The third session of China's 12th National People's Congress (NPC) opened at the Great Hall of the People in Beijing, on March 5, 2015. Nearly 3,000 NPC deputies from across the country attended the opening meeting along with top Party and State leaders. Premier Li Keqiang delivered his government work report at the opening meeting.
Chinese Ambassador to India Mr. Le Yucheng met with Mr. Rajeev Kher, Commerce Secretary of Indian Ministry of Commerce and Industry in New Delhi on March 2 and exchanged views with him on China-India trade and economic cooperation.

Chinese Embassy to India held a reception to celebrate the upcoming Chinese Lantern Festival and Holi in the evening of March 3. About 150 correspondents and scholars attended the event.

Chinese Ambassador to India Mr. Le Yucheng addressed the “India China Investment and Trade Promotion Symposium” in New Delhi on March 3. The symposium was jointly organised by Chinese Tianjin municipal government and the Confederation of Indian Industry (CII).

China's Guangzhou Acrobatic Troupe held their first “Happy New Year” show at Siri Fort Auditorium in New Delhi on February 27. Chinese artists’ wonderful performance was warmly welcomed by a total of about 2,000 audiences.

On March 4, Mr. Le Yucheng, Chinese Ambassador to India attended the party organized by teachers and students of Jawaharlal Nehru University to celebrate China's Spring Festival. The Ambassador delivered a speech on Chinese cultural to the participants.

Chinese Ambassador Mr. Le Yucheng attended the “International Conference Railways @ 2020” organized by ASSOCHAM on March 11 and gave a lecture. Indian Railway Minister Mr. Suresh Prabhakar Prabhu and other 150 officials and enterprisers were also present.
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China's National Legislature Opens Annual Session

Beijing, March 5 (Xinhua) — The 12th National People's Congress (NPC), China's national legislature, opened its third annual session Thursday morning at the Great Hall of the People in Beijing.

Premier Li Keqiang delivered his annual government work report at the opening meeting.

**Highlights of Government Work Report**

Premier Li Keqiang delivered his government work report when the 12th National People's Congress opened its annual session on March 5. Below are the Highlights of the report:

**Lower GDP growth target**
China plans to lower the annual GDP growth target to around 7 percent from 7.5 percent, the slowest in 22 years.

**Proactive fiscal, prudent monetary policies**
China will continue to implement proactive fiscal policy and prudent monetary policy in 2015, while noting policy flexibility to sustain economic growth.

**Fiscal reform**
China will encourage qualified private investors to establish, in accordance with law, small and medium-sized banks and other financial institutions.
The nation will also keep the RMB exchange rate at an appropriate and balanced level and allow it to float more freely.

The Shenzhen-Hong Kong Stock Connect will be launched on a trial basis at an appropriate time.

**Agricultural reform**
China set the target to reduce the poor rural population by more than 10 million.

**“Made in China 2025” Strategy**
China will develop the “Internet Plus” action plan to integrate the mobile Internet, cloud computing and big data with modern manufacturing.

**Key Figures for China’s Economy in 2015**

- **7%**
  Increase GDP by approximately 7 percent

- **3%**
  Keep increase in CPI at around 3 percent

- **10 million**
  Create over 10 million jobs in urban areas

- **4.5%**
  Ensure registered urban unemployment rate not to exceed 4.5 percent

- **6%**
  Increase imports and exports by around 6 percent

- **3.1%**
  Cut energy intensity by 3.1 percent

- **1.62 trillion yuan**
  Annual government budget deficit is projected to be 1.62 trillion yuan

- **2.3%**
  Deficit to GDP ratio will rise from last year’s 2.1 percent to 2.3 percent

- **12%**
  M2 money supply is forecast to grow by around 12 percent, but actual supply may be slightly higher

- **477.6 billion yuan**
  The central government will increase its budgetary investment to 477.6 billion yuan

- **800 billion yuan**
  Over 800 billion yuan will be invested in
railway construction and open over 8,000 km of railways to traffic

**7.4 million**
Build an additional 7.4 million units of government-subsidized housing

**10 million**
Reduce the poor rural population by more than 10 million

**550 million metric tons**
Keep grain output above 550 million metric tons

**3.1%**
Cut the intensity of carbon dioxide by at least 3.1 percent

**3.66 million**
Renovate 3.66 million dilapidated rural houses, an increase of 1 million over the renovated last year

**China’s Parliament Convenes, Pooling Strength to Tackle “Formidable Difficulty”**

Premier Li Keqiang warned “formidable difficulty” in 2015, setting a slower growth target, but stressed his confidence in the ongoing reform to start new development engines in his government work report.

The annual government work report, delivered by Li at the opening meeting of the national legislature’s annual session, set this year’s economic growth target at 7 percent, lower than last year’s target and the 7.4-percent actual growth in 2014.

Other economic indices such as consumer price index (CPI), set at 3 percent, and unemployment rate at 4.5 percent are also slightly lower than last year.

Predicting the situation in 2015, the Premier admitted that the difficulties China is to face may be “even more formidable” than last year, with downward pressure on the economy building up and deep-seated problems in development surfacing.

Summarizing weaknesses in 2014’s work, Li listed sluggish investment growth, relatively damp consumer demand, increasing labor cost, inefficient growth model, overcapacity, weak rural infrastructure and serious pollution.

He also expressed dissatisfaction over the implementation of some policies and denounced laziness and corruption among a small number of civil servants.

However, Li said he is “fully confident” as China’s development has enormous potential and is hugely resilient, with ample room for growth.

The Premier stressed that the growth rate is “both aligned with our goal of finishing building a moderately prosperous society in all respects and is appropriate in terms of the need to grow and upgrade our economy.”

Considering the size of China’s economy, gross domestic product (GDP) worth of 63.6 trillion yuan (10.39 trillion U.S. dollars) in 2014, even the growth of 7 percent will produce an annual increase of more than 800 billion U.S. dollars at current price, larger than the figure produced by a 10-percent growth five years ago, said Fan Jianping, chief economist for the government think-tank State Information Center of China.

David Dollar, senior fellow with John L. Thornton China Center under U.S. think-tank Brookings, told Xinhua that it is realistic for China’s economy to grow in the 6-7 percent range.

“I do not see that as a problem for China or the world, as long as the slowdown is gradual,” Dollar said. “China will continue to provide a lot of demand for other economies, but the nature of that demand is changing.”

Premier Li highlighted “dual objectives” of maintaining a medium-to-high level of growth rate and moving toward a medium-to-high level of development.

As for how to realize the goals, the solution presented in Li’s report is dubbed “twin engines”, which refers to popular entrepreneurship and innovation and increased supply of public goods and services.

In the report, Li has stressed the Party leadership headed by President Xi Jinping for five times while summing up the progress in 2014 and laying out the plan for 2015.

“Let us rally closely around the Party Central Committee with Comrade Xi Jinping as General
Secretary, hold high the great banner of socialism with Chinese characteristics, and work together to break new ground,” he said in the end.

The year of 2015 is considered a key one to realize the overall reform blueprint set by the leadership in 2013 and the first year since the legal reform plan was unveiled last October that aims to realize the rule of law in China.

It is also the last year for the government to meet the targets set by the country’s 12th five-year national development plan, which range from people’s livelihood to pollution control.

Other than voicing worry, China’s business leaders have taken the new situation as an opportunity to change.

Jack Ma, executive chairman of the Alibaba Group, compared the country to a person whose height can’t grow forever.

“When growing up, we will try to pursue wisdom. The Chinese economy is slowing down, but as long as we improve our business environment, people will show more understanding and support to new commercial models, and the economic growth will have a higher quality,” Ma said.

Yang Yuanqing, chairman and CEO of Lenovo Group, who observed the meeting as a national political advisor, referred the country’s situation to business changes of his own company.

“The ‘new normal’ of China’s economy implies adaptation,” he said. “Pressure has been there since we (Lenovo) enjoyed high speed of growth in the past few years. Now we need to find more new growth areas.”

Nearly 3,000 NPC deputies from across the country attended the opening meeting along with top Party and state leaders Xi Jinping, Yu Zhengsheng, Liu Yunshan, Wang Qishan and Zhang Gaoli. The meeting was presided over by Zhang Dejiang, chairman of the National
People’s Congress (NPC) Standing Committee.

Dong Mingzhu, president of China’s leading air conditioner maker Gree Group, was among the deputies in the Great Hall of the People.

“The government work report drew a blueprint for all Chinese,” Dong said. “As a business person, I am inspired and would like to seize the opportunities.”

U.S. Ambassador to China Max Baucus, who observed the opening meeting, told Xinhua that he always hopes that the Chinese economy will do well in 2015 and the country has good, strong and robust GDP while people have well-paid jobs.

Removing Policy Barriers

The Premier stressed that systemic, institutional, and structural problems have become “tigers in the road” holding up development and, without deepening reform and making economic structural adjustments, China will have a difficult time sustaining steady and sound development.

To foster a new engine of growth, the country will need to draw the strength of the market, which has great potential in China with 1.3 billion people, 900 million of workforce and over 70 million enterprises and self-employed businesses.

Thursday’s report fully responded to the principle set by the reform blueprint adopted in November 2013, which is to “transform the government function and let the market play a decisive role in allocating resources.”

According to the report, the central government will continue abolishing or delegating powers to local governments and put in place a negative-list approach for market access.

The Premier promised to exchange less government power with more market vitality.

The country will expect easier policies on investment approval and pricing, more transparent budget management, faster financial reform and bolder restructuring of state-owned enterprises.

Deputies to the 12th National People’s Congress (NPC) arrive at the Tian’anmen Square in Beijing, capital of China, March 5, 2015. (Xinhua/Liu Weibing)
Local government officials, such as Xu Qin, mayor of southern Chinese city of Shenzhen, have felt the need of self reform.

An industrial park in Shenzhen has been included in the new free trade zone of Guangdong, one of the three approved late last year.

Xu, an NPC deputy, told Xinhua that, taking this as a change, the city will have reform measures in all aspects of government work, particularly the investment policies in financial and service sectors.

**Smarter Government Spending**

Admitting that traditional growth engine is weakening, Li said the government looks to upgrading traditional engines while creating new ones.

He promised to provide more public goods and services and increase government input in areas like education and health care, and encourage nongovernmental participation to improve the efficiency.

Government spending in infrastructure, a long-term drive of China’s economy, still stands out in Thursday’s report as Li earmarked 477.6 billion yuan as the central budgeted spending for 2015 as well as 800 billion yuan in railway construction, in addition to 27 new water conservancy projects.

However, the Premier stressed that the government does not intend to invest alone but attract more private investment into more areas.

**Iron Hand on Pollution**

Quite rare compared with previous government work reports, Thursday’s report listed environment targets, together with gross domestic product (GDP) growth, unemployment rate and consumer price index (CPI), as the country’s major development goals in 2015.

In 2015, Chinese government plans to
reduce the energy intensity, or units of energy per unit of GDP, by 3.1 percent and continue reducing the emission of major pollutants.

Intensity of carbon dioxide is also set to drop at least 3.1 percent with other indices like chemical oxygen demand and emissions of ammonia nitrogen, sulfur dioxide and nitrogen oxides.

In strong word, the Premier pledged that polluters will “pay a heavy price” for illegal discharges.

**China to Improve People’s Livelihood**

China will beef up efforts to improve people’s living standards and promote social development this year, Premier Li Keqiang said.

The number of college graduates will reach 7.49 million this year, and top priority will be given to employment and creation of jobs, Li said.

