far, the law regulates three solutions after an enterprise goes bankrupt: reaching compromise with creditors, reshuffle and liquidation.

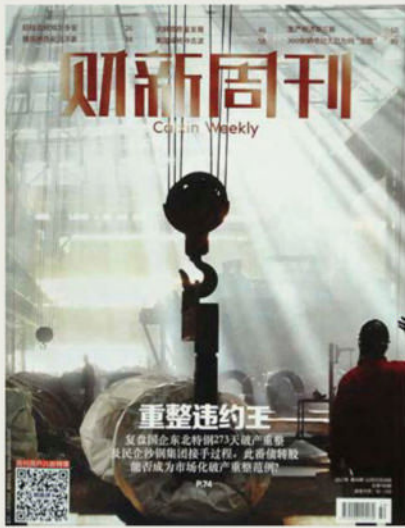
In recent years, many enterprises met difficulties and fell into debt as economic growth took a downturn. However, the

“We will continue to advance the transformation of the global transportation and automotive industries through diversified international operations and partnerships.”

Cheng Wei, CEO of DiDi Chuxing, commenting on the Chinese ride-hailing company's acquisition of leading Brazilian counterpart, 99, on January 3

“The newly discovered species in south Yunnan enriches the public knowledge of the geographical distribution and diversity of this flowering plant from the Primulaceae family.”

Yang Bin, researcher on biodiversity with the Chinese Academy of Sciences, speaking about *Primula zhui* in Kunming, southwest China's Yunnan Province, on January 2



number of bankruptcy cases did not increase correspondingly. The reasons differ. Some enterprise owners were not willing to let their enterprises die. Some local governments set barriers for enterprises to go bankrupt in order to maintain the GDP and employment rates. Some courts were too prudent in dealing with bankruptcy cases, which slowed down the process.

During the Central Economic Work Conference in December 2017, policymakers stressed solving the issue of “zombie enterprises” through approaches like bankruptcy and asset restructuring in a bid to further supply-side structural reform and shift toward high-quality development.

A Cleaner Takeout

South Daily
January 2, 2018

The takeout food and beverage market has been booming in recent years. Meanwhile, the quality of online booking services and food safety have become a matter of public concern. On January 1, the Law on Measures for the Supervision and Administration of Food Safety in Internet Catering Services took effect.

Growing apps and delivery services make it convenient to order food online. But risks might hide behind the booming business. Customers have no idea about the food processing and whether the service providers are qualified. Besides self-discipline, external regulation should be introduced.

Currently, market players who can better comply with the rules can win the trust of

consumers. The newly released measures stipulate that online catering services should be offered based on physical restaurants, and third-party platforms should inspect these restaurants and regularly review their business licenses.

Food safety in delivery is also a concern. In this regard, the new measures require restaurants and distribution staff to take on corresponding obligations. For instance, it demands that online platforms fulfill their responsibilities to provide information and strictly control the food manufacturing process, and requires delivery staff to maintain certain personal hygiene standards and ensure delivery without contamination.

With booming sales of online food and beverage, it has been a top priority for food safety watchdogs to strengthen supervision. The purpose of the new measures is to set rules for market players. The public expect them to be implemented strictly.

↓ STAR ELECTED VICE CHAIRMAN OF A POLITICAL PARTY

Feng Gong, a renowned cross-talk artist and comedy star, was elected vice chairman of the Revolutionary Committee of the Chinese Kuomintang at the party's 13th National Congress, which concluded in Beijing on December 24, 2017. The leadership of the non-Communist political party is composed of Chairman Wan Exiang and 10 vice chairpersons.

Born in Tianjin City in 1957, Feng is widely known in China for his outstanding artistic attainment in cross-talk, a traditional Chinese art performance. He developed his comedic style in cross-talk and extended it to other artistic performances such as drama, TV series and films. In his works, Feng always focuses on ordinary people living in cities, which makes him popular.

Feng has rich life experience, spanning from worker, soldier and cross-talk actor to film director and theatrical troupe leader. Feng joined the Revolutionary Committee of the Chinese Kuomintang in November 2000. He is also a member of the Standing Committee of the National Committee of the Chinese People's Political Consultative Conference.

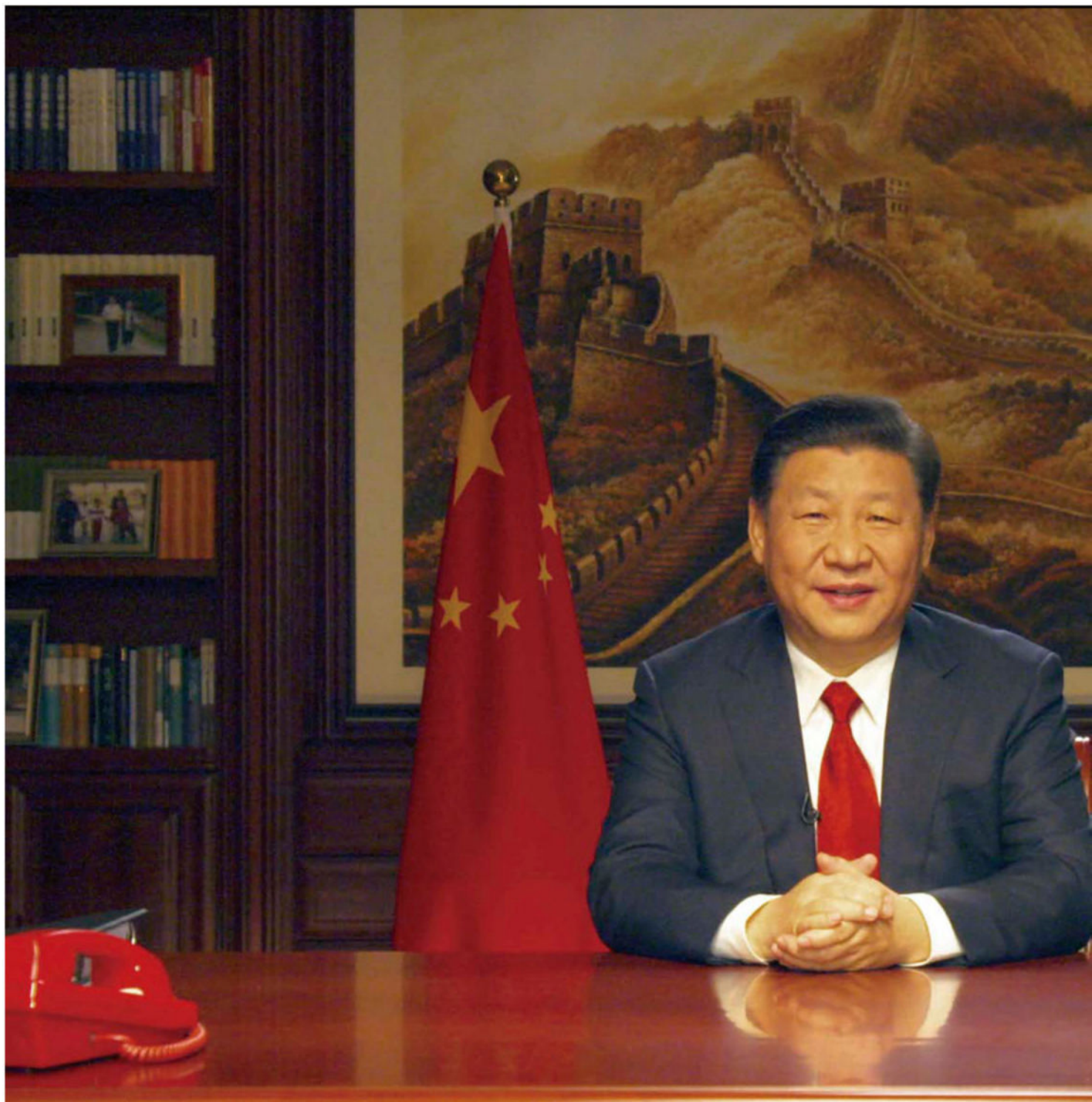


“The project will save space for building solar farms and shorten the transmission distance.”

Xu Chunfu, Chairman of Qilu Transportation Development Group, speaking after a 1-km section of photovoltaic expressway was put into testing in Jinan, east China's Shandong Province, on December 28, 2017

“By issuing the visa regulations, China is sending a signal that it welcomes top talent from across the world and that it is willing to create conditions for such talent to work and live in China.”

Gao Xiang, Director of the Policies and Regulations Department of the State Administration of Foreign Experts Affairs, speaking about the issuance of R visas in Beijing on January 5



New Year Resolutions

President Xi's address sets the bar for 2018 By Yuan Yuan



President Xi Jinping delivers a New Year address in Beijing on December 31, 2017

On December 31, President Xi Jinping extended New Year greetings to the nation in his annual New Year address. Xi pointed to China's achievements in 2017 as well as the challenges the country will tackle in the new year and those to follow.

People first

Livelihoods were at the center of Xi's message, highlighting the "people first" principle which underlines China's governance. Xi said he was aware of people's primary concerns, which include education, employment, income, social

security, medical care, elderly care, housing and the environment.

"There is still much room for improvement in our work concerning people's well-being. So we must strengthen our sense of mission and responsibility and make every effort to deliver a better life for our people," Xi said in the speech.

Peng Xinlin, a professor from Beijing Normal University, said during an interview with *China Youth Daily* that he was most impressed by Xi's call for Party and government officials to place the people's needs as their top priority, and regard benefiting the people as the highest accomplishment of their careers.

"To guarantee and improve people's livelihoods is not only an economic or social issue, it is a crucial political issue directly concerning our Party's ruling foundation," Peng said. "To test the effectiveness of our work, the final criteria are whether the people really see the benefits, and whether people's lives have been improved."

"The word 'people' was mentioned many times in the speech and it is very encouraging," said Zhang Xianyi, Director of Nanhu Revolutionary Memorial Hall in Jiaxing of east China's Zhejiang Province, where the first National Congress of the Communist Party of China (CPC) was held in 1921. "The original aspiration and mission of the Chinese Communists is to seek happiness for the Chinese people and rejuvenation for the Chinese nation," Zhang said.

Xi said that in 2017 he received many letters from people across the country, including villagers from Tibet Autonomous Region, members of the Ulan Muqir Art Troupe in Inner Mongolia Autonomous Region, and undergraduates from Nankai University who joined the military services. Xi wrote back to them, praising them for the efforts they have already made and encouraging them to make further contributions to the country.

The year 2018 will be the first to move toward the goal set by the CPC at its 19th National Congress. "The 19th Party Congress laid out a blueprint for China's development in the next three decades and beyond," Xi said. "To turn this blueprint into reality, we must ...take one step at a time as we progress and deliver tangible outcomes."

"Xi's vision for China presents a rather stark contrast to the more mundane messages presented by most other political leaders to their constituents," William Jones, Washington Bureau Chief of the U.S. magazine *Executive Intelligence Review*, told *Beijing Review*. In Jones' eyes, the difference lies in the fact that leaders in the West have a viewpoint limited to no more than the four or five years they have left in office, whereas President Xi is looking decades ahead at what China can accomplish in the next 30, 40, or 50 years. ▶▶

SPECIAL REPORT



The Hong Kong-Zhuhai-Macao Bridge on December 31, 2017

"This breadth of view and sense of purpose characterizes the difference between a mere politician and a great statesman," Jones said.

Poverty elimination

Since 2015, 2020 has been earmarked as the year in which China's campaign to lift all rural residents out of poverty will be achieved, and there now are only three years to go.

"Happiness is indeed earned through hard work," Xi said in his speech. "Winning this tough battle against poverty within three years means that for the first time in China's history of several millennia, extreme poverty will cease to exist in the country."

Peng Xiaying, a villager from Maoping in south China's Jiangxi Province, was excited to hear Xi's remarks. In 2017, Peng and her daughter opened a restaurant in the village and their annual income is now more than 100,000 yuan (\$15,300).

"The government has made great efforts to guide us out of poverty," Peng said. "I am very glad to learn that there were more than 10 million rural residents like me lifted out of poverty in 2017."

"I can feel the confidence of the people and officials toward the bright future of our country," said Jiang Shengxia, Party Secretary of Panlong Village in Tongcheng of east China's Anhui Province. As a delegate to the 19th CPC National Congress, Jiang has been busy introducing the outcome of the congress to villagers. In 2017, 127 residents from 49 households in Panlong were lifted out of poverty.

"In 2018, we will strive to develop tourism

in rural areas and green agricultural industries to help villagers to earn more and live a better life," Jiang said.

Reform and the world

The year 2018 also marks the 40th anniversary of China's reform and opening up. In his speech, Xi vowed that the spirit of reform must be carried through into the new year as reform and opening up is a path of demonstrable success to which China must stick if it is to continue its progress in national socio-economic development and realize the Chinese dream of national rejuvenation.

On December 31 last year, during the final hours of 2017, the Hong Kong-Zhuhai-Macao Bridge was lit up in a ceremony to mark the completion of the majority of the world's longest sea-crossing structure. Six years of planning and eight years of construction went into the 55-km-long bridge linking Hong Kong, Zhuhai in Guangdong Province and Macao.

"We will build the Guangdong-Hong Kong-Macao Greater Bay Area into a green and livable city group," said Gao Xinglin, an official from the Hong Kong-Zhuhai-Macao Bridge Management Bureau. "This bridge will be an impetus for the development of the Greater Bay Area."

"The Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone has taken a new look every year," said Wang Jinxia, Deputy Director of Qianhai Management Bureau in Shenzhen, Guangdong Province. The booming metropolis of Shenzhen developed from a small fishing village following the piloting

of market economy during the nascent stages of reform and opening up. The Qianhai Area is now a pilot zone in Shenzhen for deepening the process of reform.