The government will work to help people, who have lost their jobs due to structural adjustments or measures to address overcapacity, find new jobs, he said.

The basic pension benefits for enterprise retirees will be increased by 10 percent, Li said, adding that the monthly basic pension benefits for rural and non-working urban residents will be uniformly raised from 55 yuan (9 U.S. dollars) to 70 yuan per person, he said.

The government will also improve basic medical insurance for rural and non-working urban residents, and increase the annual government subsidy for this insurance from 320 yuan to 380 yuan per person, Li said.

**China's Top Legislator Delivers NPC Standing Committee Work Report**

Zhang Dejiang, chairman of the Standing Committee of China's National People’s Congress (NPC), delivers a work report of the NPC Standing Committee during the second plenary meeting of the third session of the 12th NPC at the Great Hall of the People in Beijing, capital of China, March 8, 2015. (Xinhua/Ma Zhancheng)
Beijing, March 8 (Xinhua) — China’s top legislator Zhang Dejiang delivered a work report of the Standing Committee of the National People’s Congress (NPC) at a plenary meeting of the ongoing NPC annual session Sunday.

Chinese leaders Xi Jinping, Li Keqiang, Yu Zhengsheng, Liu Yunshan, Wang Qishan and Zhang Gaoli attended the meeting along with nearly 3,000 lawmakers at the Great Hall of the People in downtown Beijing.

**China's Top Political Advisory Body Starts Annual Session**

Beijing, March 3 (Xinhua) — The Third Session of the 12th National Committee of the Chinese People’s Political Consultative Conference (CPPCC), the country’s top political advisory body, opened Tuesday in Beijing, kicking off the most important two weeks on China’s political calendar this year.

A total of 2,153 members of the CPPCC National Committee will discuss major issues concerning the country’s development during the annual session.

At the opening meeting in the Great Hall of the People, CPPCC National Committee Chairman Yu Zhengsheng delivered a report on the work of the Standing Committee of the CPPCC National Committee in the past year.

Top Communist Party of China and state leaders Xi Jinping, Li Keqiang, Zhang Dejiang, Liu Yunshan, Wang Qishan and Zhang Gaoli attended the opening meeting.
China Has Multiple Policy Tools to Bolster Growth

Beijing, March 15 (Xinhua) — China still has a host of policy tools at the government’s disposal to bolster its economic growth, Premier Li Keqiang said Sunday.

It is “by no means easy” to achieve this year’s target of registering an economic growth at around 7 percent, as, with the expansion of the Chinese economy, a 7-percent increase in the Chinese economy is equivalent to the total size of a medium-sized economy, Li said at a press conference after the conclusion of China’s annual parliamentary session.

The Chinese economy will operate within an appropriate range when the economic development enters a “new normal,” Li said.

China’s gross domestic product expanded 7.4 percent last year, its lowest level of growth since 1990.

“The good news is that in the past couple of years we did not resort to massive stimulus measures for economic growth. That has made it possible for us to have fairly ample room to exercise macro-economic regulation, and we still have a host of policy instruments at our disposal,” he said.

China Not Free Rider, but Major Contributor

Beijing, March 15 (Xinhua) — Chinese Premier Li Keqiang said Sunday that China is not a free rider and its development at a reasonable
speed is huge contribution to the world.

“For such a huge country, how could it easily get a free ride in anybody’s train,” Li said at a press conference after the conclusion of China’s annual parliamentary session.

China needs to run its own affairs well and maintain its development at a reasonable speed. “I believe that in itself is China’s huge contribution to the world,” Li said.

At the same time, China is assuming its due international obligations and responsibilities, he said.

“I think what China is doing is working with other countries in pursuing common progress,” according to the premier.

Li also said that China is still a developing country in every sense, with around 200 million Chinese people living in poverty.

**China Capable of Preventing Systemic, Regional Financial Crises**

Beijing, March 15 (Xinhua) — China is capable of preventing systemic or regional financial crises while allowing market-ruled liquidation in individual and isolated cases, Chinese Premier Li Keqiang said on Sunday.

Li made the remarks after the conclusion of the annual session of the National People’s Congress, China’s top legislature, in response to a question on financial risks in the world’s second largest economy.

“It is true that there are individual and isolated cases of financial risks, but at the same time, we are fully capable of preventing systemic or regional financial crises,” the premier said at a press conference.

Reassuring the market, he cited the facts that the Chinese economy continues to operate within the proper range and there is a fairly high saving rate in the country.

Regarding concerns over the potential risks which may arise from local government debts, the premier said more than 70 percent of local government debts are in the form of investment which have quite good prospect for yielding returns.

“We are also regulating these financing platforms to ensure that we keep the front door open while blocking the back door,” he said.

The premier also clarified potential financial risks involving the banking system, pointing to “fairly high capital adequacy ratios and relatively ample provisions” with the country’s banks.

“It is true that there are non-performing loans (NPLs) and the NPL ratios have picked up somewhat, but the NPL ratios in China are still quite low in the international context,” he said.

While allowing the market to rule individual and isolated cases of financial risks, China will encourage the practice of balancing one’s book in a market-based way so as to guard against possible ethics violations and raise people’s awareness of risks, the premier said.

The Chinese authorities will also introduce the deposit insurance system this year and continue to develop a multiple-tiered capital market so as to lower companies’ leverage ratio and help ensure financial services better serve the real economy, said the premier.

**Polluters to Pay Price “too high to bear”**

Beijing, March 15 (Xinhua) — Polluters will pay a price “too high to bear” for their illegal acts, Chinese Premier Li Keqiang warned Sunday.

All businesses involved in illegal production and emission, no matter what kind of business they are, will be brought to justice and held accountable, Li told a press conference after the annual national legislative session concluded.

He made the remarks in response to a question on whether two Chinese oil giants, Sinopec and PetroChina, have obstructed the implementation of environment policies in the country.
“We need to make the cost for doing so too high to bear,” the premier said.

This year the Chinese government will focus on fully implementing the newly-revised Environmental Protection Law, he said.

More supports will be given to environmental law enforcement departments including capacity building, he said.

“No one should use his power to meddle with law enforcement in this regard,” he said.

However, the premier stressed that the law enforcement departments should also have the courage to take charge and fulfill their duty while nonfeasance will be held accountable and abuse of power and breach of duty will be punished.

The law must work as a powerful, effective tool to control pollution instead of being “as soft as cotton candy,” he said.

Although the government has made tremendous efforts in tackling pollution, the premier said, the progress still falls short of people’s expectation.

Unlike previous years, the targets for energy conservation and emission reduction are placed in a more prominent position in this year’s government work report.

Chinese government plans to reduce the energy intensity, or units of energy per unit of GDP, by 3.1 percent in 2015.

It will also cut the intensity of carbon dioxide by at least 3.1 percent, reduce both chemical oxygen demand and ammonia nitrogen emissions by around 2 percent, and reduce emissions of sulfur dioxide and nitrogen oxides by around 3 percent and 5 percent, respectively.

The policies to improve economic structure and fuel quality will also contribute to pollution control, the premier said.

In Li’s government work report, China will upgrade coal-burning power plants to achieve ultra-low emissions and strive for zero-growth in the consumption of coal in heavily-polluted areas.

The country will promote the use of new-energy vehicles, reduce vehicle exhaust emissions, raise the national fuel quality standard, and provide motor gasoline and diesel fuel of higher quality. All highly polluted vehicles registered before 2005 will be banned from the road.

“This is a joint effort of the whole society,” the premier said. “It may be difficult for one to change natural environment he lives in anytime soon but one can always change the way he behaves.”

**China Willing to Build New Type of Major-Country Relations with U.S.**

Beijing, March 15 (Xinhua) — China is willing to build a new type of major-country relations with the United States featuring no conflict, no confrontation, mutual respect and win-win cooperation, Premier Li Keqiang said Sunday.

Chinese President Xi Jinping’s planned U.S. visit in September will inject new impetus into the development of China-U.S. relations, added the premier at a press conference after the conclusion of the annual session of the National People’s Congress, China’s top legislature.

It is true that China and the United States have divergences, but they also share broad common interests, stressed the premier.

“The ongoing China-U.S. investment treaty negotiations have sent a clear signal to China, the United States and the whole world at large that Sino-American economic and trade relations, a ballast of bilateral ties, will become closer,” said Li.

“We have proposed that China and the United States work together to build a new model of major-country relationship featuring mutual respect, win-win cooperation, no-conflict and no-confrontation,” Li said.
Wang Yi: Friends from the press, good morning. Today is the International Women’s Day. At the outset, I would like to extend sincere greetings to the female journalists and all Chinese women who show understanding of and support for China’s diplomacy.

On this day a year ago, the MH370 flight went missing. A year has passed, and the plane has not been located, but the search effort will continue. Today must be a tough day for the next of kin of those on board MH370. Our hearts are with you. Malaysia Airlines has started its compensation work. We will provide all needed service to every next of kin and help you uphold your legitimate and lawful rights and interests.

With these words, I would like to open the floor to questions.

People’s Daily: Mr. Minister, you once said that 2014 was a year of harvest and all-round progress in China’s diplomacy. Could you elaborate on that? And what can we expect from China’s diplomacy in 2015? What are the keywords we need to watch?

Wang Yi: Indeed, 2014 was a year of harvest for China’s diplomacy. It was also a year of forging ahead and breaking new ground.

Under the leadership of the CPC Central Committee headed by General Secretary Xi Jinping, we successfully hosted the CICA Summit in Shanghai and the APEC meeting in
Beijing, and left a deep imprint of our own. We took an active part in the resolution of global hot-spot issues, and played China’s role in international and regional affairs. We made energetic efforts to expand external cooperation, and our initiative to establish a Silk Road Economic Belt and a 21st Century Maritime Silk Road won support from a lot of countries.

It is particularly worth mentioning that focusing on building a new type of international relations featuring win-win cooperation, we are taking a new path of external relations characterized by partnership rather than alliance. By the end of last year, we had established different forms of partnerships with over 70 countries and a number of regional organizations, and basically established a global network of partnerships. One can say that China’s circle of friends and partners has widened and will continue to expand.

In 2015, we will continue to forge ahead and expand all-round diplomacy. While steadfastly safeguarding our national interests, we will work to expand the common interests we have with other countries in the world.

The keywords for China’s diplomacy in 2015 will be “one focus” and “two main themes”. Our key focus in 2015 will be making all-round progress in the “Belt and Road” initiative. We will further enhance policy communication with other countries, expand the convergence of our shared interests, and explore effective avenues of win-win cooperation. The emphasis will be on promoting infrastructural connectivity, and building overland economic corridors and pillars of maritime cooperation. We will also promote people-to-people and cultural exchanges and cooperation, and speed up relevant FTA negotiations. We are confident that the “Belt and Road” initiative will win even more support and deliver even more “early harvests”, so as to catalyze the revitalization of the Eurasian continent as a whole.

In 2015, we will do a lot under the two themes of peace and development. We will work with the international community to commemorate the 70th anniversary of the end of the world’s anti-Fascist war, draw lessons from history, look to the future, and make China a staunch force for peace. The 70th anniversary of the founding of the United Nations will be a good opportunity for us to take an active part in the UN’s development summit and international cooperation on climate change. We will play a constructive role in helping to secure a post-2015 development agenda and a new international regime for addressing climate change that are in the interests of developing countries.