"We will intensify reform in Qianhai and explore innovative policies for financial cooperation between Shenzhen and Hong Kong," Wang said. "We will make it a new key area and an important juncture for Belt and Road construction."

Proposed by Xi in September 2013, the Belt and Road Initiative aims to build trade and infrastructure networks connecting Asia with Europe and Africa on and beyond the ancient Silk Road routes, with the intention of creating new platforms for international cooperation.

The 19th CPC National Congress outlined the building of a community with a shared future for mankind and the implementation of a new type of international relations as the overall goal of China's foreign diplomacy.

"To build a community with a shared future for mankind is China's answer to the question of 'what we can do for the world,' and this answer has been well received across the globe," said Ruan Zongze from the China Institute of International Studies.

"With the world in so much turmoil today, the message of hope which rings clear in Xi's New Year address is also a message of hope for the world, since China is prepared to share its development in creating a community of shared future for mankind," Jones said. ■

(Ding Ying contributed to the article)

Copiedited by Laurence Coulton
Comments to yuanyuan@bjreview.com

President Xi Jinping's New Year Address

Greetings to you all!

How time flies. Soon we will ring in the year 2018. I wish to extend New Year wishes to the people of all ethnic groups across China, including our fellow Chinese in the Hong Kong and Macao special administrative regions, Taiwan, and overseas. I also wish our friends in all other countries and regions around the world all the best in the new year.

As the Chinese adage goes, hard work always pays off. Indeed, our hard work has brought remarkable change to China. In 2017, we held the 19th National Congress of the Communist Party of China (CPC), embarking on a new journey of making all-round efforts to build a modern socialist country. China's GDP has exceeded 80 trillion yuan (\$12.3 trillion). More than 13 million new jobs have been created in urban and rural areas. Over 900 million Chinese are now covered by social pension insurance and 1.35 billion Chinese have access to basic medical insurance. Another 10 million-plus rural residents have been lifted out of poverty. "How wonderful it would be if all the poor people could be properly sheltered!" Such was the longing of an ancient Chinese poet. Thanks to our poverty alleviation efforts, 3.4 million poor people have been relocated and moved into new and warm homes, and the building of 6 million housing units in run-down areas has begun ahead of schedule. We have stepped up initiatives aimed at improving people's lives and steadily improved the ecological environment, while our people now have a stronger sense of fulfillment, happiness and security. In short, we have taken another big step toward the goal of building a moderately prosperous society in all respects.

The past year has seen a number of major innovation and engineering success stories. *Huiyan*, a hard X-ray modulation telescope, was launched into space, while the C919 large passenger jet completed its maiden flight. A quantum computer has been successfully developed and trials have been conducted for growing rice in saline soil by the sea.

The first Chinese-built aircraft carrier was launched, *Haiyi*, an underwater glider, conducted deep-sea observations, and sub oceanic combustible ice was successfully extracted for the first time. Phase IV of the Yangshan Automated Port is now operational. The main structure of the Hong Kong-Zhuhai-Macao Bridge has been completed, and the Fuxing high-speed trains have been put into service. Big congratulations to you, my fellow Chinese, for your great ingenuity!

We held a military parade at the Zhurihe training base in commemoration of the 90th anniversary of the founding of the People's Liberation Army. I attended Hong Kong's celebra-

tions for the 20th anniversary of its return to the motherland. I could see first-hand that with the strong backing of the motherland, Hong Kong enjoys long-term prosperity and stability, and there is no doubt that the region will have an even better tomorrow. We also held a ceremony to commemorate the 80th anniversary of the outbreak of the Chinese People's War of Resistance Against Japanese Aggression, and a national memorial ceremony for the victims of the Nanjing Massacre, honoring those who lost their lives and expressing our resolve to uphold peace.

China also played host to several multilateral diplomatic events, including the first Belt and Road Forum for International Cooperation, the BRICS Xiamen Summit, and the CPC in Dialogue With World Political Parties High-Level Meeting. I also attended several major multilateral meetings. At the beginning of the year, I attended the annual World Economic Forum in Davos and delivered a speech at the UN Office at Geneva. Later in the year, I attended the G20 Summit and the APEC Economic Leaders' Meeting. On those occasions, I held in-depth exchanges with global leaders, and we agreed that it is imperative to build a community with a shared future for mankind in order to benefit the people of all countries.

In 2017, I continued to receive many letters from the public, including villagers from the Yumai Township of Longzi County in Tibet Autonomous Region, members of the Ulan Muqir Art Troupe of Sonid Right Banner from Inner Mongolia Autonomous Region, retired professors who have been with the Xi'an Jiaotong University since it was moved to Xi'an several decades ago, and undergraduates from Nankai University who joined our military services. Their stories moved me deeply. You, the people, with a strong sense of patriotism, have devoted yourselves to our common cause without regret or complaint. You, the ordinary Chinese, in your hundreds and millions, are the greatest heroes! What you have achieved shows that happiness is indeed earned through hard work.

The year 2018 will be the first for us here in China to move toward the goal set by the CPC at its 19th National Congress. The 19th Party Congress laid out a blueprint for China's development in the next three decades and beyond. As another Chinese saying goes, the building of a nine-story tower must begin by shoveling the first pile of earth. To turn this blueprint into reality, we must not entertain impractical notions or indulge in rhetoric. What we must do is to be realistic in our approach, and take one step at a time as we progress and deliver tangible outcomes.

The year 2018 marks the 40th anniversary of China's reform and opening up. Reform and

opening up is the only way that today's China will achieve development and progress; and only by pursuing reform and opening up can we realize the Chinese dream. We will generate momentum for reform and opening up by celebrating its 40th anniversary, and, with the same drive and tenacity necessary to cut a path through the mountains and build a bridge across the rapid currents, we will carry reform through to its ultimate success.

By 2020, China will have lifted its rural population living below the current poverty line out of poverty. This is a solemn pledge that we have made, and we must honor it. With only three years to go, all of us in the country must get stuck into the action and take targeted steps to reach our goal. Winning this tough battle against poverty within three years will mean that for the first time in China's history of several millennia, extreme poverty will cease to exist in the country. Let's work together to accomplish this cause, a cause that is of monumental significance to both us the Chinese nation and the whole mankind.

Today, people in the world express both hope and concern about the prospects of peace and development, and they want to know where China stands on these issues. The world is one big family. As a responsible major country, China has this to say: China will resolutely uphold the authority and stature of the United Nations, fulfill its due international obligations and responsibilities, honor its commitments on climate change, actively pursue the Belt and Road Initiative, and continue its efforts to safeguard world peace, promote global development and uphold the international order. We Chinese will continue to work together with people of all other countries to deliver a future of greater prosperity and peace for mankind.

China's great progress is achieved by our people and must be shared by our people. I know that the areas of greatest concern to our people are related to education, employment, income, social security, healthcare, elderly care, housing and the environment, to name but a few of the major issues. We have made many gains, but we also face many pressing and difficult problems. There is still much room for improvement in our work concerning people's well-being. So we must strengthen our sense of mission and responsibility and make every effort to deliver a better life for our people. We, Party committees, governments and officials at all levels, must always keep in mind the well-being of the people, make benefiting the people our top priority, promptly address their pressing concerns and ensure they lead better lives.

Thank you all!



COVER STORY

RURAL EVOLUTION

Central Rural Work Conference sets out a beautiful future for China's countryside By Deng Yaqing



Irrigation equipment waters farmland in Zhangjiakou, north China's Hebei Province, on July 29, 2017

As China's annual Central Rural Work Conference wrapped up at the end of 2017, a vital strategy to rejuvenate the country's vast countryside was set in motion.

The strategy, outlined at the 19th National Congress of the Communist Party of China (CPC) in October 2017, aims to transform China's countryside into areas with "thriving businesses, pleasant living environments, social etiquette and civility, effective governance and prosperity."

"These requirements are inevitable once farmers, agriculture and rural areas have entered the new era," said Zhu Qizhen, a professor on agrarian issues with China Agricultural University.

Throughout the long history of Chinese civilization, the countryside has occupied a position of central importance. Thriving rural areas were once taken as a signifier of national prosperity, said Jiang Weitao, a scholar from the FangTang Think Tank, noting that the policies implemented since reform and

opening up began in the late 1970s have been primarily focused on urban development and industrialization, but that rural areas have also made significant contributions toward these processes.

Vigor unleashed

The remodeling of the relationship between urban and rural areas, and the promotion of integrated development between them were the first priority among the measures laid out during the Central Rural Work Conference.

"Urbanization and the rejuvenation of rural areas are not contradictory but compatible and synergistic. Modernization should not be based on the division between urban and rural areas. Instead, efforts should be made to drive rural development by way of new urbanization, which can not only bring about more jobs for farmers, but also attract more people to settle down in cities and towns," said Han Jun, Director of the Office of the Central Rural Work Leading Group.

Issues regarding agriculture, rural areas and farmers are fundamental problems as they directly concern the country's stability and the people's well-being, according to a statement released on December 29, 2017 after the conference concluded.

Gao Jingli gave up a stable life in the city and returned to his hometown Gaozhuang Village in Dongming County, Shandong Province to pursue his entrepreneurial dream. The 29-year-old Gao set up a family farm and applied for a trademark in 2016, and by virtue of sophisticated management and efficient marketing, he has already expanded his vegetable greenhouses from one to 20, covering more than 50 *mu* (3.33 hectare) of land.

Advantages such as organic farming, sightseeing and picking tourism have helped his farm register impressive sales over the past year. So far, more than 20 villagers have jumped on board to operate the vegetable greenhouses, with Gao providing the necessary technological support and distribution channels.

While rural entrepreneurs can provide the stimulus to unleash the country's economic vigor, reform is to be carried out on the current rural land system. When the household contract responsibility system was first established in the early 1980s, contract and management rights were separated. ▶▶



A farmer trims the verges in Nanyuanling Village of Wuyishan, southeast China's Fujian Province, on June 9, 2017. The village is popular among tourists for its idyllic environment

rated from collective land ownership in order to raise farmers' enthusiasm for production.

In order to further encourage scale operations, central authorities have begun promoting the transfer of land management rights, while stabilizing contract rights. In the coming period, the separation of the three subdivisions of rights will spark a new round of rural land reform.

In addition to these measures, a modern agricultural system needs to be established, said Jiang, who believes the future direction of China's agriculture is to radiate and transition into the manufacturing and service industries.

Take the U.S. for example. The country's agriculture realized a basic level of mechanization in the 1940s and began to undergo modernization in the 1960s, which was directed and guided by a series of policies. Now it's well integrated, covering a wide range of disciplines such as biology, geography, meteorology and ecology, and fusing agricultural production with industrial manufacturing, commodity cir-

cultation, information services and financial support.

"The future direction for China's agricultural development is to establish a modern agricultural system featuring high technology, high capital input and high output. Industrial organizations such as agro-industrial complexes, industrial and commercial enterprises and agricultural cooperatives will combine to build an industrialized management system encompassing production, processing and marketing," said Jiang.

Lives improved

According to statistics from the national poverty reduction and development work conference held on December 29, 2017, the population of those living below the poverty line in China was reduced by more than 10 million in 2017, with over 66 million people having been lifted out of poverty over the past five years.

New models for poverty reduction schemes were spreading rapidly in 2017.

E-commerce poverty relief activities helped around 2.74 million households to increase their income, photovoltaic poverty relief activities positively affected 800,000 households, and poverty alleviation through tourism reached more than 23,000 impoverished villages.

In Xinpo Town of Haikou, south China's Hainan Province, poverty reduction has been integrated with a campaign to build beautiful villages, and agricultural modernization goes hand in hand with the development of rural tourism.

Mai Dianliu, whose family used to live in poverty, is now able to live in a new house since he began selling homemade pickled vegetables to tourists and became a shareholder in a local biotech company.

"As the local government dynamically pushes forward the campaign of building beautiful villages, the number of tourists coming to our town is on the increase. Given that, every weekend, I bring some agricultural products to the marketplace and they sell like hot cakes," said Mai.

Country-side Vitalization Plan

Three Steps

- Important progress to be made by 2020, when the institutional framework and policy system will have taken shape.
- Decisive progress to be achieved as of 2035, when the modernization of agriculture and rural areas will become reality.
- By 2050, China's rural areas will be characterized by strong agriculture, beautiful countryside and well-off farmers.

Seven Tasks

- Advancing the integrated development of urban and rural areas
Efforts must be made to nurture agriculture through industrial development, and use urban development to drive rural development. The focus of public infrastructure investment will be in rural areas, and progress will be made in rural education, increasing farmers' income, facilitating the migration and employment of rural labor force, as well as promoting the formation of a rural social security system.
- Consolidating and improving the rural management system
China will maintain the collective ownership of rural land, the fundamental principle of household management and the stabilization of land contract relations. Endeavors will be made to establish a collective economic operation mechanism which is viable in the market economy.
- Pushing forward supply-side structural reform in agriculture
Emphasis will be placed on boosting agriculture by improving quality. "Internet Plus agriculture" will be promoted. Innovation, competitiveness and productivity in agriculture will continue to be improved.
- Promoting green development
Green development must lead ecological rejuvenation, a market-oriented diversified ecological compensation mechanism should be put in place, and the supply of eco-agricultural products and services will be increased.
- Preserving and refining rural culture
Rural residents should continue to fulfill and spread core socialist values, promote moral education, and pass down the essence of traditional rural culture.
- Promoting innovative governance
A modern rural social governance system should be established, with the integration of self-management, rule of law and the rule of virtue.
- Ensuring the quality of poverty reduction
Targeted poverty alleviation must continue. Attention should be paid to the quality of poverty reduction, while consideration must be given to increasing people's confidence in their own ability to lift themselves out of poverty and helping them acquire knowledge.

(Compiled by Beijing Review)

"When carrying out the rural vitalization strategy, the government should ensure the quality of the natural environment, the preservation of local culture and the growth of farmers' income," said Chen Jian, town chief of Xinpo.

"The development of rural areas should respect nature and emphasize the harmonious existence of man and nature. In addition, efforts should also be made to preserve the original styles and features of villages," said Zhu.

Village governance

According to the report of the 19th National Congress of the CPC, self-governance, rule of law and the rule of virtue should be integrated in rural governance.

"Improving systems of rural governance can better protect the interests of the residents, and promote social equality, justice and the happiness of the people," said Zhu.

"In China, self-governance has a long history. Now, it should be based on certain conditions. Villagers should comply with the country's laws and regulations when carrying out self-government activities," said Jiang.

"In addition, the rule of virtue should be taken as a supplement. Esteemed members of rural society should be given a bigger role in governance," said Jiang. ■

Copyedited by Laurence Coulton
Comments to dengyaqing@bjreview.com

China's Agriculture

Gross grain output

2017 **617.9 bln kg** Increase (y.o.y) **0.3%**



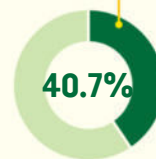
An increase of **1.65 bln kg** from 2016

Return to rural areas



Graduates from high schools, vocational schools and junior colleges

have returned to rural areas, establishing their own businesses, with an average age of 44.3



Farmland (By the end of 2016)

Transferred household contracted farmland totaled

479 mln mu



This accounts for

35.1%

of total household contracted farmland

Agriculture-related loans

(By the end of 2016)

Total agriculture-related loans issued by banking financial institutions

28.2 tln yuan

Increase (y.o.y) **7.1%**



(Sources: National Bureau of Statistics, China Banking Regulatory Commission, Ministry of Agriculture; designed by Pamela Tobey)

Tottering Forward

China-Japan relations could take a turn for the better **By Shi Yongming**



The author is an associate researcher with China Institute of International Studies

The China-Japan relationship has been in stalemate for the past several years due to Japanese Prime Minister Shinzo Abe's persistent tough stance on China. In 2017, the situation showed some signs of change as Abe lowered his anti-China rhetoric. The development provides both sides with expectations for an improvement of their bilateral relations in 2018. In spite of expectations for thawing relations, Abe's previous China policy has caused lots of systematic problems for the long-term development of China-Japan relations. The Abe administration still needs to show sincerity and make pragmatic efforts to bring the bilateral relations back to the right track.

Abe's policy adjustment

The China-Japan relationship was filled with the smell of gunpowder in 2016. Japan began to implement its new security laws that year, which allow the country's soldiers to fight in international conflicts. Previously, the nation's pacifist constitution banned the defeated country from fighting overseas, and only kept a self-defense force. The Abe administration attempted to use its China policy as a testing ground by taking on an adversarial stance against China on the South China Sea issue. In the

East China Sea, Japanese military aircraft frequently made risky harassing moves toward Chinese jets passing through international air space over the Miyako Strait, causing tension and friction.

Unfortunately, Abe's rash moves in security issues brought little pragmatic benefit. Besides the failed China policy, the Abe administration also met setbacks in its dealings with relations with other major powers. Its attempt to sow discord between China and Russia ended in vain, while its Asia-Pacific economic and security strategy met "Trump shock." Then newly elected U.S. President Donald Trump on the one hand supported Abe's collective defense move to get reciprocal trade benefits from Japan, while on the other hand he threatened to withdraw from the Trans-Pacific Partnership (TPP) agreement, on which Abe had placed great hope. Attempting to change Trump's mind on the TPP, Abe fled to the United States to meet Trump regardless of basic diplomatic formalities, since Barack Obama was still in power. But to the Japanese prime minister's great disappointment, Trump not only announced the U.S. withdrawal from the TPP soon after taking office, but also abandoned Obama's "pivot to Asia" policy in which Japan is a key player to contain China.

While encountering diplomatic setbacks, Abe's domestic support also met a sharp decline. Then Defense Minister Tomomi Inada, who was seen as a potential successor to Abe, had to resign due to her inappropriate words and acts in the Tokyo metropolitan elections and the Japanese military scandal in South Sudan, triggering a cabinet reshuffle of the Abe administra-

tion; meanwhile, Abe's entanglement in land-sale scandals resulted in his approval rating becoming trapped in a continuing decline.

China, which has been regarded as a "strategic rival" of Japan by Abe, has achieved steady growth in spite of widespread suspicion of an economic collapse. The China-proposed Belt and Road Initiative, though long criticized by the United States and Japan, has been welcomed by more and more countries. Even Washington changed its attitude, claiming that it has realized the importance of the initiative. Besides, the China-led Asian Infrastructure Investment Bank also attracted wide attention from the international community, and around 60 countries and regions applied to be founding members of the bank.

It is against this backdrop that the Abe administration showed interest in improving relations with China. Last May, Abe sent a delegation to attend the Belt and Road Forum for International Cooperation in Beijing, signaling a major step to create an environment for improving China-Japan ties. But, the most notable signal was a letter from Abe delivered by Toshihiro Nikai, Secretary-General of Japan's ruling Liberal Democratic Party and head of the Japanese delegation to the Belt and Road forum, to Chinese President Xi Jinping.

A makeshift or strategic adjustment?

According to Japanese media, Abe's letter to President Xi had four major points: wishing to establish a stable friendship, calling for an early realization of top-level mutual visits, working closely on Korean Peninsula issues and Japan's readiness to cooperate on the Belt and Road Initiative.

The most critical content of the letter was the wish for the two nations to establish a stable friendship. In fact, the Chinese Government has been committed to developing a friendly China-Japan relationship. In May 2015, a Japanese delegation of about 3,000 people attended an event at Beijing's Great Hall of the People aimed at promoting friendly cooperation between

Abe's previous China policy has caused lots of systematic problems for the long-term development of China-Japan relations. The Abe administration still needs to show sincerity and make pragmatic efforts to bring the bilateral relations back to the right track



Chinese Kunqu Opera artists perform in Tokyo as part of celebrations marking the 45th anniversary of the normalization of diplomatic relations between China and Japan on December 20, 2017

the two countries, during which President Xi appeared as a surprise guest. When addressing the event, Xi said that China attaches great importance to the relationship and would like to work with the Japanese side to promote good neighborly relations and cooperation. Despite twists and turns, China has always adhered to this policy and will never change it in the future.

In contrast, Abe's China policy causes the current bilateral stalemate. When he was first sworn in as Japan's prime minister, Abe denied theoretically the rationality for developing a friendly China-Japan relationship. His values-oriented foreign policy and national interest-driven pragmatism took a toll in China-Japan relations.

In this context, although Abe's recent adjustment of his China policy has sent a positive signal, it also leaves the international community with a question: Is it just a temporary expedient he was forced to take due to the current situation, or a real

strategic adjustment?

To completely reassure the international community, Abe still needs to ravel out three problems.

First, Abe should expound clearly his foreign policy and the basic principle for developing China-Japan relations, defining the concept of China-Japan friendship.

Second, his right-wing policy has deeply affected Japan's domestic public opinion environment. Now, "China-Japan friendship" almost becomes a taboo topic in Japanese media. Even as the panda cub Xiangxiang in Tokyo's Ueno Zoo was widely welcomed by the Japanese public, some Japanese TV programs implied that China was employing the panda as a "political weapon." Such mentality gets in the way of improvement of China-Japan relations.

Last, together with Trump, Abe pushed forward an Indo-Pacific strategy last autumn which, similar to his so-called "Security Diamond" strategy, is also be-

lieved to be targeted at countering China's growing influence. Though Japan's Kyodo News Agency reported that Abe "believes Japan will be able to cooperate well with China, which has been pushing forward the Belt and Road Initiative, while we are pursuing a strategy to achieve a free and open Indo-Pacific region," Abe himself has not declared such a view publicly on international occasions. If Abe has the sincerity to improve China-Japan relations, he needs not only to illustrate clearly his foreign policies, but also to take concrete steps.

The China-Japan relationship is currently mired in a strategic dilemma set by the Japanese prime minister. It is a positive move that Abe has signaled a wish to improve the bilateral ties. It takes courage to do so. ■

Copyedited by Chris Surtees
Comments to yulintao@bjreview.com

The Coming Storm

The Trump administration's Jerusalem decision is of great consequence for the Middle East By Yu Guoqing



The author is a researcher at the Institute of West Asian and African Studies, Chinese Academy of Social Sciences

U.S. President Donald Trump's recognition of Jerusalem as the capital of Israel, and the subsequent decision to relocate the U.S. embassy there from Tel Aviv in December 2017, invoked a tempest of criticism from around the world.

On December 21, 2017, in response to the Trump administration's unprecedented move, the United Nations (UN) held an emergency special session and passed a resolution with the support of an overwhelming majority, declaring that any decision or action which seeks to change Jerusalem's official status were null and void. The resolution also reiterated the need for negotiations between Israel and Palestine to decide the status of the city.

Before the vote, U.S. Ambassador to the UN Nikki Haley warned of retaliation against those who opposed the U.S. position, but many countries nonetheless voted to condemn the White House decision, which demonstrated that both the U.S. and Israel stand in relative isolation on this extremely sensitive issue.

The holy city

The Jerusalem problem is one of the most contentious issues in the ongoing dispute between Israel and the Arab countries, and is also amongst the most sensitive in the stalled Israeli-Palestinian peace talks. An ancient city with 5,000 years of history, it has at one time or another been home to nations both Arabic and Jewish, their peoples, religious temples and other cultural relics. It is the common holy land of Judaism, Christianity and Islam.

In theory at least, Jerusalem's status has already been decided by the UN. Back in 1947, the UN General Assembly adopted Resolution 181 which recommended the creation of independent Arab and Jewish States and a Special International Regime for the city of Jerusalem. However, this ruling was quickly cast aside, and during the 1948 Palestine War Israel acquired West Jerusalem while Jordan took control of the eastern part of the city. In 1967, the Six-Day War culminated in the annexation of East Jerusalem by Israel, and in 1980 the legislative branch of the Israeli Government passed a law proclaiming Jerusalem as the country's "complete and united capital."

Arab countries have never recognized the legitimacy of Israel's actions regarding the status of Jerusalem, and Palestine has all the while been striving to establish a state with East Jerusalem as its capital. The international community in general does not recognize Israel's sovereignty over Jerusalem, and most countries, including the U.S., established their embassies in Tel Aviv.

Why now?

So why did Trump decide to strike out on his own even though he must have anticipated the strong reaction from the international community? It surely must be the case that such a decision, a departure from the United States' traditional position and a divergence from the stance of his predecessors, was occasioned by special considerations and the geopolitical background.

One purpose of the announcement could be an attempt to reactivate the stalled Middle East peace process by stoking the core issue, and to use this opportunity to adjust U.S. relations with the involved Middle Eastern countries. However, it remains to be seen whether such an uncertain and provocative strategy will be able to achieve this goal.

In fact, since taking office, Trump has secretly negotiated with Israel and Saudi Arabia on how to reactivate the Middle East peace process, and according to some reports, Trump had informed Israel, Egypt, Jordan

and many other Middle East countries of his administration's plans to change its official position on the issue before the final decision was made.

While Arab countries widely opposed Trump's announcement, Egypt, Jordan and Saudi Arabian refrained from any kind of overreaction, and an emergency summit of Arab nations to discuss this issue, called for by Palestine, is still yet to be held.

So far, the U.S. and Israel have managed to endure the initial resistance and protest coming from Arab countries, keeping the backlash to a minimum. However, it remains to be seen whether the U.S. and Israel can turn this into an opportunity to revitalize the Middle East peace process.

Furthermore, this move was deemed necessary to augment Trump's support at home, and to fulfill a hallmark electoral commitment when approval ratings and support seem to be low. After all, an assurance to move the U.S. embassy to Jerusalem had been one of the central planks of Trump's election campaign. To many among his voter base, the U.S. president is now seen to have fulfilled this promise, and whilst the reaction to the Jerusalem decision within the U.S. was certainly mixed, many were satisfied with what they saw as a necessary and overdue decision.

The Trump administration's announcement has also served to consolidate ties between the U.S. and Israel. Israel has been a strategic ally of the U.S. for over half a century, and successive U.S. administrations, although often disagreeing with Israel over a number of specific issues, have always understood the importance of maintaining this strategic relationship.

By contrast, the relationship between the U.S. and other countries in the region is generally lukewarm, and the White House lacks a reliable ally in the Middle East except Israel. Iran, once a close ally of the U.S., tore away following the Iranian Revolution in 1979, becoming the United States' principal adversary in the region. Furthermore, U.S. relations with Saudi Arabia, Egypt and Turkey are usually in some way tested



Egyptian people protest U.S. President Donald Trump's recognition of Jerusalem as the capital of Israel in Cairo on December 7, 2017

and strained by regional and global circumstances. In light of this, Israel is of all the more importance to the U.S. strategically, and it is unsurprising that the Trump administration has sought to strengthen its relationship with the only country with which it can agree on major issues.

A region reacts

However, Trump cannot have his cake and eat it too. Against the backdrop of decades

of conflict and confrontation, Trump's overture to Israel has unsurprisingly drawn fierce opposition from Palestine.

Palestinian President Mahmoud Abbas declared that the U.S. was no longer an honest mediator in the peace process and its future attempts at such meditation would be refused. He also said that Palestinians would take a series of measures to resist Trump's recognition of Jerusalem as the capital of Israel.

Obviously, Trump's move is in opposi-

tion to his intention of reactivating the peace process between Palestine and Israel, and the U.S. must now recognize that the Arab countries and the Islamic world are unlikely to follow its position on the issue of Jerusalem.