Beijing News: In recent years, more and more Chinese citizens have made outbound visits, and we see a good example of that during the just passed Chinese New Year. What will the Chinese Foreign Ministry do to facilitate the outbound visits of Chinese citizens and protect their legitimate rights and interests overseas?
Wang Yi: Last year, for the first time, Chinese citizens made over 100 million visits abroad, making them the largest floating population in the world. There are also more than 20,000 Chinese enterprises which have established a presence abroad, and millions of our compatriots are living and working in different parts of the world. The task and responsibility of protecting their rights is heavier than ever. We are always concerned with the safety and wellbeing of every one of our compatriots, and we will do everything in our power to protect and assist them.

Last year, the Chinese Foreign Ministry’s Global Emergency Call Center for Consular Protection set up the 12308 hotline. The hotline is a 24/7, all-time-zone channel of communication between overseas Chinese nationals and their loved ones back in China. Now no matter which part of the world you are in, if you run into trouble, you can dial this number and get prompt assistance from the Foreign Ministry and our diplomatic and consular missions abroad. In the half year since the launch of the hotline, we have received over 30,000 phone calls. Many of our compatriots say that this hotline is very reassuring for them, because they can feel that the motherland is always by their side. We hope more of our compatriots can know about this hotline and make good use of it. When in trouble, please call 12308.

In 2014, we also made important progress in visa facilitation. We signed visa exemption or simplification agreements with 24 countries, equal to the total of the previous four years. And nowadays, Chinese citizens can visit more than 50 countries and territories without a visa or by obtaining a visa upon arrival. You may remember the reciprocal visa arrangement which China and the United States announced last year. It means that if a Chinese or American person has a visa, then for up to five or even 10 years, he or she can travel easily between the two shores of the Pacific Ocean with just a passport and an air ticket. And let me tell you that China and Canada have just reached agreement on issuing visas to each other’s citizens with a validity period of up to 10 years. This agreement will go into effect tomorrow.

The effort to protect and assist Chinese nationals overseas is always a work in progress; it is never a mission accomplished. Wherever there is Chinese footprint, consular service must step up and cover that place. We will continue to work hard to improve the value of Chinese passports, so that our compatriots can more directly feel the dignity of being a Chinese and find it easier to travel abroad. We hope more and more of our compatriots can go abroad any time they wish and they can have smooth, safe and worry-free travels.

Russia Today News Agency: Against the background of Western sanctions on Russia and the sharp depreciation of the ruble, how will China carry out cooperation with Russia, especially in the energy and financial sectors? And what will China and Russia do to further strengthen their coordination and cooperation in international affairs?

Wang Yi: The China-Russia relationship is not dictated by international vicissitudes and does not target any third party. Thanks to the strong strategic trust the two sides have established, our relationship has become more mature and stable. As comprehensive strategic partners of coordination, China and Russia have a good tradition of supporting each other. And the friendship between our two peoples
provides a strong foundation for strengthening strategic cooperation between the two sides.

Practical cooperation between China and Russia is based on mutual need, seeks win-win results, and has enormous internal impetus and room for expansion. This year, our practical cooperation is expected to deliver a series of new results. For example, we will work hard to lift two-way trade to US$100 billion. We will sign an agreement to work on the Silk Road Economic Belt and begin relevant cooperation. We will start full construction of the eastern route of the natural gas pipeline and sign an agreement on the western route of the pipeline. We will accelerate the joint development and research of long-distance, wide-body passenger jets. We will start strategic cooperation on the development of Russia's Far Eastern region. And we will strengthen our cooperation on high-speed railways. At the same time, we will continue to intensify our cooperation in the financial, oil and gas, and nuclear-power sectors.

China and Russia are both permanent members of the UN Security Council. We will continue to carry out strategic coordination and cooperation to maintain international peace and security. This year, both countries will hold a series of activities to commemorate the 70th anniversary of the end of the world's anti-Fascist war. We will support each other and jointly uphold international peace and the outcome of the Second World War.

Press Trust of India: The Indian Prime Minister Narendra Modi is expected to visit China in the course of a few months. How does China view his visit, and what kind of significance does it attach to this? And also, the two countries are scheduled to have the next round of border talks. Is there a breakthrough expected for us to resolve the boundary issue?

Wang Yi: Last September, President Xi Jinping paid a historic visit to India. The picture of the two leaders working the spinning wheel in Gujarat, the home state of the Prime Minister, has spread far and wide in China. The Chinese people believe in reciprocating the courtesy of others. So I’m sure when Prime Minister Modi visits China later this year, he will be warmly welcomed by the Chinese government and people.

Mr. Deng Xiaoping once said that unless China and India are developed, there will be no Asian century. China is prepared to work with India to implement the important agreement reached by our leaders. The Chinese “dragon” and the Indian “elephant” should join each other in a duet to work for the early revitalization of two oriental civilizations, the common prosperity of two emerging markets and the amicable coexistence of two large neighbors.

As for the China-India boundary question, it is a legacy of history. We have worked on it for many years and made some progress in the boundary negotiation. The dispute has been contained. At the moment, the boundary negotiation is in the process of building up small positive developments. It is like climbing a mountain. The going is tough and that is only because we are on the way up. This is all the more reason that we should do more to strengthen China-India cooperation, so that we can enable and facilitate the settlement of the boundary question.

Xinhua News Agency: This year marks the 70th anniversary of the founding of the United Nations. It is an important historical
moment for the international community to reflect on the past and look to the future. Some people say that China wants to challenge and even overturn the current international order, and replace it with a new one dominated by China itself. What is your comment?

Wang Yi: I want to make it very clear that China has always been a constructive force in building the international order. If we can compare the international order and system built around the United Nations to a big boat, then 70 years ago China was intimately involved in designing and building that boat, and China was the first country to put its signature on the Charter of the United Nations. Today we are in this boat together with more than 190 other countries. So of course, we don’t want to upset that boat. Rather, we want to work with the other passengers to ensure that this boat will sail forward steadily and in the right direction.

Seventy years have passed. The international situation and landscape has changed dramatically. Naturally, the international order needs to be updated. China supports the reform of the international order and system. Such reform is not about overturning the current system or starting all over again; rather, it is about seeking new ideas to improve it. The general direction is to promote democracy in international relations and the rule of law in global governance. In particular, it is very important to safeguard the legitimate rights and interests of developing countries, which are in the majority, so that we can make the world a more equal, harmonious and safe place.

NBC: Last month, State Councilor Yang Jiechi and National Security Advisor Susan Rice declared that both sides have agreed to strengthen coordination on regional and global challenges. With President Xi Jinping visiting the United States later this year, in your view, how can this strengthened coordination for the new type of great-power relationship help resolve the US-China disputes over, for example, cybersecurity or the maritime conflicts in the Asia-Pacific region?

Wang Yi: President Xi Jinping will pay a state visit to the United States this fall at the invitation of his US counterpart. We expect that following their Yingtai meeting last year, the two presidents will have another productive discussion and inject new momentum into our efforts to build a new model of major-country relations between China and the United States.

The undertaking to build a new model of relations is a pioneering effort. It will not be smooth sailing. But it is a logical development, because it accords with the common interests of both sides and the trend of our times. There is a Chinese saying, “Sincerity can work wonders.” As long as the two sides show sincerity, buttress the bottom line of “no conflict and no confrontation”, cement the foundation of
"mutual respect", then we can explore the immense possibility of “win-win cooperation” between China and the United States.

China and the United States are two large countries. It’s impossible for there not to be any disagreements between us, and these disagreements will not disappear the moment we commit to build a new model of major-country relations. But we shouldn’t magnify the problems through a microscope. Rather, we should use the telescope to look ahead to the future and make sure we will move forward in the right direction.

At the Beijing APEC meeting, President Xi Jinping called for shaping the future through Asia-Pacific partnership. Many countries responded enthusiastically to his initiative. China and the United States interact most frequently in the Asia-Pacific and our interests intersect the most in this region. In our view, the building of a new model of major-country relations should begin with the Asia-Pacific region. If both sides can work to establish and deepen strategic trust and have positive interactions, then we can surely jointly contribute to peace, stability and prosperity in the region.

As for the issue of cyber-security, since both China and the United States are major users of the Internet, we have common interests in upholding it. We hope cyberspace will become a new frontier of our cooperation rather than a new source of friction.

China Daily: In recent months, major terrorist attacks have frequently hit many parts of the world, from Sydney to Paris, from western Asia to western Africa. What is China’s position on fighting terrorism and carrying out international counter-terrorism cooperation?

Wang Yi: Terrorism is a common scourge to mankind, and fighting it is a common responsibility of every country. China has always been an active participant in international counter-terrorism cooperation. At the same time, we believe that to uproot terrorism, we must remove its breeding ground. To deny any haven to the specter of terrorism, we have to promote economic and social development, appropriately handle regional conflicts, and advocate equal-footed dialogue between different civilizations, religions and ethnic groups.

China has also suffered at the hands of terrorism. The “Eastern Turkestan Islamic Movement” is a clear and present threat to our security. We would like to work with other countries in the spirit of mutual respect and equal-footed cooperation to jointly address the new threats and new challenges brought by terrorism.

China Radio International: The negotiation of a comprehensive agreement on the Iranian nuclear issue has been twice extended and the June deadline is not far away. Can you talk about the prospect of the negotiation? What kind of role has China played in the negotiation? And what steps is China going to take to push forward the negotiation?
Wang Yi: The comprehensive settlement of the Iranian nuclear issue can help to strengthen the international system against nuclear proliferation, promote peace and tranquility in the Middle East, and provide useful experience for resolving major difficult issues through negotiation. We believe the parties should keep at it and finish the negotiation. The possible ramifications of the Iranian nuclear negotiation will go far beyond the negotiation itself. It's not surprising that there might be some ups and downs on the way. At the moment, although there is still some uncertainty about the prospect of the negotiation, we can already see light at the end of the tunnel. In our view, the negotiation has reached a critical point. The relevant parties, especially the main protagonists, should make a political decision as soon as possible.

China is an important party to the negotiation, and we have made a positive contribution to resolving the difficult issues and sticking points in the negotiation. We are prepared to work with other relevant parties to finish the marathon negotiation on the Iranian nuclear issue at an early date.

Phoenix Satellite TV: I want to ask about China's active involvement in settling international hot-spot issues in 2014. Last year, China called for a special consultation in support of the IGAD-led peace process in South Sudan, and hosted the Ministerial Conference of the Istanbul Process on Afghanistan. And Mr. Minister, you have travelled personally to Iran to mediate the nuclear issue. Does all of these mean that China will take a more active part in helping to resolve international hot-spot issues?

Wang Yi: Last year, we took an active part in the mediation of a series of hot-spot issues and shouldered our share of international responsibility. In the meantime, we have been searching for a uniquely Chinese approach to settling hot-spot issues, and we pay a lot of attention to drawing wisdom and inspiration from China's traditional culture.

Maybe there is a thing or two that we can learn from the profound traditional Chinese medicine. When approaching a hot-spot issue, first, we need to take the pulse. We need to adopt an objective and impartial attitude, understand where the issue has come from, and establish the basic facts. We shouldn't just listen to one side of the story and we shouldn't write out the wrong prescription.

Second, we need to adopt a multi-pronged approach. Rather than willfully resorting to the use of force or sanctions, we should seek a political settlement and try to put forward a comprehensive and balanced package solution that addresses the concerns of all involved.

Third, we need to address both the symptom and the root cause. It is important to know what the heart of the problem is and then suit the remedy to the problem. And we should remove the breeding ground so that there will not be a relapse ever again.

In short, we will continue to follow a non-interventionist approach and respect the sovereign equality of countries. In that context, we will continue to put forward Chinese solution and play China’s role in helping to appropriately resolve all kinds of hot-spot and protracted issues.

Nigerian Television: China has a culture of planning ahead and implementing these plans, and this has contributed greatly to how the country has become what it is today. Now that China has presented the 2015 year
plan for work in the country, I would like to believe that China also has concrete plans for Africa. I see the deployment of an envoy to the Africa Union in Addis Ababa as a good sign. What concrete plans does China have for Africa, particularly in promoting win-win partnership between those countries?

Wang Yi: It’s true that China likes to make plans before we do things, but we are also good at responding to emergencies. For example, when western Africa was suddenly hit by the Ebola epidemic last year, the Chinese government and people felt for them. We were the first to deliver aid, and altogether we provided four tranches of emergency aid with a total value of 750 million RMB yuan. We also deployed nearly 1,000 medical workers to the affected areas. The Chinese medical workers know the risk of infection, yet for the sake of the health of the African people, they are still battling in the affected countries. We want to pay tribute to them and give them the thumbs-up.

Just two days ago, the last Ebola patient in Liberia was released from a Chinese-run medical treatment center. What wonderful news and what a relief!

Speaking of China-Africa cooperation, during his visit to Africa last year, Premier Li Keqiang put forward the idea of working together to build six projects and three key networks. His call received strong support from many African countries. Recently we set up our permanent mission to the African Union, and the first head of the mission has already hit the ground running. This fully shows China’s support for China-Africa cooperation and Africa’s integration process. Later this year, the Forum on China-Africa Cooperation will hold its sixth ministerial conference. While consolidating all areas of traditional cooperation, we will focus on the urgent needs of Africa and do more in the following three areas: first, industrial cooperation to boost Africa’s industrialization process; second, health cooperation to build up Africa’s capacity for dealing with infectious diseases; and third, security cooperation to help Africa maintain peace and stability.

China and Africa have always been a community of shared destiny. We are prepared to work with our African brothers and sisters to turn our traditional friendship into results of win-win cooperation and turn Africa’s development potential into comprehensive national strength.

China News Service: According to media reports, China is reclaiming land around its islands and reefs in the South China Sea. Does this signal a change in China’s policy towards the South China Sea and even the neighborhood?

Wang Yi: China is carrying out necessary construction on its own islands and reefs. The construction does not target or affect anyone. We are not like some countries, who engage in
illegal construction in another person’s house. And we do not accept criticism from others when we are merely building facilities in our own yard. We have every right to do things that are lawful and justified.

This said, China will continue to uphold freedom of navigation in the South China Sea. We will continue to peacefully resolve the disputes through direct dialogue and consultation. And we will continue to play a constructive role in maintaining regional peace and stability. China’s policy towards the neighborhood is guided by the principle of sincerity, amity, mutual benefit and inclusiveness. It aims to bring harmony, stability and prosperity to the neighborhood. This policy has not and will not change.

KAZ NTV: Last year, China carried out an overseas operation to go after corruption suspects and bring back their criminal assets. In 2015, will China continue to pursue international cooperation to counter corruption?

Wang Yi: In 2014, we carried out a campaign code-named “Operation Fox Hunt” to bring back fugitives and uphold the sanctity of laws and social justice. Also last year, we wrapped up 11 extradition treaties and treaties on judicial mutual assistance in criminal matters, bringing the total number of such treaties we have concluded to 91. This means that we now have such treaties with countries on every continent. Of course, we would like to conclude more such treaties and agreements with more countries. You may remember that at last year’s Beijing APEC meeting, we secured the adoption of a Declaration on Fighting Corruption and the establishment of the APEC Network of Anti-Corruption Authorities and Law-Enforcement Agencies. This will make our law-enforcement cooperation with relevant countries more smooth and effective. I would like to take this opportunity to appreciate the support given to us by many countries.

Anti-corruption is a never-ending struggle, and we will never relent in our effort to bring back fugitives and recover their criminal assets. The Chinese Foreign Ministry will strengthen communication and coordination with other countries and cast a wider and tighter net of international anti-corruption cooperation, so that even the most cunning fox will have nowhere to escape or hide.

CCTV: At last year’s Central Foreign Affairs Work Conference, General Secretary Xi Jinping stated that China will pursue major-country diplomacy with Chinese characteristics. Mr. Minister, can you spell that out for us, and talk about its most salient feature?

Wang Yi: The concept of major-country diplomacy with Chinese characteristics is a very rich one. It includes many things, for example adhering to the leadership of the Communist Party of China and the socialist system, following the independent foreign policy of
peace, sticking to the path of peaceful development, insisting on the equality of all countries large and small, and striking a right balance between upholding principles and pursuing shared benefits. These ideas originate from the fine tradition of the Chinese nation and reflect the essential property of the socialist system. For our current purposes, let me say that the hallmark of major-country diplomacy with Chinese characteristics is win-win cooperation.

Last year, President Xi Jinping called for building a new type of international relations featuring win-win cooperation. His call echoes the trend of the times and represents an important innovation in the theory of international relations. In a globalized world, the interests of countries are increasingly intertwined. Countries may have different cultures, faiths or systems, but at the very least, we can all accept the idea of win-win cooperation. By building a new type of international relations featuring win-win cooperation, we want to replace the old practice of “going it alone” and reject the old mentality of “the winner takes all”.

In short, in contrast to other major countries in history, China has already found a new path of peaceful development for itself. Now we would like to work with other countries to find a new path of win-win cooperation for the world. Under the leadership of the CPC Central Committee, Chinese diplomats will forge ahead and perform our duty to the country and our responsibility to the world.

Chinese Ambassador Le Yucheng’s Speech for the India Today Conclave 2015

March 14, 2015

Ladies and Gentlemen,
Dear Friends,

The year 2015 marks the 70th anniversary of the establishment of the United Nations. In the global celebrations marking this occasion, two themes figure prominently — peace and development. The annual conclave hosted by the India Today Group provides us an important platform to focus on current international hotspot issues and exchange views on major problems concerning world peace and development.

The dream shared by all mankind since ancient times is to maintain world peace and achieve common development. Today in the 21st century, although we have made great progress in the cause of peace and development, the world is far from being peaceful. Today, traditional and non-traditional security problems like instability in West Asia and North Africa, twists and turns in Ukraine, armed conflicts, terrorist attacks, trans-boundary crimes, food crisis, epidemic diseases have become intertwined. The world economy is experiencing arduous and tortuous recovery while the major economies are heading towards diverging directions. How should we deal with these challenges?

As Mahatma Gandhi said, “poverty is the
worst form of violence”. History and reality both tells us that all problems facing current human society, in the final analysis, are development problems. Proper development increases our resources and provides us with the means to solve various problems. The successful experience of China’s reform and opening-up in the past 30 plus years demonstrates that development is both primary and fundamental; it is the master key to solve all the problems.

Thanks to our unremitting efforts over more than 30 years of reform and opening-up, China has become the world’s biggest exporter and the second largest economy. Our economy has grown at an average of around 10% per annum during last many years and increased 142 folds from 1% to 12% of the world’s total GDP. We have lifted more than 600 million people out of poverty. The living standard of Chinese people has risen remarkably. China is moving ahead towards building a comprehensively well-off society and thus fulfilling the Chinese Dream of the great rejuvenation of the Chinese nation.

In the meantime, China has also been making great efforts to bring benefits to more and more countries from her own development. China has already become or increasingly becoming an important export market, trading partner and investment source for many countries, China’s initiatives of building the Silk Road Economic Belt and 21st Century Maritime Silk Road, establishing the Asian Infrastructure Investment Bank, setting up the 40 billion US dollar Silk Road Fund, promoting connectivity cooperation and free trade negotiations have played a positive role in giving impetus to economic recovery, increasing employment and improving living conditions in relevant countries and regions.

Since the international economic crisis of 2008, China has contributed 93 billion US dollars to the International Monetary Fund in two batches, and supported the Euro countries to deal with their crisis. In the next five years, China will import goods worth more than 10
trillion US dollars and make out-bound investments of more than 500 billion US dollars, providing the world economy with more demand and creating more opportunities.

During the process of her own development, China has also lent a helping hand to many countries and participated actively in international development cooperation. Over the past 60 years, China has provided about RMB 400 billion of assistance to 166 countries and international organizations, dispatched more than 600,000 aid personnel and trained nearly 120 million professionals and practitioners of various kinds for the beneficiary countries.

In the face of the Ebola epidemic outbreak last year, the biggest global public health crisis in nearly 30 years, China extended financial and material assistance to the affected countries right away. So far, China has provided four batches of assistance worth a total of RMB 750 million, sent more than 1,000 epidemic control experts and medical workers for the relief efforts and built treatment centers in the affected areas in a timely manner. These moves have effectively contributed towards curbing the spread of the epidemic.

China has also fulfilled international responsibilities commensurate with her own capacity. On the issue of climate change, China sees Low-Carbon Development as her due international obligation and a must for her own sustainable development. Among developing countries, China is the first to formulate and implement a national plan on tackling climate change. China has set the goal of reducing carbon emissions by 40% to 45% on the basis of 2005 level by 2020 to make a major contribution to the global efforts to tackle climate change.

China has been taking part in UN peacekeeping missions since 1990. China is now the largest contributor of peacekeeping personnel among the permanent members of the UN Security Council. As regards maritime escort and anti-piracy operations, China has dispatched 18 fleets to the Gulf of Aden and the waters off the Somali Coast since 2009, safely escorting almost 6000 vessels.

China has played a constructive role in hotspot issues such as Ukraine, Syria, and Iranian and Korean nuclear issues, been deeply involved in multilateral cooperation mechanisms and made an important contribution in the global war on terrorism. China maintains that poverty and backwardness provide the breeding ground for terrorism, whose eradication in turn requires an international effort to eradicate poverty, improve people’s life, and promote development.

As a permanent member of the UN Security Council and the biggest developing country, China is ready to make even bigger contributions towards promoting world peace and development. I am confident, as long as the international community works in unison to uphold development and cooperation, we will be able to overcome whatever difficulty or obstacle that stand in our way, and bring about a better future for the world that we all call home.

Ladies, Gentlemen and Friends,

This year marks the 65th anniversary of the establishment of diplomatic relations between China and India. The destiny of China and India is closely intertwined with that of the whole world. The future of China and India is closely linked with the future of Asia. As the world’s biggest developing countries and new emerging markets, the combined population of our two countries is over 2.5 billion forming almost 30% of the global share. The peaceful coexistence and win-win cooperation between China and India will not only benefit the peoples of our two countries but will also have far-reaching impact on the world’s peace and development.

At present, both China and India are similarly going through a critical period of seeking the great national rejuvenation, are at similar stages of development, have mutually compatible strategies of development, and huge
potential for cooperation. China is striving for all-around deepening of the reforms, transforming the economic development mode, and adjusting the economic structure. The Indian government under the leadership of Prime Minister Narendra Modi has taken various steps towards good governance, reform and development. Once the “world’s factory” and the “world’s office” connect their respective advantages, the impact would be far-reaching and we would be able to lead regional growth and promote development and prosperity in Asia and the whole world.

It is fair to say that our bilateral ties are now at a new historic starting point. Last September, President Xi Jinping successfully completed his state visit to India. Now, Prime Minister Modi will pay an official visit to China this year which will be a significant event in the history of bilateral relations and will inject new vigor to building an even closer developmental partnership between China and India. We would like to take this opportunity to join hands with India and work together. Once the Chinese Dream and the Indian Dream are connected and integrated with each other, it will push the China-India relations to a new height and make “dragon-elephant tango” possible. It will not only bring benefits to the two peoples but will also make important contributions to promoting the peace and development of Asia and the whole world.