On December 13, 2017, the Organization of Islamic Cooperation (OIC) held a special leaders' meeting in Istanbul at the behest of Turkey. After the meeting, a communiqué was issued announcing the recognition of East Jerusalem as the capital of the Palestinian state. The OIC also called on the UN to protect the legal status of Jerusalem and to put a stop to Israel's illegal occupation of Palestinian land.

While much of this must have been anticipated in Washington, Turkey's role may well have been the cause of some raised eyebrows as it has condemned the U.S. in the harshest terms. It is clear that Turkey is looking to consolidate its position as a standard bearer of the Islamic world, and also reflects Turkey's shift toward Russia and Iran on the most critical issues facing the Middle East.

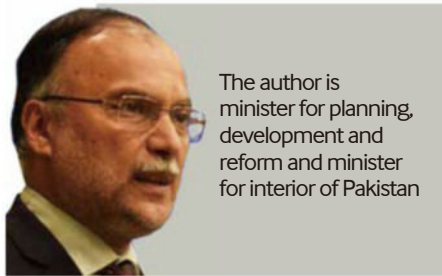
The U.S. is being faced with greater worldwide opposition on a whole host of Middle Eastern issues, which also shows the need for Washington to consolidate its traditional partnerships with Israel, Egypt, Jordan and Saudi Arabia. Trump's Jerusalem move might test the United States' alliance with regional countries. In 2017 the geopolitical situation in the Middle East underwent a dramatic change with the defeat of the extremist group Islamic State. The influence of Russia and Iran in the region, particularly in the ongoing Syrian conflict, has become increasingly evident, which is a situation that the U.S. does not want to see.

It seemed dangerous, almost reckless, for Trump to recognize Jerusalem as the capital of Israel, but many geopolitical considerations were in fact behind the decision. Besides consolidating the alliances between the U.S. and some Middle Eastern countries, such a move also displayed U.S. power, expressing not just its ability to act alone and by its own rules, but also Washington's intention to continue dominating the global discussion on issues in the Middle East. Nonetheless, since the Palestinian-Israeli conflict is widely regarded as the root cause of instability in the Middle East, Trump's decision regarding Jerusalem will once again thrust the issue into the global spotlight. ■

A Corridor of Power

CPEC, the Long Term Plan, and the future of the China-Pakistan relationship

By Ahsan Iqbal



The author is minister for planning, development and reform and minister for interior of Pakistan

Despite political events in the country created by some narrow vested interests, the Seventh Joint Coordination Committee (JCC) meeting on the China-Pakistan Economic Corridor (CPEC) was successfully held a month and a half ago in Islamabad.

Our Chinese counterparts showed resolve and commitment to successfully complete all CPEC projects in a timely manner. The Seventh JCC also officially approved the Long Term Plan (LTP) of CPEC. It is standard practice around the world for a bilateral agreement not to be made public unless it is approved by both parties, but unfortunately some cynics in the media tried to generate unnecessary controversy by publishing an incorrect version of the LTP. As promised, we have released the official version of the LTP for both the public and the media.

The development of any country is based on its industrialization process. The qualitative difference between the developed and the developing countries is the difference in their degrees of industrialization. With developed countries now entering a post-industrial age, developing countries are still struggling to complete their industrialization process and modernize their economies. The Pakistan Muslim League (PML-N) has believed in, and consistently strived for, the industrialization of Pakistan. In light of this vision, the PML-N government initiated work on CPEC immediately after coming into power in 2013. CPEC has attracted worldwide attention due to its significant contribution toward removing energy and infrastructure growth bottlenecks from Pakistan's economy. It provides Pakistan with a great

opportunity to leapfrog some, and expedite other, processes of industrialization.

The LTP provides a conceptual framework for CPEC up to 2030, and also delivers a framework for the industrialization of Pakistan. To finalize the LTP, the government of Pakistan consulted the provinces, the federal ministries, and their respective technical groups. The plan is completely in line with the seven pillars of the Pakistan Vision 2025, which are founded on the economic principles of inclusive and sustainable development. The seven salient features of the LTP are connectivity, energy, trade and industrial parks, agricultural development and poverty alleviation, tourism, cooperation in areas concerning people's livelihoods and non-governmental exchanges and financial cooperation. The spirit of the LTP is best captured in the following statement from the document itself: "...CPEC will greatly speed up the industrialization and urbanization process in Pakistan and help it grow into a highly inclusive, globally competitive and prosperous country capable of providing high-quality life to its citizens."

Route to success

Below are some of the significant features of CPEC's long-term plan to illustrate its central role in the industrialization of Pakistan.

Connectivity is the cornerstone of development. It increases the flow of goods, information and people across regions. That is why an integrated transport system is central to the LTP. It includes the construction and development of Kashgar-Islamabad, Peshawar-Islamabad-Karachi, Hakla-Dera Ismail Khan, Sukkur-Gwadar Port and Dera Ismail Khan-Quetta-Sohrab-Gwadar road infrastructure, which seeks to improve connectivity within Pakistan and interconnectivity with China. The development of Gwadar Port City, Gwadar airport and Easy Bay expressway are going to transform the city of Gwadar into a maritime trade hub and a new smart port city for the region. It will also lead to the industrialization of Balochistan.

Information technology is another crucial aspect for development. In this regard, we have laid a cross-border fiber optic cable between Pakistan and China, and agreed to cooperate in promoting the technologies of the fourth industrial revolution in Pakistan.

In the energy sector, both countries will enhance cooperation in the fields of oil and gas, electricity and power grids. The focus is on thermal power, hydropower, coal gasification, renewable power generation and modernizing power transmission networks. CPEC has already addressed the major energy bottleneck in Pakistan, and over half of the 10,000 MW energy added recently to the national grid comes from CPEC cooperation.

To build an industrial base, new industrial parks and special economic zones will be built all over the country. Both countries will cooperate to improve efficiency in the textile and garment industries, which together make up the backbone of Pakistan's export sector. Engineering-based industries will also be developed in Pakistan.

It is important to note that no country has successfully industrialized without also modernizing its agricultural sector. CPEC will allow us to modernize agriculture through the introduction of new technologies such as biological breeding and drip irrigation. The emphasis is to improve the income of small farmers by increasing their productivity and efficiency.

Coastal tourism can also become a new niche for Pakistan. CPEC will allow us to build coastal leisure and vacationing centers across the Ket-i-Bander-Karachi, Sonmiani-Ormara, Jhal Jhao, Gwadar and Jiwani routes. CPEC is about cooperation at all levels between both countries, including non-government organizations and people-to-people interactions. For the cross-fertilization of ideas and cultures, the exchange of students, tourists and academics will be an integral component of the corridor's plans.

Pakistan and China will also be enhancing monetary cooperation between their central banks. Both countries agree on bilateral currency swap arrangements and would prefer making payments in renminbi and rupees



Chinese and Pakistani workers on a construction site of the Karakoram Highway in Islamabad on April 24, 2017. The highway is an important CPEC project

regarding CPEC projects rather than any third-party currency.

Three-stage plan

According to the LTP, the implementation of CPEC will take place in three phases, each with clear goals. In the first phase, to be achieved by 2020, the major bottlenecks in Pakistan's socio-economic development will be addressed in their entirety, and "CPEC shall start to boost the economic growth along it for both countries," as stated on page 10 of the LTP document. The second phase will be completed by 2025, when all the infrastructure of CPEC will be ready and all industrial projects will have been completed. As a result, CPEC will have a major impact on the livelihoods of people living along the corridor. The goals of Vision 2025 will be achieved and there will be more balanced regional

economic development.

The third phase of the LTP will mature by 2030, and by then the mechanisms for indigenous, inclusive and sustainable economic growth will be in place in Pakistan. As laid out by the LTP, "CPEC's role in stimulating economic growth in Central Asia and South Asia [will be] brought into holistic play, and South Asia shall grow into an international economic zone with global influence,"

Pakistan is a democratic country where provincial governments are not only autonomous, but are also led by different political parties which are staunch opponents of each other. Nonetheless, the federal government and all provincial governments are united in making the LTP and CPEC a game changer for Pakistan.

Pakistan is a country full of promise and potential but due to the strategic mistakes of the past, we haven't realized our true devel-

opment potential. The PML-N government is committed to prioritizing the economic interests of the country by engaging in the geoeconomics, as opposed to the geopolitics, of the region through CPEC.

CPEC is a major opportunity for Pakistan to transform itself as an economic nation and become a regional hub for trade, commerce and manufacturing. Without industrialization we cannot resolve many of our socio-economic problems, and CPEC represents a fantastic chance to become an industrialized country. The sustainability of this qualitative shift mandates the collective support of all the stakeholders in our nation, including the media, to turn this dream project borne of the Pakistan-China friendship into an everlasting joint enterprise for a shared future and prosperity. ■

Copyedited by Laurence Coulton
Comments to yulintao@bjreview.com



不一样的阅读体验

“彩虹桥”汉语分级读物来啦!

分级精准，循序渐进
故事精彩，题材多样
结构合理，实用性强

A gradual approach to Chinese learning;
Features fascinating stories on various themes;
Designed and structured for practical use.





China International Publishing Group
中国国际出版集团



外文出版社
FOREIGN LANGUAGES PRESS

“Chinese Classics” Series

Great Chinese classics and translations, published in both Chinese and English

The “Chinese Classics” series published by Foreign Languages Press is a collection of ancient Chinese classics and great works of modern Chinese authors. The first set comprises nine ancient classic works including *Selected Elegies of the State of Chu*, *Selections from Records of the Historian*, *Tao Yuanming Selected Poems*, *Du Fu Selected Poems*, and *Selected Tang Dynasty Stories*, and five works by Lu Xun (1881-1936), a leading figure of modern Chinese literature, which include *Dawn Blossoms Plucked at Dusk*, *Wild Grass*, *Lu Xun Selected Poems* and *The True Story of Ah Q*. The translators are all internationally-recognized leaders in the field, including Yang Xianyi (1915-2009), Gladys Yang (1919-1999), Rewi Alley (1897-1987), W. J. F. Jenner (1940-), and Fang Chong (1902-1991), among others.

“Chinese Classics” offers a channel for Western readers to learn about Chinese literature, and provides valuable references for translators and those studying English in China.



Tel: 86-10-68327750 / 68996174

Email: flprightsdq@163.com

Website: www.flp.com.cn

Address: 24 Baiwanzhuang Road, Xicheng District, Beijing 100037, China

Toward One Direction

Non-Communist political parties make constant progress in multiparty cooperation and political consultation By Lu Yan

Wu Weihua, a biologist at China Agricultural University and director of the National Key Laboratory of Plant Physiology and Biochemistry, was elected as chairman of the Central Committee of the Jiu San Society, one of the Chinese mainland's eight non-Communist political parties, on December 7, 2017.

"Under the leadership of the Communist Party of China (CPC), the Jiu San Society will strive to contribute to securing victory in building a moderately prosperous society in all aspects and realizing China's rejuvenation," said Wu at the 11th National Congress of the Jiu San Society after he was elected.

The Jiu San Society was founded in 1946. "Jiu San" refers to the numbers nine and three in Chinese. The name was chosen to commemorate the victory in the Chinese People's War of Resistance Against Japanese Aggression (1931-45) and the World Anti-Fascist War on September 3, 1945. Its predecessor was a symposium where Chinese progressives exchanged political views and discussed the political situation as the nation fought against Japanese invaders.

Now the organization is composed mainly of high- and intermediate-level intellectuals engaged in science, technology, culture, education, and medical and health work. As of June 2017, the society had 167,000 members, among whom 61 are academicians of the Chinese Academy of Sciences (CAS) and the Chinese Academy of Engineering. More than 2,300 are deputies

to people's congresses at various levels, and more than 11,800 are political advisors.

The 62-year-old Wu is also an academican of the CAS. Born in north China's Shanxi Province in 1956, Wu spent his childhood in a village and did farm work after graduating from high school. He developed an interest in biology and pursued his undergraduate study at Shanxi University and graduate study at the CAS. In 1991, Wu got his doctoral degree in Plant Biology at Rutgers, the State University of New Jersey, the United States. After that, he came back to the motherland and contributed a lot to improving China's crop production with his research and study. In November 2017, Wu received the Tan Jiazhen Life Science Award, one of the most influential awards in life sciences in China.

"The Jiu San Society should be developed into a participating political party of socialism with Chinese characteristics that is firmer in ideology, more solid in performing its duties and stronger in organization," Wu said.

Apart from the Jiu San Society, there are seven other non-Communist political parties—the Revolutionary Committee of the Chinese Kuomintang, China Democratic League, China National Democratic Construction Association, China Association for Promoting Democracy, Chinese Peasants and Workers Democratic Party, China Zhi Gong Party and Taiwan Democratic Self-Government League—which have been making endeavors together with the CPC in developing socialism with Chinese character-



istics under a political party system featuring multiparty cooperation and political consultation under the leadership of the CPC.

Participation in governance

According to the White Paper on China's Political Party System published by the State Council Information Office in 2007, as one of China's fundamental political systems, the multiparty cooperation system identifies the status and functions of the CPC and the eight other political parties on the Chinese mainland in the political life of the state as



Delegates of the Jiu San Society attend the closing ceremony of its 11th National Congress on December 7, 2017

well as the relations between the parties.

Under the leadership of the CPC, the eight parties participate in and deliberate on state affairs in the following ways: participating in the exercise of state power, consultation on fundamental state policies and the choice of state leaders, the administration of state affairs, and the formulation and implementation of state policies, laws and regulations. Their status and rights as participating parties are protected by the Constitution and other laws.