Thank you.

Chinese Ambassador Le Yucheng's Address at the Media and Think Tank Reception

March 3, 2015
Distinguished Guests, Dear Friends, Ladies and Gentlemen,

Good evening. First of all, I would like to extend my warm welcome and greetings to all of you.

Right now China is celebrating the Lunar New Year and in next few days India will celebrate the festival of colours—Holi and China will celebrate the Lantern Festival. I am extremely happy to meet all of you during these days of jubilation and extend my best wishes to all of you. Today we are specially holding a Chinese acrobatics performance to add to the festivity of the occasion. I hope that everyone would enjoy it.

I will be soon completing half year of my posting in India. During this time I have made a lot of friends from Indian media and think tanks. I am delighted to see that everyone is extremely interested in the present China-India relationship, so I would like to take this opportunity to make a brief introduction of some pertinent points. I know that it is impossible for you to remember everything that I am going to speak; I only wish that you remember four key expressions which are as follows: first, the “new normal”; second, “hunting tigers and flies”, third, “the belt and road initiatives” and fourth, the “dragon-elephant tango”. Let me explain one by one:

First, “the New Normal”. We know that the world takes keen interest in the economic outlook of China. China’s GDP growth has slowed down in the year 2014. What I want to tell all of you is that China’s economy has already entered a state of “new normal”. The gear of economic growth is shifting from high speed to medium-to-high speed, the growth model is transiting from the investment-driven to the innovation-driven, and development is moving from low-to-medium level to medium-to-high level. Last year, the Chinese government vigorously pursued reforms, streamlined administration and delegated power, which further motivated both the market and the business sector. GDP grew by 7.4% for the whole year meeting the set targets, over 13 million new jobs were created in cities, and the surveyed unemployment rate remained stable around 5%. That is, we achieved growth in employment despite the economic slowdown. CPI was kept at 2%, lower than the target set at the beginning of the year. Energy consumption per unit GDP came down by 4.8%. The share of the service and technological innovation industry in the GDP increased. These outcomes prove that the host of macro-regulation measures China adopted has been right and effective. China’s economy has the potential and the requisite conditions to maintain medium-to-high speed growth for a long period of time and take development to medium-to-high level. This will in turn bring greater opportunities to the Asia and world economy.

Second, “hunting tigers and flies”. Corruption is a chronic disease of the world, which exists in every country more or less, including China. Many Chinese officials are isolated themselves from the masses and became corrupt; some of them even became highly corrupt. Since the 18th Party Congress, the CPC Central Committee, under the leadership of President Xi Jinping, has taken the building of a fine party culture, and a clean and honest government, and the struggle against corruption to a new level. It has adopted a zero-tolerance attitude towards corruption cases. “Hunting tigers and flies” is a multi-pronged anti-corruption campaign. It involves resolute investigation of the cases of disciplinary violations and unlawful behavior by the senior leading cadres, that is “hunting tigers” and seeking practical solutions to the corrupt and dishonest practices plaguing the masses, that is “hunting flies”. Up to now, tens of thousands of officials have been punished according to the Party discipline and state law. Building of a fine party culture, and a clean and honest government, and the struggle against
corruption have won the wide support of the Chinese masses, made significant headway and produced a marked effect.

Third, the Belt and Road initiatives. These initiatives put forward by China aims at achieving the common development and prosperity for the various countries along the “Silk Road Economic Belt” and the “21st Century Maritime Silk Road” by linking the past with the present, landmass with the seas and the development strategies of the various countries. Since the launch of these initiatives, China has made significant headway in building new mechanisms and laying down new policy framework. More than 50 countries along the Belt and the Road have expressed support for the initiatives; China has already signed some “One Belt One Road” cooperation agreements with some countries, and some are in negotiation. A set of programmes involving building infrastructure, setting up of industries and boosting people to people contacts have already been started. The Asia Infrastructure Investment Bank with 26 prospective founding member countries and the “Silk Road Fund” of 40 billion USD will provide financial services and support to these initiatives.

The road and belt initiatives will not only carry forward the all-round opening up and foreign cooperation of China but will also forge the 4 billion people from more than 60 countries in Asia, Europe and Africa into a community of common destiny. In carrying forward the building of “one road, one belt”, China will earnestly listen to the opinions and suggestion of the countries and people along the routes, will give sufficient consideration to the reasonable interests and concerns of all parties, adhere to open regionalism, will not target any third party, observe the principles of discussing together, building together and sharing together, and seek a rallying point for varied interests of all the concerned parties. “One road, one belt” initiatives can also be linked with India’s “Spice Route” and “Mausam” projects, thus forming a new starting point and a new bright spot in China-India cooperation.

Fourth, the “dragon- elephant tango”. Internationally, China is likened to a dragon, and India is likened to an elephant. The dragon is a totem of the Chinese nation, it is dynamic, peaceful, docile, and implies luck and success. The elephant is loved by Indians, is charmingly naive, walk with steady gait and symbolizes auspiciousness and peace. President Xi Jinping mentioned in his exclusive article in The Hindu before his visit to India last year, “Despite their distinctive features, the ‘Chinese Dragon’ and the ‘Indian Elephant’ both cherish peace, equity and justice.” As new emerging markets, both China and India are similarly going through a critical period of seeking the great national rejuvenation. Development is a common strategic goal and providing a better life to their people is the top priority for both the countries. Industries of our two countries have their respective strong points, China is called “world’s factory” and India is called as “world’s back office”. The two countries can complement each other’s advantages; help each other move forward, thus making “dragon-elephant tango” possible.

This year marks the 65th anniversary of the establishment of diplomatic relations between China and India, and China is celebrating it as “Visit India Year”. Recently, Indian foreign minister Smt. Sushma Swaraj successfully completed her visit to China. Both sides agreed that Prime Minister Modi will pay an official visit to China in the first half of this year. Both sides are actively preparing for this visit. I am eagerly looking forward to this visit and full of confidence about its success. I believe that this year would again bring a bumper harvest for the China-India relations.

Dear Friends, Ladies and Gentlemen,

Over a long period of time, our friends in Indian media and various think tanks have made immense contribution towards advancing
the China India relations; they have worked especially hard to enhance mutual understanding and friendship between the people of our two countries. I take this opportunity to express my heartfelt gratitude to all of you. Media and think tanks are important propellers of development of China India relations. They play a significant role in improving mutual cognition and enhancing mutual trust. It is my heartfelt wish that the Indian media and think tanks grasp the mainstream of bilateral relations; write even more about the cultural and historical links and the progress and achievements of our two countries; offer advice and suggestions for developing bilateral relations and enhancing pragmatic cooperation; become a window for the people of two countries to understand each other; a bridge facilitating communication, and an engine promoting bilateral cooperation and exchanges. You are always welcome to call or visit the Embassy. I and my colleagues are eager to strengthen correspondence and communication with all of you. Let’s jointly instill positive energy into the development of China India relations.

Dhanyawaad!

On the 65th Anniversary of India-China Diplomatic Relations

Prof. Priyadarsi Mukherji

It was exactly after six months of the founding of the People’s Republic of China that the formal diplomatic ties between India and China were established. On the 1st of April 1950, India became the first country from the non-socialist bloc and the tenth country in the world to have recognized the People’s Republic of China (PRC), thereby attaching importance to the aspirations of the Chinese masses. This year China and India would celebrate the 65th anniversary of that historic moment. As the popular saying goes, “A friend in need is a friend indeed”, India extended her hand in friendship with China at an hour when the Western world was extremely apprehensive about the political ideology of New China. One has to pay due attention to the fact that the English-speaking world with which China today aspires to be at par with— took two to three decades more to recognize Red China. India has not only been a cultural kin of China but has also been active in promoting China’s global status. We cannot forget the great contributions made by Rabindranath Tagore, Dwarkanath Kotnis and many others who actively and wholeheartedly supported the cause of China’s liberation. In the literary and cultural spheres, there have been a number of personages in ancient and modern times— from both India and China— whose contributions have enriched and enhanced the cross-cultural communication that paved the path for greater understanding, mutual appreciation and for furthering the cause of peaceful development. And the basis of that peaceful development can only be possible on the basis of long-lasting friendship and sustainable cooperation. While engaging ourselves in this discussion, one might like to examine what the Chinese had to say about the concept behind friendship.

One can get to know etymologically that the Chinese expression Youyi for friendship is comprised of two characters. The first character You is a stylized depiction of two clasping hands, meaning amity; and the second character Yi is reflective of befitting words that denote friendly sentiment. Intimacy and affection conveyed through deeds and honoring the words uttered...
verbally—manifest genuine friendship.

In 1939, when the famous Chinese painter Xu Beihong (1895-1953) visited Visva-Bharati on an invitation from Tagore, he got enchanted with the nature in and around Santiniketan, giving expression to his creativity through sketches and portraits. One such portrait which Xu Beihong made was that of my paternal grandfather Prabhat Kumar Mukherji (1892-1985) who was a renowned historian, sinologist and the most famous biographer of Tagore. Xu had also got Prabhat Kumar’s signature in Bengali at the base of this portrait. In December 1985, during an art exhibition in Delhi, I discovered this portrait dated 7 September 1940 and shared it with Xu’s wife Liao Jingwen, much to the latter’s delight. The work is preserved in the Xu Beihong Memorial Museum in China.

My father Visvapriya Mukherji (1930-1984), who had been a versatile academician in both science and humanities, a pioneer in History of Science, and a friend of Joseph Needham, was just ten when he interacted with Xu Beihong in the latter’s studio. Probably due to Xu’s inspiration, he became an artist par excellence—expert in portraying human beings.

While carrying the baggage of cultural legacy, India and China have traversed across the vast expanse of time and space—cutting through deserts and sailing through oceans to learn from each other. Now the new age has arrived where inter-dependence is unavoidable. We must not forget that the interests of the Asian nations can only be preserved by the conscious efforts of the Asians themselves. There cannot be any room for unethical, cut-throat competition whereby predatory powers of the West could fish in the troubled waters—taking advantage of any intra-Asian dispute. Otherwise that would then prove detrimental to the interest of the region as a whole. After the passage of several centuries, we must not be oblivious that India and China are the only surviving civilizations by the virtue of their profound philosophy of love and
morality, because of their understanding of the other and a non-aggressive culture. For good-neighborly relations, for China there cannot be no India, for India there cannot be no China. The only path is to know each other in the most earnest manner. It is undeniably true that the material civilization in the world came along with the great inventions made by China, and the life-spring of spiritual civilization emerged from India. The human body standing erect by virtue of spinal cord and bones—needs music for its spiritual life, and food for its material existence. That is how the Chinese character 体 (body) is structured. In my view, the east-west alignment of the Himalayas is the material spine that link India and China, and the Buddhist sutras constitute the spiritual spine that nurture the thoughts in India and China. The mind and the body are reflective of our two civilizations.

We currently should take a leaf out of China’s new initiatives to root out corruption by combating “tigers” and “flies”. This has been a robust effort undertaken by President Xi Jinping—as he proclaimed that power must be “caged” by the system. Probably in every society the problem of corruption needs to be addressed in a similar fashion. In India too, where corruption is rampant, it is imperative for us to take practical lessons from Xi’s initiative.