Before the annual plenary sessions of the

National People's Congress and the Chinese People's Political Consultative Conference (CPPCC), commonly known as the Two Sessions, in 2017, these parties, together with the All-China Federation of Industry and Commerce, submitted over 300 proposals covering various aspects of China's development and the people's well-being such as economy and finance, resources, environmental protection, education, health, poverty alleviation, social services and science and technology (S&T).

For example, the China Association for

Promoting Democracy proposed that the nation should promote the use of natural gas as a fuel for heating so as to reduce smog; the China Democratic League suggested that the government pay more attention to children's nutrition and health in poverty-stricken areas; the Taiwan Democratic Self-Government League stressed that cities should build more infrastructure to support the project of relocating people from poor regions.

Different from both the two-party or multiparty competition systems of Western nations and the one-party systems practiced ▶▶



Li Zhanshu, member of the Standing Committee of the Political Bureau of the CPC Central Committee, reads a congratulatory message on behalf of the CPC Central Committee at the 12th National Congress of the China Democratic League in Beijing on December 6, 2017

in some other states, the political system on the Chinese mainland was born in China's revolutionary struggles of the 20th century and has since been developed through decades of practice of socialist construction and reform. It is a basic political system that suits the conditions of the Chinese mainland.

Under this system, the CPC and the eight parties work closely together and supervise each other. The CPC rules the nation, and these parties participate in state affairs according to the law. The system accords with the system of people's congresses to ensure that the people are the masters of the state.

"It is a socialist political party system with Chinese characteristics, and a key component of China's socialist democratic politics," the white paper said.

A natural choice

The multiparty cooperation system is the result of long-term practice.

China had a prolonged history of feudal-

ism before 1840. From 1840 on, Western imperialist powers launched aggressive wars against China. The corrupt and weak feudal ruling class buckled, and China was reduced to a semi-colonial, semi-feudal society. In the following nearly 110 years, the Chinese nation was plunged into a most dangerous situation, and the people had no democratic rights. In the early 20th century, Sun Yat-sen, forerunner of China's democratic revolution, turned his eyes to the West for a road that would save China.

In 1911, he led a bourgeois democratic revolution, bringing to an end the autocratic monarchical system that had been in place for several millenniums. With the founding of the Republic of China, Sun introduced a parliamentary and multiparty system in imitation of those in Western nations. Though historically progressive compared with the autocratic monarchy, the bourgeois political system soon collapsed under the onslaught of domestic

and foreign reactionary forces and therefore failed to fulfill the Chinese people's fervent desire for independence and democracy. Sun later concluded that China could not simply copy European and U.S. politics to govern its own society as it was different from those of the West.

During the Chinese People's War of Resistance Against Japanese Aggression and the War of Liberation (1945-49), most of the eight political parties were established. They formed a progressive force which was anti-imperialist and patriotic and demanded democracy.

In days of tough struggle, the CPC, founded in 1921, established and developed close relations of cooperation with the eight parties and joined forces with them to fight for the nation. Hand in hand they launched a movement against the Japanese invaders and later fought against the policy of dictatorship adopted and the civil war instigated by the Kuomintang and Chiang Kai-shek clique.

While leading the new democratic revolution to victory, the CPC established its core leadership role among the various revolutionary forces. And these parties and democratic personages without party affiliation, through experience in the years of practice and on their own initiative, chose the leadership of the CPC.

The convention of the First Session of the First National Committee of CPPCC in September 1949 marked the formal establishment of the multiparty cooperation system under the leadership of the CPC. It also marked the beginning of the CPC, the non-Communist parties and the democratic personages without party affiliation working together in building the state power of the People's Republic of China.

Since then, the multiparty cooperation system has been continuously developed and consolidated in spite of some difficulties along the road, playing a significant role in the nation's political and social life.

"In handling its relationships with other Chinese political parties, the CPC is guided by the principles of long-term coexistence, mutual oversight, sincerity, and sharing the rough times and the smooth, and it supports these parties in performing their duties in accordance with the requirements of the Chinese socialist system for their participation in governance," said Chinese President Xi Jinping, also General Secretary of the CPC Central Committee, in the report he delivered to the 19th CPC National Congress in October 2017.

Future efforts

At the end of 2017, the eight political parties had their national congresses, which are held every five years. In the process, the parties elected new party central committees and leadership, and delegates heard and deliberated the work reports of their parties' central committees, as well as reviewed and approved amendments to their constitutions.

Concerning development in the coming five years, the parties held the same view that they will continue to cooperate with each other in promoting reform and opening up and socialist modernization.

Based on their unique features and focuses, they also came up with a number of plans for future work.

Wan Xiang, Chairman of the Revolutionary Committee of the Chinese Kuomintang, noted that the party will provide services for Taiwanese who want to study, work, and start businesses in the Chinese mainland and make things more convenient for them. And it will also promote exchanges between people across the Taiwan Straits by organizing various activities.

Wan Gang, Chairman of China Zhi Gong Party, said in an interview with Xinhua News Agency that the party will step up its work for returned overseas Chinese and their relatives, and promote friendship between Chinese people and people from the rest of the world.

Moreover, building a strong team of high-caliber personnel is the priority for all these political parties. Wu said that the Jiu San Society will recruit not only famous and well-respected experts and scholars, but also young and middle-aged persons with ability and potential, and build a platform for growth for them.

Notably the new leadership groups of these political parties have a balanced age distribution. Among the 85 newly elected leading members, 48 were born in the 1950s and 37 in the 1960s, with an average age of 58. About 70 percent of them have a doctor's degree.

"It's an honorable responsibility for me, bestowed by the nation and the time. I will do my best to follow in the steps of my predecessors," said 58-year-old Cai Dafeng, newly elected Chairman of the China Association for Promoting Democracy, who is also the youngest among the eight newly elected chairpersons. ■

Composition of the Eight Non-Communist Political Parties

1

Revolutionary Committee of the Chinese Kuomintang

Those related to the former Chinese Kuomintang
Those having historical and social relations with the Revolutionary Committee of the Chinese Kuomintang
Those who have ties with Taiwan
Those specializing in social and legal affairs

2

China Democratic League

High- and intermediate-level intellectuals in the fields of culture, education and science and technology (S&T)

3

China National Democratic Construction Association

Specialists and scholars from the economic circle

4

China Association for Promoting Democracy

High- and intermediate-level intellectuals from education, culture and publishing

5

Chinese Peasants and Workers Democratic Party

High- and intermediate-level intellectuals from the areas of medicine and health, population resources and ecological environment

6

China Zhi Gong Party

Upper and middle classes of returned overseas Chinese and their relatives, as well as other noted figures who have overseas ties

7

Jiu San Society

High- and intermediate-level intellectuals in the S&T field

8

Taiwan Democratic Self-Government League

Taiwanese living in the Chinese mainland

(Compiled by *Beijing Review*; designed by Pamela Tobey)

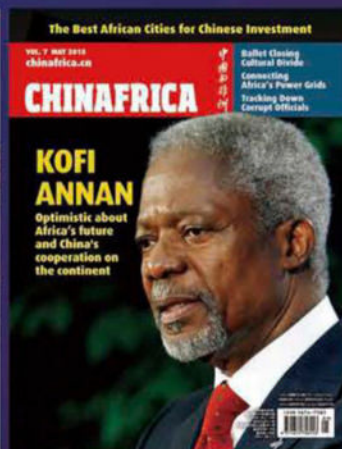
Copiedited by Chris Surtees
Comments to luyan@bjreview.com

BEIJING REVIEW CHINAFRICA

Presenting a Real China to the World

Beijing Review, China's only national English weekly news magazine

ChinAfrica, China's only English and French monthly magazine featuring news, views and analysis for an African audience



Annual Subscription Rate

全年优惠订阅价

DOMESTIC

BEIJING REVIEW**RMB240**

for 52 issues

Postal Subscription Code: 2-922

CHINAFRICA**RMB120**

for 12 issues

Postal Subscription Code: 2-916

OVERSEAS

USD104

Discount rate for 52 issues

RAND360

Annual rate for 12 issues



<http://bjreview.taobao.com>



<http://bk.183.com.cn>

电话: 010-68995808, 68310644
地址: 北京市西城区百万庄大街24号

**Overseas Distributor**

China International Book Trading Corp.
P.O.Box 399

Beijing 100048, China

Tel: +86-10-68433078

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

Subscription Line

Fax: +86-10-68420340

Subscription Line

For Europe-America areas

Tel: +86-10-68433186

E-mail: bk1@mail.cibtc.com

For Asia-Africa areas

Tel: +86-10-68433109

E-mail: bk2@mail.cibtc.com.cn

Carbon Blueprint

Following a successful test run, China is launching the world's largest carbon market **By Wang Jun**

The scheme for China's carbon emission trading market has been approved by the State Council, and released by the National Development and Reform Commission (NDRC), according to Zhang Yong, Vice Chairman of the NDRC, at a press briefing held on December 19, 2017. "This marks the completion of designs for China's carbon emission trading system and its official launch. Once transactions start, the market will become the largest of its kind in the world," he said.

According to Zhang, the nationwide carbon market will adopt a three-step strategy

which will first involve the power generation industry. "We devised the plan for the eight industries with the highest energy consumption, and found that the power generation industry has the most mature conditions because it has the most complete data and its carbon emissions are the largest; the 1,700-plus power generators emit 3 billion tons of carbon. We believe this industry is the logical starting point and will help us further improve the carbon market," said Zhang at the briefing.

The system aims to establish three major structures as part of the carbon market,

including a carbon emission monitoring, reporting and examination system, a quota management system for key emission units, and a related system for market transactions. There will also be four supporting mechanisms in the form of carbon emission data reporting, rights registration, rights trading and settlement.

In 2011, China started a pilot program for carbon emission transactions in Beijing, Shanghai, Tianjin, Chongqing and Shenzhen, as well as in the provinces of Hubei and Guangdong, with all transactions having been processed online since 2014.



Company representatives sign carbon emission rights trading contracts in Beijing on November 28, 2013, the day the trading of carbon emission rights was launched in the city

"As of November 2017, the aggregate transaction volume had surpassed 200 million tons of carbon dioxide, worth more than 4.6 billion yuan (\$704.44 million). During the course of the pilot program, both emission volume and intensity declined, helping to curb the production of greenhouse gases. Moreover, the experience amassed during the pilot program has been important for the design and construction of the nationwide carbon market," said Li Gao, Director of the Climate Change Department at the NDRC.

Starting point

According to previous incarnations of the plan, the first stage of a nationwide carbon market would cover the eight industries with the highest carbon emissions, namely petrochemical, chemical, building materials, iron and steel, non-ferrous metals, paper, power and aviation. However, the final version will first involve the power industry before incorporating the whole country.

Li echoed Zhang's words, explaining that the power generation industry has the necessary measuring instrument and effective management systems, making it easy to check and allocate quotas.

Hubei Province and Shanghai are leading the way in building a national carbon emission rights registration system and a trading system respectively, with Beijing, Tianjin, Chongqing, Guangdong, Jiangsu, Fujian and Shenzhen also making contributions to the two systems.

According to the new plan, during the initial stage of the nationwide carbon market, the operation of the pilot scheme will continue. Qualified power generators will then be incorporated into the national market.

"With such a mechanism in place, those power generators with good management and low emissions per unit of production will gain more quotas as they produce more, improving their competitiveness. As the reform intensifies, these enterprises will find more space for development within the industry, while those with poor management and substandard technology and equipment will become less competitive," said Jiang Zhaoli, Deputy Director of the NDRC's Climate Change Department.

"Overall, the burden on the power industry will be balanced, and the average costs of the industry will not rise. Moreover, in the long term, the carbon market will promote the sustainable and clean development of the power industry as the costs per unit of power generation reduce."

According to Li, based on the outcomes of the program in the power industry, the



A power plant in Yongxin County, east China's Jiangxi Province

mechanism will be extended to other industries of high energy consumption and emissions. "We are carrying out the necessary research and cooperating with related departments in order to expand the coverage of the market across every industry with the right conditions, and in the future, more enterprises will be incorporated into the carbon market," said Li.

Liu Shuang, the program director for low carbon economic growth at Energy Foundation China, believes that the integration of the carbon emission rights trading system with other climate and energy policies will be crucial for the next step. For instance, the relationship between the carbon market with the ongoing market-oriented reform of the power industry will be key to the success of the carbon emission rights trading system. If the current power pricing mechanism is not changed, an effective carbon pricing transmission system will be difficult to establish, running counter to the original intention of reducing emissions through market-oriented means.

Carbon finance

Green finance is currently encouraged by the government. According to a guideline jointly issued by seven ministries and commissions in 2016, financial institutions in the regions covered by the carbon trading pilot scheme are encouraged to develop carbon-related financial products, such as carbon futures and carbon options. Some pilot provinces and municipalities also allow individuals to

participate in carbon transactions.

Li said the government supports any appropriate financial innovation based on the steady operation of the carbon market, but carbon finance must comply with policies that seek to control the emissions of greenhouse gases because the carbon market is essentially aligned to this goal. Once the carbon market has attained stability in operation, carbon prices will be primarily decided by the market and will fluctuate with supply and demand as well as changes in emission reduction costs.

An analysis report by Guotai Jun'an Securities Co. Ltd. holds that the carbon market will gradually develop into a futures market. In the initial stage, the nationwide carbon market will mainly deal in spot transactions, whose volumes reach 1.2-8 billion yuan (\$183.77 million-1.23 billion) every year, and during the period from the launch of the nationwide carbon market in 2017 to the end of 2019, carbon prices may stand as low as 30-100 yuan (\$4.59-15.31) per ton. It is estimated that as the carbon market transits from spot transactions to futures, the scale of the carbon futures market may reach 60-400 billion yuan (\$9.19-61.26 billion) each year. Although the unit price of carbon assets dropped slightly in the first half of 2017, the perfect prices of carbon transactions are expected to increase remarkably in the future. ■

Food for Thought

Culinary fads have caused online sensation in China, but success isn't always as it seems **By Yuan Yuan**

An enormous snake winds around the Apple Store in Sanlitun, one of the most bustling areas in downtown Beijing. The zigzagging line of people, however, is not made up of the usual devotees waiting to buy the latest iPhone, but for a cup of tea.