When Narendra Damodardas Modi was the chief-minister of Gujarat, it was only China which understood his charisma as a leader. The West boycottted him and denied him a visa for more than a decade. But China has been having no such bias or prejudice against Modi whom they considered a man of action and farsightedness. The petty domestic politics in India could not affect China’s focus on her sole agenda of enhancing cooperation and development. Unlike the West, China in fact adhered to her policy of non-interference in domestic affairs of India, and also her independent foreign policy—certainly not
dictated by the West. Recently, Prime Minister Modi’s friendly gestures towards President Xi Jinping and his wife Peng Liyuan in September 2014—have been extremely cordial, and full of expectations towards opening up a new chapter in our bilateral relations—based on the spirit of peaceful neighborliness and reciprocity. A benign and constructive dispensation during the process of engagement would be imperative for any fruitful neighborly relations. Modi’s initiative of assistance and equal partnership in the immediate neighborhood is in consonance with Xi Jinping’s diplomacy and effective measures adopted to a practical extent.

Here we might recall what President Xi Jinping said on 24 October 2013. He stated that “China’s basic policy of diplomacy with neighboring countries is to treat them as friends and partners, to make them feel secure and to support their development. This policy is characterized by friendship, sincerity, reciprocity and inclusiveness.” Xi also sought to encourage more cultural and people-to-people exchanges with neighboring countries on his earlier premise that China and its neighbors are full of vigor and vitality, and show obvious strength in development, and high potential. Now when India and China need each other in taking major decisions affecting the well-being of their peoples, the two leaderships would definitely require to coordinate well with each other and carry forward the agenda of mutual benefit. India or China can never wish away the age-old fact that the two countries would remain neighbors and they need to cultivate their traditional ties with increasing vigor. The two countries cannot gain by resorting to mutually-denigrating rhetoric. It is only through positive posturing, either in the realm of journalism, or in the sphere of academic engagements or business transactions that our relationship can turn a new page. Economic success or geopolitical strategies should never be allowed to blur our cultural complementarity nurtured through ages.

Chinese Ambassador Mr. Le Yucheng has instilled a fresh lease of life in the people-to-people communication between India and China. With his open-hearted demeanor he has endeared the people in India from all walks of life. Ambassador Le’s “Silk-Spice” perspective has given a new dimension to our bilateral ties. The Silk Road Economic Belt initiative by China can go on side by side with a Spice Route Prosperity Sphere initiative by India. The Chinese silk and the Indian spice have been after all in high demand from across the world since the ancient times. The Silk Road Spirit can be matched with the Spice Route Spirit. The age-old cold war mentality must give way to a new era of beneficial convergence of interest, and objectives for nation-building—thereby
transforming mutual relations into strategic partnership. The people-to-people contacts must be elevated to newer heights where their hearts would throb in each other’s pain, where people must be trained to hold each other and their customs in high esteem, and where misperceptions about each other will never be encouraged in any form.

At the same time, the state-to-state relations would also need to be bolstered by enhancing security not only in one’s own territory but also in the neighbor’s backyard. Cooperation in the field of anti-terrorism and effective mechanisms therefore need to be formulated and practically implemented by India and China so as to ensure peaceful development in and around one’s own territory. Hence, Xi Jinping’s assertions in his book *The Governance of China*—for a “Culturally-Advanced China”, “Peaceful Development”, “Neighborhood Diplomacy”, and “Multilateral Relations”—altogether assume significance in the light of India-China relations on the basis of mutual empathy and utmost assistance.

The faith with which diplomatic ties were established between India and China, 65 years ago, can be strengthened by changing our ground realities and building confidence among our peoples for a mutually-beneficial future. Thus a handshake would turn truly warm and meaningful which could be cherished with fond memories. And such a handshake could indeed usher a turning point in the collective mindset of a people.

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**Dragon-Elephant Win-Win Tango is Desirable**

– commemorating the 65th anniversary of the establishment of diplomatic relations between China and India

Ma Jiali

On April 1st, 1950, the People’s Republic of China and the Republic of India established formal diplomatic relations. The past 65 years have witnessed a relatively stable development of the bilateral relations. Although there were ups and downs during some periods, but under the joint efforts of both the sides, the bilateral strategic relationship between China and India has matured and are now stepping forward in the direction determined by the leaders of the two countries.

In the early 1950s, the new China was just founded and its international status was relatively fragile. India, a nation which had just won its independence, was the first non-socialist country to establish diplomatic relations with China. Leaders from both the countries were full of expectations from coming together of two great nations. The friendly relationship between the leaders of our two countries with close interaction and cooperation, and frequent high-level visits came to be regarded as a model in the international relations. Similarly, their understanding and cooperation in the international arena were remarkable. Against the then backdrop that United States were using the UN Security Council as a tool to implement hegemony, India dared to speak openly in the support of the restoration of China’s lawful status in the United Nations and criticized the wrongful conduct of ostracizing China of some Western countries. Simultaneously, China also lended strong support to India for its important role in Asian and African countries. The basic idea of “peaceful coexistence” was jointly put forward by China and India in the “Agreement between the People’s Republic of China and the Republic
of India on Trade and Intercourse between Tibet Region of China and India” signed in 1954. On June 28 in the same year, Chinese Primer Zhou Enlai and Indian Prime Minister Jawaharlal Nehru formally proposed the famous “Five Principles of Peaceful Co-Existence” in a joint statement, which later became the accepted basic principles of international relations and has been widely recognized by the international community.

China-India relations have seen rapid development in the new century. After in-depth reflections, the strategic research community of the two countries have further recognized the necessity of developing better strategic relations. Because this is not only our top interest, but also in our common interest. Based on this understanding, both the governments are making efforts to establish a strategic cooperative partnership oriented towards peace and development. Chinese President Xi Jinping paid a historic visit to India in September, 2014. During the visit both sides expressed strong desire for deepening the bilateral relations and strengthening the international cooperation. Prime Minister Narendra Modi will soon embark on his first official visit to China after becoming the prime minister of India. We believe that the high-level mutual visits by the leaders of the two countries will greatly promote the development of bilateral relations, enhance the bilateral cooperation in the international arena, and make great contribution to bring benefits to the 2.6 billion people of our two countries.

The current China-India relationship, with strategic significance and global impact, is facing a rare historical opportunity.

As far as China is concerned, the Chinese government has always placed China-India relations on a very important position. Since the 18th Chinese Communist Party Congress, Chinese leaders have emphasized the importance of China’s relations with India on various occasions. As India is one of China’s major neighboring countries, a new emerging power full of potentiality, a country which has an important status and influence on the international stage, it should be highly valued. As India’s neighbor, China manages relationship with India on the principles of “amity, sincerity, mutual benefit and inclusiveness”, and wishes to further consolidate the foundation of bilateral relations. China adopts more and more practical and effective ways to build mutual trust, and make efforts to ensure steady and healthy development of the bilateral relations, thus actively contributing to the welfare of the people of both countries, to Asia’s peace and development, to the common prosperity of the humanity.

From the Indian perspective, the Indian government has regarded improving and strengthening relations with China as an important part of its foreign policy since the 1990s. Since the beginning of the 21st century, successive governments in India have regarded further improvement in relations with China as one of the priorities of their diplomacy, paid attention to maintaining the momentum generated through close interactions between
the top leaders, and shown the strategic importance of India-China relations to the world. Indian leaders have repeatedly said that India is promoting economic reform and opening up, and called for a stable outside environment and closer strategic developmental partners. China, as India's largest neighbor and a rising major country, apparently meets these needs of India to a great extent from both strategic and economic perspectives.

Therefore, as the political will of the leaders of our two countries shows, both sides share the strong desire to further promote bilateral relations, which is also the great driving force guiding bilateral relations in the right direction. Looking from the perspective of the economic and social development of the two countries, there is a huge potential for cooperation between China and India. As two emerging markets with huge population of 2.6 billion, the exchange and flow of commodities, capital, technology and other production factors, will undoubtedly bring considerable benefits to both. The mainstream public opinion of both countries wishes to strengthen exchanges in various fields, is for proper handling of the bilateral relations and expects efforts to settle issues such as boundary dispute at the earliest. Such positive opinion immensely contributes to the improvement of relations and reduction of doubts.

As the initiators of the Five Principles of Peaceful Coexistence, in the coming years both China and India should continue their efforts to adhere to the principles, i.e., mutual respect for each other’s territorial integrity and sovereignty; mutual non-aggression; mutual non-interference in each other’s internal affairs; equality and cooperation for mutual benefit; and peaceful co-existence. Both should make unremitting efforts to establish a firm strategic partnership for peace and prosperity. There are many favorable conditions for China and India to develop their relations well, but also some disadvantages. The two sides should continue to work jointly to deepen political mutual trust, reduce suspicion, promote win-win economic and trade cooperation, strengthen mutual trust in areas of military and security, strive for the early settlement of boundary dispute, strengthen cultural exchanges and increase non-governmental exchanges. The politicians of our two countries bear the historic mission, and the people bear the solemn responsibility of developing the China-India relations.

(The author is Executive Deputy Director of Centre for Strategic Studies of China Reform Forum. The views expressed by the author are personal.)

**Bearing Witness to the Growth of China-India Relations**

Tang Lu

How can one bear witness to the growth of China-India relations? I’m really not trying to mystify things here. Although I have worked and studied at various places during my 20 years long career, I have never stopped paying attention to India. As a journalist working for the Chinese state news agency, I’ve been writing a variety of reports about India. As a serious scholar, I have been doing in-depth study and thinking on India. I studied international relations at the School of International Studies of the Jawaharlal Nehru University in New Delhi from 1996 to 1997. Later on, I studied about Indian politics and society at the Political Science Department of the Sardar Patel University at Anand, Gujarat from 2004 to 2005. Recalling my two study stints in India, I believe that they have significantly helped me in forming a more objective perspective towards India.

Twenty years ago, if one wanted to study the China-India relations, official statements were the only source, since there were very few reports about each other’s country in the
respective media. At that time, painstaking efforts were needed to find any article about China in the **Indian media**. But nowadays, even skipping **reading the Indian newspapers** for just one day would make me feel that I have missed a lot of reports about China. Media exchanges between the two countries have also become more and more frequent. I remember, ten years ago there was only one Indian journalist in China—my friend Mr. Anil Joseph from PTI, who covered all the stories from China for the **Indian media**. But **now five Indian** correspondents are based in China. Moreover, now China and India are sending several media delegations to visit each other’s country every year. We are also having regular China India Media Forums at both the official and private levels since 2013.

How the youngsters perceive each others’ countries bear significantly upon the future of **China India relations**. In 1997 when I was in India, there were only a dozen Chinese students studying in India, and the number of Indian students studying in China was also almost the same. But now the number of students from both the countries studying on the other side of the Himalayas has experienced an exponential growth. Two years ago I met around 30-40 Indian students in Peking University; I was very surprised by their fluent Chinese, which was much **better than their predecessors**. Also in Peking University, I met many Hindi learners from various Chinese universities. Previously, only a few universities in Beijing offered Hindi major, but now Hindi teaching has expanded to dozens of universities in China.

In fact, I feel that **economic and trade**
cooperation is the fastest growing field in China-Indian relations. 20 years ago, I could not find any Chinese product in the Indian market, but, 10 years ago, things began to change. Even in the small town where I lived in Gujarat, I saw the advertisements of China’s famous groups like Lenovo and TCL. However, on my return to India again this year, I have found out that Chinese products are everywhere. The growth rate of China-Indian trade is even more surprising. I remember that in 1997 in New Delhi, when I was doing a study of China-Indian trade issues at the Federation of Indian Chambers of Commerce & Industry (FICCI), an Indian expert forecasted that the China-India trade volume would reach $10 billion after 10 years. Given the fact that the China-India trade was no more than $1 billion a year at that time, I thought of the $10 billion figure as too unrealistic. However, later on the facts convincingly proved that I was conservative in my judgment. Actually, China-India trade reached $40 billion in 2007, and broke through $70 billion in 2014.

Perhaps I have a special affinity with India, so I am always concerned about all things Indian around me. I feel really happy when I see even a little progress in the relations between the two countries. For example, I noticed that Aamir Khan starrer “Lagaan” could not garner any positive response in China in 2001, whereas, in 2011, his “Three Idiots” was immensely liked by the Chinese audience. Many youngsters in China become interested in India after watching “Three Idiots”. Another example is that of my friend M.H. Pastakia from Mumbai, who mustered all his courage to open his first Indian food restaurant, Taj, in Beijing in 1998.

At that time business was slack. However, with the development of China-India relations, the number of Indians visiting China has increased a lot, and over a period of time, the Chinese people have also become more interested in the Indian food. Pastakia has opened three more branches of his restaurant in Beijing and the numbers of Indian restaurants have increased in Beijing, Shanghai, Chengdu and other Chinese cities.

Frankly speaking, although the last 20 years have seen a rapid development in China-India relations, I still feel there is some mistrust between the two countries. I think that continuing the official contacts is necessary for us to promote our relations, but boosting people-to-people exchanges in the following areas will also improve the relations effectively. First, we must conduct more comprehensive exchanges between the media of our two countries, because the media plays a vital role in building a healthy environment for the growth of the China-Indian relations. The way media persons perceive each others’ country is bound to affect more and more ordinary people. So, the suggestion is that influential Indian media persons should be recommended to visit China, and training courses for the journalists under the age of 35 years from both the countries...
should be held regularly. Second, we must strengthen exchanges and cooperation between our universities. Currently there is little cooperation between the Indian and Chinese universities and colleges. If we increase inter-university cooperation, then we would be able to create a huge platform to enhance mutual understanding between the youngsters from the two countries. Third, I think movies are probably the most direct, convenient and influential way to enhance people-to-people exchanges. The Chinese government should introduce more Bollywood movies about the contemporary India every year and attach importance to their pre-release promotion by the media. Fourth, the Chinese side should promote India as a tourist destination and encourage the Chinese people, especially the intellectuals, to travel to India. The tourism conditions in India are not very comfortable, but a visit to India offers the visitor a chance to know oneself and purification of one’s mind.

The year 2015 marks the 65th anniversary of the establishment of diplomatic relations between China and India. In this special year, I am back to the familiar shores of India. As the bureau chief of Xinhua News Agency in Mumbai, I wish to witness the changes coming to India under the leadership of Prime Minister Narendra Modi, and the new leap in China-India relations under the leadership of Chinese President Xi Jinping and Indian Prime Minister Narendra Modi.

(The author is Mumbai Bureau Chief of Xinhua News Agency. The views expressed by the author are personal.)

**EXTERNAL AFFAIRS**

**Xi Meets with Kissinger, Calls for More Trust Between China, U.S.**

Beijing, March 17 (Xinhua) — President Xi Jinping on Tuesday called for more strategic trust and reciprocal cooperation between China and the United States.

Xi made the remarks as he met with former U.S. Secretary of State Henry Kissinger at the Great Hall of the People in downtown Beijing. Xi praised the veteran diplomat as an “ice-breaker” for China-U.S. diplomacy in the 1970s and for his continuous contributions to the relationship over the past decades.

Recalling his talks with U.S. President Barack Obama in Beijing in November and in a telephone conversation last month, Xi said the two presidents have charted the course for the bilateral relationship and China-U.S. ties are witnessing visible progress.

Xi highlighted the importance of building a new type of China-U.S. relationship as well as peace, stability and prosperity in the Asia-Pacific region and the world.

“China attaches great importance to ties with the United States and is ready to make joint efforts with the U.S. side to take care of the relationship,” said the Chinese leader, adding that he looks forward to a state visit to the United States later this year.

Xi said China will stick to the path of peaceful development.

“We need a peaceful environment for development and China is a positive and constructive force in international affairs,” said the Chinese president.

To advance the China-U.S. relationship, the two sides should learn from history, bear in mind the overall situation and enhance mutual understanding to build strategic trust in each other, according to the president.
Xi Reaffirms China's Support for European Integration

Beijing, March 16 (Xinhua) — Chinese President Xi Jinping on Monday reaffirmed support for European integration, expecting closer cooperation between China and the European Union (EU).

Xi made the remarks as he met with European Parliament President Martin Schulz at the Great Hall of the People, saying the development of Europe was an important component of multi-polarization of the world.

Recalling his visit to EU headquarters last spring, Xi said the two sides have been deepening their partnership for peace, growth, reform and civilization.

Xi said the two sides should consider the 40th anniversary of official EU-China diplomatic relations as a new starting point, and work together to increase political interactions,

He said the two countries should respect each other and seek common ground while setting aside differences to manage disputes and sensitive problems.

During the meeting, Xi also briefed the guest on China’s annual sessions of the legislative and political advisory bodies, which have convened over the past two weeks.

For his part, Kissinger hailed the ongoing historic reform in China and said that the U.S.-China relationship is an important one involving global peace, progress and development.

It is a far-sighted decision in the interests of both sides to build a new type of relationship between the two major countries, Kissinger said, wishing President Xi a successful visit to the United States.
and practical cooperation.

During the meeting, Xi also briefed the guest on China’s annual sessions of the legislative and political advisory bodies, which were convened in the past two weeks, as well as the work on formulating the country’s 13th Five-Year Plan.

For his part, Schulz said it is important for Europe and China to consolidate their relationship as they share many common interests and are faced with similar problems.

Europe will work with China to boost practical cooperation and advance the partnership, Schulz said.

**Chinese President Xi Jinping Meets with Britain's Prince William**

Beijing, March 2 (Xinhua) — Chinese President Xi Jinping on Monday told Britain’s Prince William he was looking forward to visiting the United Kingdom later this year at the invitation of Queen Elizabeth II.

“I look forward to meeting British leaders during the visit to jointly plan out the future of China-UK relations,” Xi told the prince after being handed the invitation by the prince during a meeting at the Great Hall of the People.

Xi said both China and the United Kingdom were influential countries in the world and that they shared common interests and responsibilities.

Hailing the development of the China-UK comprehensive strategic partnership, Xi highlighted cooperation between the two countries in finance, nuclear power and high speed railways.

Xi said the trade volume had exceeded 80
billion U.S. dollars between the two countries and that the United Kingdom was a major destination for Chinese investment.

As China and the UK are important representatives of Eastern and Western civilizations, Xi said the exchanges and cooperation between the two countries would make contributions to the progress of global civilizations.

Xi asked Prince William to convey his cordial greetings and best wishes to the queen.

“The British royal family holds great influence, not just in the UK but across the world,” Xi said.

The British royal family has shown great interest in and support for the China-UK relationship and has contributed to exchanges and cooperation between the two countries, Xi said, adding that the China looked forward to welcoming more members of the royal family to the country.

Prince William said he was ready to strengthen relations between the countries, and he was particularly interested in the younger generation.

The prince arrived in Beijing on Sunday evening for his first visit to China. The four day tour will also take the Duke of Cambridge to Shanghai and southwestern Yunnan Province, where he will attend a series of cultural and public welfare events.

During Monday’s meeting, President Xi and Prince William, both soccer fans, also talked about sporting exchanges between the two countries.

They also exchanged views on wildlife protection. Xi briefed the prince on China’s policy and efforts to protect elephants and other wild animals, adding that the Chinese side hoped for more international cooperation in the area.

Prince William said he appreciated China’s work and that he hoped China would establish itself as a leader in wildlife protection.

Later in the morning, Chinese Vice President Li Yuanchao also met with Prince William at the Great Hall of the People.
Chinese Premier Li Keqiang Meets with Sri Lankan Foreign Minister

In the afternoon of February 27, 2015, Premier Li Keqiang met with Foreign Minister Mangala Samaraweera of Sri Lanka in Beijing, capital of China.

Li Keqiang expressed that China and Sri Lanka, serving as good neighbors and partners to each other, enjoy profound traditional friendship. The Chinese government attaches great importance to developing relations with Sri Lanka, respects the development path independently chosen by the Sri Lankan people in line with their national conditions, and stands ready to, together with the Sri Lankan side, hold the general direction of the bilateral relations, consolidate mutual political trust, intensify high-level exchanges, deepen practical cooperation, and safeguard the common interests, so as to ensure a healthy and stable development of China-Sri Lanka strategic and cooperative partnership and bring tangible benefits to the two peoples. It is hoped that the Sri Lankan side could provide a sound legal environment for Chinese investment.

Li Keqiang pointed out that China always sticks to the principle of good-neighborliness, friendship, mutual benefit and win-win results in its exchanges with the neighboring nations. China will uphold the concept of amity, sincerity, mutual benefit and inclusiveness, communicate with its neighboring countries in a sincere manner, meet each other halfway, better integrate its development strategy with its neighbors and jointly build a community of shared destiny and common development.
China will also make efforts to properly handle relevant issues through friendly consultation, make the bilateral cooperation withstand the test of times and distress, and bring each other opportunities and supports through the development of each nation, so as to safeguard regional peace and stability and achieve common development and prosperity.

Mangala Samaraweera said that both of Sri Lanka’s political parties pursue a friendly policy towards China. The new government of Sri Lanka is ready to make joint efforts with China to deepen the existing sound relations with China to deepen the existing sound relations between the two sides and uplift the bilateral cooperation in all fields to a new high. Sri Lanka welcomes more Chinese enterprises to invest in Sri Lanka and will provide convenience and create favorable environment for them.

Sri Lankan FM Reassures Chinese Investors

Beijing, Feb. 27 (Xinhua) — Sri Lanka’s foreign minister has moved to reassure Chinese wishing to invest in his country despite an apparent backtracking in the approval of a China-funded port project in Colombo.

Mangala Samaraweera is on a two-day China visit, the first by a Sri Lankan minister since Sri Lanka’s new government took office in January, and it comes after the government decided to re-examine arrangements to build the 1.4-billion-U.S.-dollar project.

On Feb. 5, it allowed the project to continue after an environmental assessment study. But last week, Sri Lanka said it would reconsider the outright transfer of a parcel of land to China under the deal.

The re-examination is not targeted at China, as Sri Lanka does the same with projects funded by other countries, Samaraweera told reporters. “Anything relating to Chinese investment will be shared and discussed with the government of China before we take any final decision,” he said.

“We will always welcome Chinese investment as one of the emerging superpowers in the world,” Samaraweera said when meeting with the press along with his Chinese counterpart Wang Yi after their talks on Friday.

China's 2015 Diplomacy Focuses on "Belt and Road"

Beijing, March 8 (Xinhua) — China’s diplomacy in 2015 will focus on making all around progress in the “Belt and Road” initiatives, said Foreign Minister Wang Yi on the sidelines of the ongoing national legislative session on Sunday.

“The keyword for China’s diplomacy in 2015 will be one focus and two main themes,” Wang said.

Referring the focus to the progress of “Belt and Road” initiatives, Wang said China will further enhance policy communicating with other countries, expand the convergence of the shared interests and explore possible areas of win-win cooperation.