The seemingly endless queue, at last culminating in a small store called Heytea located in the heart of Sanlitun, has been a common sight since it opened here on August 12, 2017. With a name meaning "happy tea" in Chinese, Heytea has already caused tea mania in Guangzhou, Shenzhen and Shanghai before opening its latest branch in Beijing.

It is not unusual to wait in line for more than two hours just to reach the cashier before joining another queue to wait for the tea to be served. In Guangzhou, the maximum wait time is around five hours, according to a report by Thepaper.cn, a major news website in China, whilst in Beijing and Shanghai the wait can reach seven hours at peak times.

But what ingredient could be so enticing as to compel people across the country to endure such eye-watering waiting times? The answer is cheese. Specializing in cheese topped milk tea, Heytea boasts a variety of Chinese teas served beneath a layer of surface cheese around one centimeter thick. Founder Nie Yunchen, himself an ardent fan of milk tea, came up with the idea for this unusual recipe when he was unable to find a decent cup of his favorite brew in his hometown, Jiangmen, in south China's Guangdong Province.

"All the local milk tea vendors were just mixing cheap milk powder with tea made from cheap teabags," Nie told media. "I didn't want to drink that and so I decided to make my own from good quality, natural ingredients."

Before long, the idea had grown into a business and a small milk tea shop in Jiangmen, and after a couple of years, had spread across the country's first-tier cities on the back of a wave of popularity.

Bittersweet success

Nie, however, believes the craze for Heytea is not necessarily a good thing, and he seems

more concerned than overjoyed regarding his product's sensational reception.

"It is not a good sign," Nie said. "This initial intensity might lead to the quick death of the business."

Nie's trepidation is well founded. Since 2012, a slew of eateries dubbed "Internet famous" by netizens have sprung up across China, replete with novel ideas or innovative marketing methods and attracting much attention, leading to large investment and rapid expansion. In most cases, these restaurants have been unable to maintain their business for more than three years.

Back in 2012, just as Nie was opening his first tea store in his hometown, a Beijing local by the name of He Chang was also starting a business selling traditional egg pancakes in Beijing.

The egg pancake is a common breakfast item in the north of China, a staple of street stalls and restaurants across the region. But He Chang was different from the other countless pancake vendors on the streets of Beijing. His small, nicely decorated shop was based in the city's central business district, and he would deliver pancakes in his Mercedes Benz. His unusual approach soon made him and his business a hot topic on the Internet.

Alongside the popularity, cash also flowed in. In 2015 alone, more than 180 million yuan (\$27.7 million) was invested into He's pancake business Huangtaiji. The number of locations in Beijing rocketed to 44, all situated in gleaming shopping malls and bustling business areas, whilst the fad also spread to Shanghai and Guangzhou. In July 2016, the first overseas restaurant was opened in Sydney, Australia.

He proudly shared pictures of people queuing for his food on Weibo every time a new shop was opened. But for all Huangtaiji's apparent success and the boasts of its own-

er, reviews of the pancakes themselves were lackluster. Dissatisfied customers claimed on the popular online review platform Dianping that, despite Huangtaiji's boasts of a secret sauce, the flavor couldn't compare with many of the city's street vendors. Similarly pejorative comments were made about the hotpot and dumplings that the chain later offered as part of its expanded business.

In 2017, more than 20 outlets of Huangtaiji were shut down in Beijing. "The



Customers eat at the popular breakfast restaurant Taoyun Village in Shanghai

three most important factors for a restaurant are taste, taste, taste. No matter how wonderful the brand's story is, if it's not tasty, it will die," Lin Xiao, a Beijing local who claims to have foreseen the fate of Huangtajji, told *Beijing Review*. "After I tried it once, I decided not to come back again."

"The pancakes not only taste worse, but they are more expensive and less convenient than the vendors at the subway exits," Tao Wensheng, the co-founder of Allpku, a consulting company located in Beijing, told *Nanfang Metropolis Daily*. "Most of the outlets are in shopping malls, which don't normally open until 10 a.m., so it's no good marketing it as a breakfast business."

In Tao's opinion, hasty expansion is another reason for the decline of the business. "This is a mistake that many restaurants of ten make," Tao said.

Diaoye Sirloin, a restaurant specializing in sirloin steak, shares a similar business trajectory with Huangtajji. In order to start his business, Meng Xing, the founder of Diaoye,

bought secret sirloin recipes from Dai Long to the tune of 5 million yuan (\$768,557). Dai is a renowned master chef from Hong Kong, himself famous for exquisite sirloin dishes and the head chef of the state banquet held on the evening of Hong Kong's handover to China in 1997.

The fee paid by Meng for the recipes is equivalent to the highest available prize in China's state-run national lottery. The marketing opportunity presented by this likeness has not escaped Meng and the first sentence of their official website poses the following question to visitors: "The secret recipe in exchange for a winning lottery ticket, cheap or expensive?"

A ceremony was also held to ritualize the purchase of the recipes, and the media were invited to report on proceedings. Before the restaurant's official launch, a six-month trial period saw hundreds of culinary critics and celebrities tasting Meng's food and posting reviews online. All this pageantry gained Diaoye a lot of exposure.

Described in its own terms as China's first "light extravagant meal," Diaoye prides itself on understanding the food it serves, paying special attention to every detail of its operation, including ingredients, cooking methods, cutlery and service.

In June 2013, Diaoye opened its first restaurant in Beijing, in late 2014 established its first outlet in Shanghai, and by 2015 had expanded to eight other locations in the capital. After their meal, Diaoye's customers are invited to provide scores for every dish they have eaten. Low scoring menu items will be deleted from the menu, which is updated monthly. These novel marketing methods have since been copied by many other startup restaurants.

However, for all its innovative marketing, only five outlets were left by the end of 2017 in Beijing. "We used to have to wait in line for about two hours before, but now we don't have to wait at all," Shu Huirong, a Beijing local, told *Beijing Review*. "The average expense of 170 yuan (\$26) per person is not cheap at all," Shu said. "The sirloin soup is too thick and heavy for me. I used to come for the free desserts, but they stopped offering those after a while. Now I won't go unless my friends want to."

Shu believes that the marketing tricks of such restaurants are just gimmicks, a word that many critics turn to when concluding why such restaurants struggle to maintain their early success.

"They first create a story, either around the food or the founder, to attract potential consumers and lay intense attention on marketing instead of improving the quality of food and service," Jia Xin, an independent gourmet critic in Beijing, told *Beijing Review*. "It is no surprise that their business fails in the end."

Breakfast with a twist

Nie Bao and Cheng Hui, the founders of Taoyuan Village, a restaurant chain serving Taiwanese food, seem to be defying the rule that culinary gimmicks cannot last.

Both hailing from China's mainland, they were amazed by Taiwan's cuisine while traveling on the island, and decided to open a restaurant at home in order to bring Taiwan's culinary delights to a local audience.

As an interior design professional, Nie is responsible for the company's image, and worked every day on site during the construction of the first outlet in Shanghai in 2014. The menu is simple: fried twisted sticks of dough, soy bean milk and freshly baked pancakes, all ordinary breakfast fare for most Chinese. Their flagship store ▶▶



BUSINESS

located in a downtown part of Shanghai popular among white collar workers and fashion conscious youngsters is open from 7 a.m. until 2 a.m., with night owls also part of their targeted customer base.

This business model seems to be working well. "You wouldn't believe how many people stay up late in Shanghai," said Wu Ninggang, a designer who lives and works in the city. "Normally I work until midnight and want to eat something light. Taoyuan Village is a great option even though the taste is not all that ideal."

Wu Kejing, the CEO of a Shanghai start-up, even holds his company's daily morning meetings at Taoyuan Village. "The taste of the food is not as important as the environment it offers. We are all kind of fed up with the food at McDonald's and KFC. Here we can get better food, and even if we don't eat, it is still a nice place to chat."

In March 2016, Taoyuan Village opened its first branch in Beijing's Sanlitun. In

August 2017, Heytea moved in nearby. Next to them both, a new bakery offering so-called "dirty dirty bread" is the latest source of marketing-powered popularity for followers of the country's culinary fads. The bread, filled with chocolate sauce, is apparently so delicious that the irresistible urge to unreservedly devour it leaves customers dirty and covered in chocolate. It seems that with the correct marketing, anything can be made popular in China for a time.

The line for Heytea is still long, but not as long as it once was. In Guangzhou, where Heytea currently has 20 outlets, the queues are also far shorter than they used to be. Nie says he plans to be cautious in expansion, but the speed of the company's growth hardly seems restrained, especially after raising funds of 100 million yuan (\$15 million) from IDG Capital in August 2016. In addition to the Guangzhou stores, Heytea already has 17 shops in Shenzhen, eight in

Shanghai and two in Beijing.

"I don't know how far Heytea can go," Liu Changxi, a scholar from the Shanghai University of Finance and Economics, told Thepaper.cn. The "Internet famous" restaurants, in Liu's opinion, have made consumption habits less rational. Whether the food or drink tastes good isn't that important any more. For consumers, it is more of a way to show off among friends, that they managed to get something that is very difficult to obtain.

"They have to make a real effort, not only through superficial means like marketing and publicity stunts, but via the improvement of both service and the food or drink that they serve, if they are to survive such intense competition," Liu said. ■

Copiedited by Laurence Coulton
Comments to yuanyuan@bjreview.com



People queue up for Heytea in Sanlitun, Beijing, on December 17

Fruits of Labor

Apple futures can benefit both poverty alleviation and the industry

By Wang Jun



A farmer sorts apples at an orchard in Neiqiu County, north China's Hebei Province, on November 1, 2017

Soon apples will not only be for eating, but also for trading much like commodities such as gold, crude oil and stock indices. On December 22, 2017, China started listing apple futures, the world's first fresh fruit contract, on the Zhengzhou Commodity Exchange in Central China's Henan Province.

"The launch of apple futures will help establish open and transparent market prices for apples, improve the price formation mechanism and provide price guidance for various market participants. It will also offer the market with a new tool for hedging and avoiding price risks, so as to ensure the stable business of related corporations," said Chang Depeng, spokesman of the China Securities Regulatory Commission (CSRC), after the approval of apple futures on December 8.

On December 19, the Zhengzhou Commodity Exchange issued a statement on the details of the apple futures. Apple futures are traded at 10 tons per lot and at a price of 7,800 yuan (\$1,200) per ton. The first apple contracts are to be delivered in May, July, October, November and December of 2018, and the minimum trading deposit is 7 percent of the

contract value.

Apples, citrus, pears, grapes and bananas are the five most common fruits in China, but over the past decade, it is apples that have grown to claim the largest share of the country's fruit output. In 2015, apples accounted for 35 percent of the production of these five fruits in China.

China is also the largest apple producer and consumer in the world. Open data show that in 2014, China's apple yield reached 40 million tons and in 2016, the apple growing areas in China totaled 2 million hectares with an output of 43.88 million tons, accounting for 57 percent of the world's total apples.

The provinces of Shaanxi, Shandong, Henan, Shanxi, Hebei and Gansu are the major producers of apples in China, having contributed 84 percent of the country's total apple production in 2016. About 90 percent of apples produced in China are for direct consumption, while the remaining 10 percent is consumed after processing.

However, the principal motivation behind the launch of apple futures is to reduce poverty. As part of the statement issued to approve the

trading of apple futures, the CSRC said that the launch of apple futures is an important measure in carrying out the country's poverty reduction strategy, as well as a critical arrangement for the futures market to support economic development of poverty-stricken areas and to serve the real economy.

"Apples are a kind of 'poverty-reducing fruit' because the major apple producing areas are very closely aligned with the country's poverty-stricken areas, and so growing apples is an important source of income for local farmers," said the CSRC.

"With the futures market as a bridge, risks in apple growing and business operations can be effectively transferred and farmers can be assured by stable incomes. The launch of apple futures will also further diversify the varieties in the futures market, and in doing so better serve the national economy."

Fang Xinghai, Vice Chairman of the CSRC, said at the launching ceremony of apple futures that in recent years, apple prices had fluctuated seriously, leaving apple-related corporations and apple growers eager to avoid business risks. As a pricing tool, apple futures are of great significance in ensuring the stable income of farmers in poverty-stricken areas and improving the role of the capital market in poverty reduction.

Fang also said that the CSRC is in the process of researching the potential for more agricultural futures such as red dates in order to accelerate the progression of poverty reduction.

Many listed companies involved in the production chain of apples look set to benefit from the launch of the apple futures.

Lontrue Co. Ltd., listed on the Shenzhen Stock Exchange, has been designated by the Zhengzhou Commodity Exchange as the transaction warehouse for apple futures and is allowed to start a delivery service for apple futures as of April 1, 2018. As a company specializing in the export of both dried and fresh fruit, Lontrue has been involved in the growing, processing, storage and sale of these kinds of goods. Its major products include fresh apples and raisins. ■

Copyedited by Laurence Coulton
Comments to wangjun@bjreview.com

OPINION

A Stronger Yuan in 2017

As of December 29, the last trading day in 2017, the Chinese yuan's onshore exchange rate stood at 6.5120 against the U.S. dollar, strengthening by 6.72 percent for the year, constituting the sharpest annual appreciation in nine years according to calculations by financial information provider Eastmoney.com.

Such a performance was a far cry from market anticipation only a year ago, when expectation for a weaker yuan was high.

A softening dollar against a basket of currencies was a crucial part of the story, as shown by declines in the dollar index over the past year, but the yuan also demonstrated strength against other currencies as well.

The yuan exchange rate composite index released by the China Foreign Exchange Trade System, which measures the yuan's strength relative to a basket of 24 currencies including the U.S. dollar, euro and Japanese yen, came in at 94.37 at the end of November, firming from 94.22 at the end of January 2017.

With sound economic fundamentals, improved regulation, a relatively tightened monetary environment and increased global use of the currency, the yuan's stability has been justified and looks set to stay well supported.

"The yuan will hold steady against a basket of currencies in 2018, with two-way movements becoming the norm," said a research report from the China Everbright Bank.

A robust Chinese economy has helped the yuan stage a turnaround by bolstering investor confidence in the currency.

China's GDP expanded 6.9 percent year on year in the first three quarters of 2017, and 6.8 percent in the third quarter, the ninth straight quarter for China to see economic growth of at least 6.7 percent, adding to the wealth of evidence that the economy is on a steady footing.

The World Bank raised its forecast for China's economic growth in 2017 to 6.8 percent last December, up from the 6.7 percent it projected in October, citing stronger personal consumption and foreign trade as the reasons for the increase.



Attendees discuss the opening up of China's financial market and the yuan's internationalization on the European-Chinese Banking Day during the Euro Finance Week in Frankfurt, Germany, on November 15, 2017

In addition to strong growth in GDP, China has also maintained a current account surplus, abundant foreign exchange reserves, sound fiscal conditions and stable financial systems, which have all helped to support its currency.

In the past year, China cracked down on illegal capital transfers disguised as outbound investment, stepped up the regulation of irrational overseas investment activities and strengthened scrutiny over irregular foreign currency purchases by individuals.

Authorities also introduced a "counter-cyclical factor" to the existing pricing model of the yuan's central parity rate against the U.S. dollar, aiming to moderate pro-cyclical fluctuations driven by irrational sentiment in the foreign exchange market.

Thanks to these moves, cross-border capital flows have become more stable and balanced, contributing to a gradual increase in foreign exchange reserves, which reached \$3.1193 trillion

at the end of November after dipping below \$3 trillion in January 2017.

China pursued a prudent and neutral monetary policy in 2017, applying a full range of policy instruments to maintain basic stability in liquidity and hold interest rates at an appropriate level.

The U.S. Federal Reserve raised the benchmark interest rate three times last year, putting pressure on the yuan. China's central bank refrained from following suit, and its open market operations saw interest rates go up as a result, mitigating the impact of the U.S. hikes.

Chinese policymakers will aim to continue with this monetary policy in 2018, according to the annual Central Economic Work Conference held from December 18 to 20.

China has also made strides in pushing the yuan to become an international currency and liberalizing its capital account, which has helped to attract foreign capital flows and reinforce the strength of the yuan.

Authorities approved a bond connect program between the mainland and Hong Kong in mid-May, allowing investors from both sides to trade bonds on each other's interbank markets. "Northbound" trade, which allows Hong Kong and foreign investors to buy bonds issued on the

Chinese mainland, started in July.

Following the launch of the Shanghai-Hong Kong and Shenzhen-Hong Kong stock links, which enabled foreign investors to buy A shares with fewer restrictions than previous regimes, a similar program between Shanghai and London has been proposed.

Global equity index provider MSCI decided in June to include a number of Shanghai and Shenzhen-listed stocks in one of its most traded indices.

The move is estimated to bring about \$15-20 billion into the Chinese capital market this year, according to Wang Hanfeng, an analyst with the China International Capital Corp. ■

This is an edited excerpt of an article originally published by Xinhua News Agency
Copyedited by Laurence Coulton
Comments to yushujun@bjreview.com

NUMBERS

(\$1=6.50 yuan)

950.36 mln m²

Total land sales across 300 Chinese cities in 2017, up 8 percent from 2016

55.9 bln yuan

China's movie box office revenue in 2017, with domestic films contributing 53.84 percent of the total

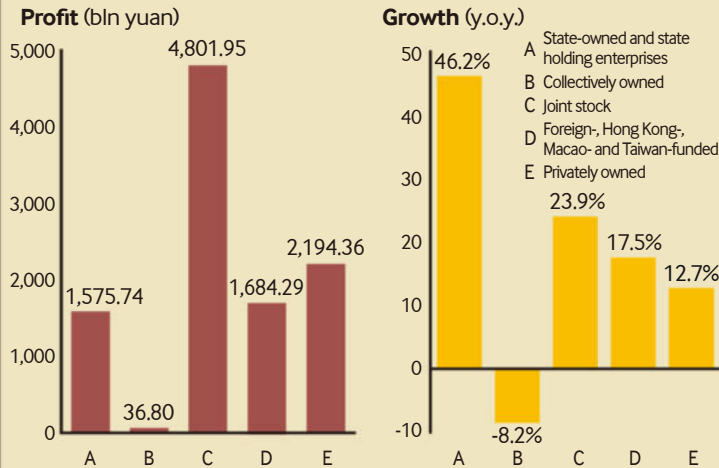
37.73 mln tons

China's crude oil reserves by the end of June 2017

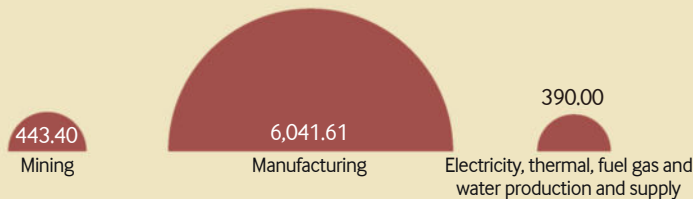
134 bln yuan

Amount of money China's central bank pumped into the interbank market in December 2017 to meet rising liquidity demand during the end of the year

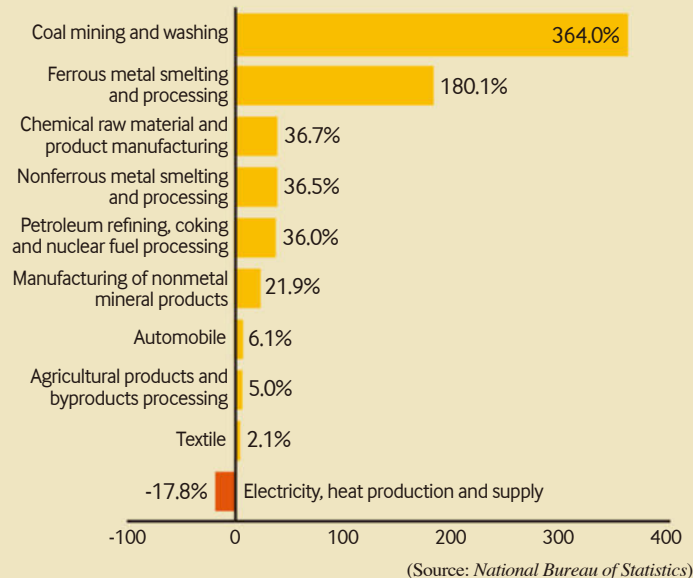
Industrial Enterprises' Profit and Growth by Business Type
January-November



Industrial Enterprises' Profit by Sector
January-November (bln yuan)



Profit Changes for Major Industrial Sectors
January-November (y.o.y.)



(Source: National Bureau of Statistics)

1,127

Record number of trips made by freight trains from China's Yangtze River Delta to Europe and central Asia across 14 routes in 2017

580,000

Visitors to Beijing's 11 municipal parks and the Museum of Chinese Garden and Landscape Architecture during the three-day New Year's Day holiday, an increase of 14 percent year on year

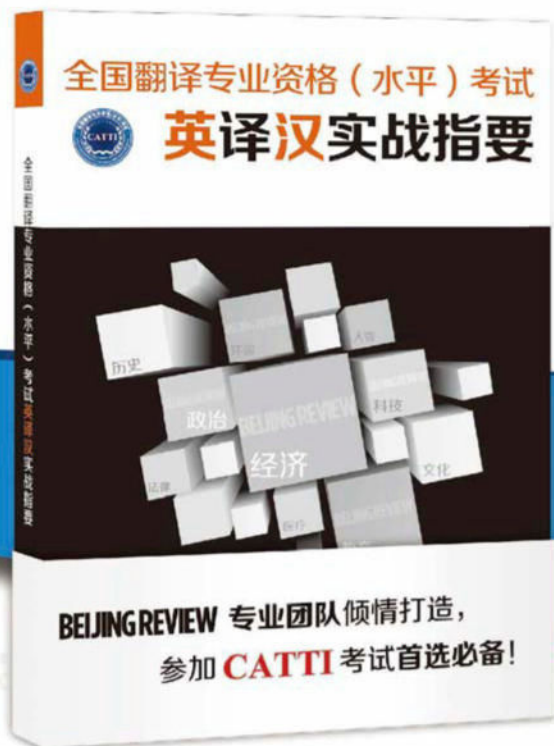
187.9 tln yuan

Transaction value of China's futures market in 2017

29 tln yuan

Scale of mobile payment in China in the third quarter of 2017

全国翻译专业资格（水平）考试
辅导丛书编写组**又一力作：**



更有**套装**回馈！

扫一扫，即可购买！



权威 严谨 实用

北京日报社淘宝店

热线电话：010-68310644 68996318

CHINA MOSAIC

Weekly video commentary direct from Beijing

中国3分钟



Days Gone By

The commercial success of a desk calendar tells a story of knowledge, beauty and nostalgia

By Wei Yao

Zhao Mingye and her colleagues had to labor through the weekend on December 9, 2017. The website Guokr.com, where they work, held a unique fair at a shopping mall in downtown Beijing, which attracted tens of thousands of cultural creation lovers trying to find something they might be interested in. The number of customers far exceeded their expectations.

A species a day

The City Species Calendar is the first calendar product undertaken by Guokr.com. The website's primary business is the popularization of science knowledge, and the idea for a science themed calendar emerged during discussions about cooperation methods with their partners in 2014. The result is a calendar that introduces a different species every day complete with a pretty illustration of the relevant animal or plant.

"This calendar is scientific and our website is good at this sort of content. We interact well with our followers. We know what our readers are interested in and what kind of content is meaningful to them," Zhao said.

"We had never sold such products before," she said while recalling the sales of the first City Species Calendar at the end of 2014.

"In our Taobao shop, we sell some side-line products from the website. We originally had only 2,000 printed copies, which were at first thought to be too many. But they were sold out within two hours and we were out of stock. We rushed to print another 20,000 copies which were then all gone within another two days," Zhao said.

In December 2017, more than 200,000 copies of the 2018 City Species Calendar were sold, and it's believed that the upcoming sales will surpass this number.

In response to the reaction from customers and readers of the website, the team has also produced an English-language version

of the 2018 Species Calendar, which before long was sold out on Taobao, China's largest online shopping platform.

"A lot of people have told me that they want to give these calendars as gifts to foreign friends," said Zhao, who believes that as long as the content is attractive, there should be no boundaries for cultural products.

Zhao attributes the popularity of the City Species Calendar to its uniqueness. This calendar is quite different from the kind of calendars that have been widely used in the past three decades, such as wall calendars and table calendars. Particularly innovative is the social network WeChat account for the calendar, which provides subscribers with a daily introduction to the species of the day.

"In this way, we mean to bring consumers closer to knowledge," said Zhao.

As a result, the sales of the City Species Calendar keep growing with each passing year, while subscribers to the WeChat account are also increasing apace, now standing at 800,000.

Calendric revival

The rocketing popularity of the City Species Calendar is in some ways connected to the rise of public interest in the natural sciences, but it is not the only calendar whose stock is on the rise. Signs from elsewhere seem to suggest that there is something of a revival taking place for China's calendar products.

The Palace Museum Calendar is another fashionable item amongst enthusiasts. At the end of 2009, the Palace Museum produced its 2010 calendar, a replica of the calendars issued from the years 1932 to 1936. The front page features the dates of both the lunar and Gregorian calendars, with solar terms stressed in a certain calligraphic script. On the reverse side are printed national treasures from within the Palace Museum, such as bronze wares, porcelain, jade artifacts,



A calendar product with an innovative traditional cultural design is displayed at an exhibition at the Palace Museum in Beijing on December 20, 2012

calligraphy and paintings. The classic style of this calendar was well received by consumers, and by the end of November 2017, 500,000 copies of the 2018 Palace Museum Calendar had been sold.

The *laohuangli* is a traditional Chinese



People buy Guokr.com desk calendars at a shopping mall in Beijing on December 9, 2017



A group photo of three calendar designs made by different studios

calendar that contains information on the day's alleged fortune and taboos as well as the date, much the same as horoscopes in Western astrology. But in the early 1980s, wall calendars began to replace *laohuangli*, and as smartphones become popular, wall calendars have themselves been marginalized by the digital calendars ubiquitous to smartphones.

However, recent years have seen the

revival of traditional calendars. What seems to be attracting consumers are the cultural factors incorporated in the design of these calendars, with the generation of people born in the 1980s and 1990s the major consumers. Douban, a popular social network platform for TV, film, music and book lovers, has created their own version called the Movie Life Calendar. According to the team, paper calendars indicate the return of some

aspects of traditional culture and people's pursuit of formalized and ceremonial experiences which are scarce in the modern world. The growing popularity of paper calendars reveals the nostalgia which underlines this modern age of rapid development. ■

Copiedited by Laurence Coulton
Comments to weiyao@bjreview.com

China's Development Concepts, Thoughts and Strategies for the New Era

The 19th National Congress of the Communist Party of China (CPC) has laid out a blueprint for China's development in the years to come. **Xia Yipu**, an associate researcher with the Academy of Marxism, Chinese Academy of Social Sciences, has made a comprehensive analysis on the country's priorities in the new era in an article for *China Today*. Excerpts of the article follow:

After an arduous journey since it adopted its reform and opening-up policy, China has entered a new era of its history. The national goal by the middle of the century is to take a two-step approach to building China into a great modern socialist country.

New historical positioning

During his tour of south China in the early 1990s, the late Chinese leader Deng Xiaoping expressed the hope that China would develop a set of mature and stable systems over the next 30 years. Three decades later, President Xi Jinping observed that "in terms of forming mature and stable systems, the practice of Chinese socialism has crossed the halfway point." In the new era, China will further improve and develop the system of Chinese socialism on the basis of the basic systems already in place, and advance socialist practice by creating a complete set of better-developed, more stable and effective institutions and systems that underpin the development of the Party and the nation, the well-being of the people, social harmony and stability, and the lasting peace of the nation.

In this new era, Chinese people of all ethnic groups will work together and work hard to create a better life for themselves and ultimately achieve common prosperity for everyone. It is the original aspiration and mission of the CPC to strive for the well-being of the Chinese people and the rejuvenation of the Chinese nation, which is also the essential demand of Chinese socialism.

As the world's second largest economy, China has amazed the world with its growth velocity and capacity for innovation. But

its development is still inadequate and imbalanced, and is yet to meet the people's ever-growing needs for a better life. In this circumstance we need to galvanize the creativity and vigor of the entire nation to achieve better-quality, efficient, fairer and more sustainable development. We must also promote fairness and justice and continuously improve people's well-being so that the results of China's reform and development will benefit each and every citizen.

We are now in an era when China is moving closer to center stage globally and making greater contributions to humankind. During its long and strenuous struggles the CPC has come to the conclusion that China must take its own path of development; and observing the sustained growth since the inception of China's reform and opening up, it has gained the understanding that China must integrate its development with that of the world at large. This is why Xi urged the Party members to "adopt a global vision, coordinate domestic development with opening up, integrate China's development with that of the entire world, and align the interests of the Chinese people with those of people of other nations."

By offering its experience, lessons, and achievements in reform, opening-up and socialist development to the development of international socialism and humankind, China accentuates the international influence of the path, theory, system and culture of socialism with Chinese characteristics, and offers other developing countries a new option for modernization. This is the appeal and advantage of Chinese socialism in the new era.

Structural problems

Correctly identifying the principal contradiction in the Chinese society is of historical significance for the overall development of China. The 19th National Congress of the CPC declared that what we now face is the contradiction between unbalanced and inadequate development and the people's ever-growing need for a better life. This judgment is part of our vision of all-round moderate prosperity that is only years away from completion, and is also a theoretical innovation about our goal of providing a better life for the people.

The statement of the new contradiction precisely reflects the facts of China's social development. With its GDP now standing at 80 trillion yuan (\$12.2 trillion) and per-capita GDP at \$8,260, China has left behind the time of deficiency, but is still plagued by imbalance and inadequacy in regional and structural development, grappling with both structural surplus and deficiency.

A glaring example is bike-sharing services, which have mushroomed since 2016 and spread to every corner in China's major cities. While providing commuters with great convenience, their explosive, disordered growth has come to the point of congesting urban transport and becoming an eyesore in cityscapes. By contrast there are few shared bikes in smaller cities and rural areas. In the new era a priority of China is to address and resolve such structural imbalances in its development.

In coping with the new contradiction the CPC must firmly stand by the people, addressing their needs and answering their call for a better life. In the past five years China has deepened reform of the medical and healthcare system, abolished markups on pharmaceuticals at public hospitals, and put an end to the practice of hospitals funding their operations with profits from drug sales, reducing people's medical expenses over the long term. The reform to replace business tax with value-added tax has averted repetitive taxation, reduced the tax burden on businesses, and added fuel to innovation-driven development across society.

China has also torn into housing speculation, and is moving faster to put in place a housing system that ensures supply through multiple sources, provides housing support through multiple channels, and encourages



A woman prepares a meal on July 26, 2017 in a new home (below) provided under the government's poverty alleviation program, having been relocated from her old house (above) in Du'an Yao Autonomous County, Guangxi Zhuang Autonomous Region

both housing purchase and rental. These measures all testify to the CPC's commitment to serving the people and relying on the people.

Nowadays, Chinese people expect a better life. Their needs in life are of a higher level, better quality and greater diversity.

New goals, new journey

In response to the new era, the 19th National Congress of the CPC updated the roadmap for China's socialist modernization, which is divided into five stages.

The goal for the first stage, from the beginning of reform and opening up to 1990, was to meet the basic needs of the people. For the second stage, from 1991 to 2000, the goal was to have people live a decent life.

For the third stage, from 2001 to 2020, the goal is to complete building a moderately prosperous society in all respects. For the fourth stage, from 2021 to 2035, the goal is to basically realize socialist modernization. And in the fifth stage, from 2036 to 2050, our goal is to build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.

The 19th CPC National Congress set the time to basically realize socialist modernization 15 years earlier than previously scheduled. This indicates on the one hand that China's development has exceeded earlier expectations, and on the other that the momentum for long-term development

remains strong.

The congress definition of the great modern socialist country we are working to build resonates with the nation's five-sphere integrated plan (which is to promote coordinated economic, political, cultural, social and ecological advancement). It reveals that China intends to seek not only economic development, but also well-rounded human development and harmony between mankind and nature, thereby making greater contributions to humankind.

A new thought

Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era builds on and further enriches Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the Theory of Three Represents, and the Scientific Outlook on Development. It is the latest achievement in adapting Marxism to the Chinese context and another innovation in the guiding theories of the CPC.

This thought is based on the understanding that China is now in an important period of strategic opportunity for development when it faces both bright prospects and severe challenges, and is grounded in the ongoing practices of Chinese socialism. Taking into account features of the new era, it makes thorough analysis of key issues in upholding and developing socialism with Chinese characteristics, including its guiding principle, overarching goal, overall planning, overall strategy, development concepts, military building, national defense, and Party building. It is an important component of the system of theories of socialism with Chinese characteristics.

Covering every aspect of China, including reform, national development and stability, domestic and foreign affairs, national defense, and governance of the CPC, the state and the military, Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era is a scientific system of theories of strong logic, rich content and keen vision. At such breadth and depth, Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era deepens our understanding of the laws that underlie governance by a communist party, the development of socialism, and the evolution of human society.

The new era we have arrived at has inspired new practices that yield new thoughts. Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era stands for the Marxism of 21st-century China. ■

Copyedited by Chris Surtees
Comments to baishi@bjreview.com

Thangka Making in Beijing

By Jacqueline Miller

I first heard of the term “thangka” when I moved to my present neighborhood near Beijing’s Yonghegong, the site of an imperial Buddhist temple of the same name which was established during the Qing Dynasty (1644-1911). Today, Yonghe Temple is one of Beijing’s biggest tourist attractions, popularly known as the Lama Temple. There I got to learn more about thangkas, Buddhist paintings that can be used as meditational aids.

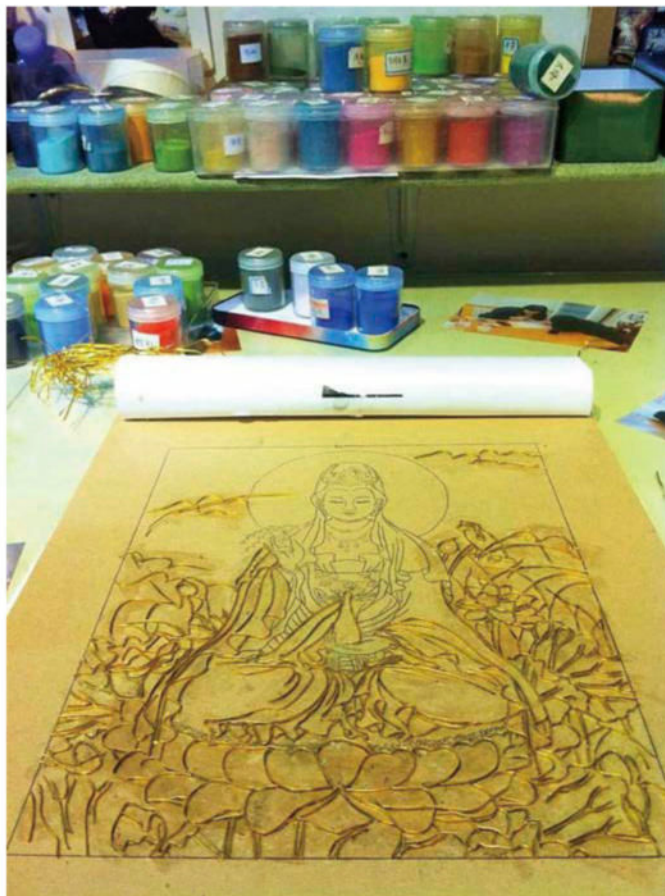
My first hands-on experience with thangkas was last winter, when I was going through a difficult period in my life. I had discovered a thangka workshop in an alley near my home and sought a haven there.

Making a small thangka would take me roughly 20 hours, I was told. I could come and go as I pleased, and I could squeeze in thangka-making sessions between work or other activities. Aspiring or seasoned thangka artists could choose either a Buddhist or secular pattern (ethnic minorities, flowers, goldfish) from one of their books or create their own, from a photo or the like.

I thought working on a thangka would be a good exercise in self-discipline and concentration. It had a slight meditative touch, and I could use my hand-eye coordination skills and relax. I also enjoyed using my hands in a totally different way.

In fact, thangka art has been practiced for over 1,000 years and is part of Himalayan cultural heritage. In an exhibition on thangkas I visited at the Beijing Culture and Art Center, the process was described as “the spiritual cultivation of the creator.”

I chose to make a Guanyin thangka. Guanyin is the Buddhist goddess of mercy; the deity’s name is short for Guanshiyin, which in Chinese means “perceiving the sounds (or cries) of the world.” In my painting, Guanyin is shown in a white robe, with legs crossed over one another sitting on a lotus flower, looking down demurely, holding a water flask and a willow branch. The com-



A half-finished thangka painting

position is relatively simple, one figure with a human appearance and a serene expression on her face.

Guanyin is a figure a non-Buddhist such as myself can easily relate to not only because of her anthropomorphic appearance, but because compassion and mercy are universal values. Plus, looking at that particular painting gave me a sense of temporary peace. Basically, it was a motif I as a Westerner could identify with as well.

There are different kinds of thangkas. Some are painted directly onto a canvas, and others are like the ones we created in the workshop, where you glue metal strips upon a design you have drawn in pencil on a wooden board, bend-

ing the strips in a serpentine way or laying them straight as the pattern dictates.

After you have recreated the pattern of your design with the metal strips, you mix colors and paint them in, sort of like coloring in the fields in a coloring book. You use a color copy of your chosen pattern to give you guidance on the colors, but you can deviate. For example, I made my sky a romantic cotton-candy pink, and the shade of hair of my Guanyin was more dark brown than black (after all, it was a “foreign” Guanyin!).

Finally, you shake the painting gently to make sure the paint settles evenly before drying; otherwise the thangka will be lumpy in some parts. Once you have finished your thangka, the workshop frames it, although traditionally thangkas are unframed scrolls.

I completed my thangka, roughly two months after I had started it at the end of December 2017, over the Western and Chinese New Year’s celebrations. While working on my thangka, Guanyin had taken on a life of her own, as I had “created” her body parts, clothed her, and provided her with attributes. Sort of like playing Prometheus and Frankenstein without the negative outcomes.

My teacher said my work was not too bad, considering it was my first thangka, but compared to seasoned thangka makers, it was certainly no masterpiece. My Guanyin is now in my living room, sitting high up on a cabinet. From far away, she looks perfect, but if you look closely, you will see the blemishes but that doesn’t matter.

What matters is that working on my Guanyin was, from start to finish, a labor of love and healing during a difficult period in my life. After all, it was about the journey, not the destination. ■

The author is an American living in Beijing
Copyedited by Chris Surtees
Comments to baishi@bjreview.com

The background of the advertisement is a vibrant, blue-toned digital cityscape. Several skyscrapers are visible, each with the word "Internet" written vertically on its facade. The scene is overlaid with a grid of binary code (0s and 1s) and various technical data points, such as "CHECKING STAT", "DATA DOCUMENT", "ORIGINAL: 298", "DATA UNITS CO", "TURN: 042783", "PROGRAM: K2387", "IS: OK -12837", and "COMPE". The overall aesthetic is high-tech and data-driven.

BEIJING REVIEW IS NOW AVAILABLE IN FACTIVA

Beijing Review is now available as a source in Factiva, a leading, global collection of licensed news, Web content, and company data. Factiva has 32,000 sources from nearly every country worldwide, in 28 languages, and is owned by Dow Jones, publisher of *The Wall Street Journal*.



中国与非洲



China's Economic Transition Benefits Global Economy

VOL. 8 MAY 2016
chinafrica.cn

中国
与非洲

Acupuncture
In the DRC
Botswana Gay Rights
Landmark
AU on Stabilizing
Africa's Security

CHINAFRICA

EYES ON CULTURE

African cultural exchange events
dazzle China

ISSN 1674-7585

ges From Presidents Xi and Zuma

中国
与非洲

CADFund Promotes
African Investment
Africa's Digital
TV Bonanza
Africa's Diaspora:
"Soft Power"

ICA

**SUMMIT
ESBURG**

frica
on agenda

2015



12 issues a year at a subscription rate of 180 RMB/R360

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

WWW.CHINAFRICA.CN

SUBSCRIPTION HOTLINES
(8610) 6831 0644, +27 (0)71 613 2053
Email: circulation@bjreview.com.cn
cas201208@hotmail.com