The priorities will be promoting connectivity, building overland economic corridors and pillars of maritime cooperation, he said.

China will also improve cultural and people-to-people exchanges and speed up talks of free trade areas with relevant countries.

“We are confident that Belt and Road initiatives will win even more supports and deliver even more early harvests,” he said.

Two main themes will be peace and development, the minister noted.

China will work with the international community to mark the 70th anniversary of the end of the World Anti-Fascist War and make itself a strong force for peace by learning the lesson from the past and looking towards the
future, he said.

The country will also take an active part in the UN development summit and international cooperation on climate change, he said.

China will play a constructive role in helping to secure a post-2015 development agenda and new international arrangements to address climate change, which are in line with the interests of developing countries, he said.

Summing up China’s diplomatic progress in 2014, Wang said it is worth mentioning that China focused on building a new type of international relations featuring win-win cooperation and has taken a new path of external relations characterized by partnership rather than alliance.

“We have basically established a global network of partnerships,” he said. “China’s circle of friends and partners has widened and will continue to expand.”

China has established different forms of partnership with more than 70 countries and many regional organizations by 2014.

Wang described the year of 2014 as the one of harvest as well as of forging ahead and breaking ground.

China left its own imprint in the history through successfully hosting the meetings of the Conference on Interaction and Confidence-Building Measures in Asia (CICA) and APEC, while taking an active part in settling international hotspot issues, according to Wang.

Silk Road Initiatives not China’s Marshall Plan

Beijing, March 2 (Xinhua) — China’s Silk Road initiatives should not be referred to as another Marshall Plan, said a spokesman with the country’s national political advisory body Monday.

China’s initiatives of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, or
Belt and Road, is a new model of South-South and regional cooperation, said Lyu Xinhua, spokesman with the annual session of the National Committee of the Chinese People’s Political Consultative Conference (CPPCC).

The “Belt and Road” initiatives seek common development of countries with different ethnicities, religions and cultures, focusing on wide consultation, joint contribution and shared benefits, Lyu said.

The Marshall Plan has its own historic context and different political intentions with many conditions attached, he said.

“It is inappropriate to simply describe it (the Belt and Road initiatives) as another Marshall Plan,” Lyu said.

The Marshall Plan was the postwar plan of the United States to provide economic and military assistance to its allies of western Europe, part of the efforts to contain the expansion of Soviet Union.

China’s initiatives have led to the Silk Road Fund and the Asian Infrastructure Investment Bank, which aim to improve connectivity and provide more public services for people in this region, he said.

“We do expect the early realization of connectivity will benefit people of all countries along the Belt and Road,” he said.

With China’s Silk Road Initiative, SCO Eyes Bigger Global Role

Moscow, March 10 (Xinhua) — The Shanghai Cooperation Organization (SCO) will combine national development strategies with the China-proposed Silk Road Economic Belt initiative and work for deeper involvement in global affairs, its secretary-general said Tuesday.

“A 10-year strategy has been drafted by the Russian side. It is expected to be adopted during the SCO summit in (Russia’s) Ufa,” Dmitry Mezentsev said a day ahead of the opening of the 10th session of the SCO Forum in the western Siberian city of Khanty-Mansiisk. The strategy will be the SCO’s proclamation for deeper and wider participation in global affairs,” and combine the national economic strategies of SCO members with the big Silk Road Economic Belt project, he said.

With regard to the expansion of the organization, Mezentsev said the issue will be discussed in the nearest future and there are no legal hurdles for that.

“Specific decisions need to be made at the level of leaders of SCO member countries,” he added.

Founded in 2001, the SCO comprises China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan as full members, with Afghanistan, India, Iran, Mongolia and Pakistan as observers and Belarus, Turkey and Sri Lanka as dialogue partners.

Russia holds the rotating presidency of the SCO in 2015.
China's Silk Road Fund Starts Operation

Beijing, Feb. 16 (Xinhua) — A Silk Road Fund designed to finance the China-proposed “Belt and Road” initiatives is now active, the central bank said in a statement Monday.

“The priority [of The Silk Road Fund Co. Ltd] is to seek investment opportunities and provide monetary services throughout the Belt and Road Initiatives,” according to the statement released by the People’s Bank of China (PBOC).

“Belt and Road” refers to the Silk Road Economic Belt and the 21st Century Maritime Silk Road initiatives proposed by China in 2013 for improved cooperation with countries in a vast part of Asia, Europe and Africa.

President Xi Jinping announced the creation of the 40 billion U.S. dollar fund in November, and it was established on Dec. 29, 2014.

The company will invest mainly in infrastructure, resource development, as well as industrial and financial cooperation, in an effort to achieve common development and prosperity.

“The Silk Road Fund welcomes [...] domestic and overseas investors,” the statement said.

The company was jointly backed by China’s foreign exchange reserves, the China Investment Corp., the Export-Import Bank of China and China Development Bank (CDB).

In the first phase, the company raised 10 billion U.S. dollars, with foreign exchange reserves taking up 65 percent, CDB 5 percent and the other two companies each investing 15 percent.

Other institutions can invest in the company’s second and third phase as long as they can make a long-term commitment, said PBOC governor Zhou Xiaochuan.
China to Share Economic Development with Countries along Maritime Silk Road

Colombo, Feb. 12 (Xinhua) — China’s initiative of building the “21st Century Maritime Silk Road” will significantly promote mutually beneficial cooperation between countries along the ancient sea route and share among them a vast market provided by China’s economic expansion, a Sri Lankan expert said.

Asanga Abeyagoonasekera, executive director of the Lakshman Institute of International Relations and Strategic Studies, told Xinhua on Wednesday that the new maritime Silk Road, a revival of sea trade route of the economic and cultural exchanges between ancient China and the rest of the world, will boost the connectivity and economic integration in South Asia, including Sri Lanka.

With upgrading and improving transport networks in the sea, envisaged by the maritime Silk Road, a revival of sea trade route of the economic and cultural exchanges between ancient China and the rest of the world, will boost the connectivity and economic integration in South Asia, including Sri Lanka.

“Especially for Sri Lanka, which is in the post-war reconstruction, it needs to develop rapidly by being incorporated in a regional economic system,” said the expert of the Sri Lankan government think tank.

The maritime Silk Road initiative, proposed by Chinese President Xi Jinping in 2013 together with the “Silk Road Economic Belt,” will offer a platform for the fight against terrorism.

“It’s expected to contribute to the regional peace, stability and security,” Asanga said.

He also pointed out that the maritime Silk Road, as an open platform for cooperation, will help other countries better communicate with and understand China.

“It will surely help enhance the connections in South Asia and ensure the fair and orderly competition in the new era,” said Asanga.

China's Maritime Silk Road Initiative Promotes Regional Prosperity

Beijing, Feb. 11 (Xinhua) — A two-day international seminar on China’s 21st Century Maritime Silk Road initiative held in southeast China’s Quanzhou.
The vision, proposed by Chinese President Xi Jinping in 2013, is in no account aimed at China’s hegemony, but solely dedicated to regional development and prosperity.

Some American experts have said that China’s infrastructure initiative was designed as a response to the challenge of the U.S. strategy of maintaining its influence in Asia.

Such allegations reflect the hegemonic thinking of their advocates, and such prejudiced and short-sighted judgment has obviously misunderstood China’s goals.

It is true that China intends to boost regional connectivity. Better infrastructure and transportation systems will play a key role in creating an Asia-Pacific economic community that will lead to the prosperity of all related countries.

Over the past months, worries over China’s leading role in the development of the 21st Century Maritime Silk Road have been constantly brought up.

However, China is not pursuing hegemony. Instead, it aims to realize a win-win situation with relevant countries along the ancient trade routes. In fact, China’s efforts to revive the sea routes, which channeled economic and cultural exchanges between ancient China and the rest of the world, are not for dominance in the region.

Meanwhile, China needs to seek new trade and investment opportunities to boost the development of its own and its partners, and the establishment of the new Maritime Silk Road will greatly push such an endeavor. Thus the rejuvenation of the Maritime Silk Road will boost not only China’s development but also regional prosperity.

Overseas experts have made positive comments on China’s 21st Century Maritime Silk Road initiative, saying it will promote the development of the countries along the route and boost regional prosperity.

Professor James Peck from New York University told reporters that the strategic 21st Century Maritime Silk Road initiative will exert an important influence on the economic development of Asia.

The initiative links countries along the road economically and culturally, he said, adding that the countries could share resources and achievements in trade, which will make Asia’s economy even more vibrant.

Peck also lauded China for its positive role in promoting global economic growth, saying China, as a major developing country, has continuously improved its international communication and cooperation skills.

John Wong, academic advisor to the East Asian Institute of the National University of Singapore, pointed out that China attaches more importance to interdependence in its external economic activities.

Meanwhile, he said that equality and mutual benefit, interdependence and common prosperity are the starting point of China’s
Bambang Suryono, a senior Indonesian political analyst, said the 21st century is a maritime century and China’s Maritime Silk Road initiative shows its willingness to conduct peaceful cooperation with other countries in developing the ocean.

It is an inevitable choice for the world to build a platform for win-win cooperation under the current trend, he said, adding that the Maritime Silk Road provides the Asia-Pacific countries with an opportunity to strengthen dialogue and coordination in a bid to maximize common interests.

Richard Tan, vice secretary-general of Association of Indonesia-China Economic, Social and Cultural Cooperation, said the Maritime Silk Road initiative fully demonstrates China’s sincerity to strengthen cooperation with ASEAN countries to boost connectivity and set up a regional financial mechanism.

The initiative is an adjustment and upgrade of the current regional cooperation mechanism, which will create “a whole greater than the sum of the parts,” he said.

The 21st Century Maritime Silk Road initiative, proposed by Chinese President Xi Jinping in 2013, covers countries and regions with a total population of 4.4 billion and a total economic volume of 21 trillion U.S. dollars, 63 percent and 29 percent respectively of the world’s total.

On Wednesday, a two-day international seminar on beefing up maritime trade infrastructure in Asia was opened in Quanzhou, a city in southeast China’s Fujian Province. Over 280 academics and experts from 30 countries attended the seminar, themed “collectively building the 21st Century Maritime Silk Road and creating a community of common destiny”, and discussed proposals on building the 21st Century Maritime Silk Road.

World Factory to World Investor

by Zhou Xiaoyan

Dubbed “the world factory,” China has a long history of being a paradise for global investors, with an abundant and cheap labor force, vast land and a wide range of preferential policies. However, that tradition changed dramatically in recent years, as the capital inflow to the country substantially slowed and capital outflow grew rapidly. The country ascended to join the world’s net capital exporters for the first time, with capital output outnumbering capital inflows last year.

Chinese investors channeled capital into 6,128 overseas firms in 156 countries in 2014, with outbound direct investment (ODI) in non-financial sectors reaching $102.89 billion, up 14.1 percent from a year earlier, according to the Ministry of Commerce (MOFCOM).

In sharp contrast, foreign direct investment to China grew much slower at 1.7 percent, totaling $119.56 billion in 2014. It was the first time two-way nominal capital flows have been near a balance, according to the MOFCOM.

“If Chinese firms’ investment through third-party financing is included, the total ODI volume would equal about $140 billion, which means China is already a net outbound investor,” said
Shen Danyang, spokesman of the MOFCOM.

According to the MOFCOM, mergers and acquisitions were more diversified in investment projects and fields in 2014. Popular sectors, like the energy and mining sectors, continued to earn more investment, while active acquisitions pushed forward in the manufacturing sector and the agricultural sector.

Meanwhile, a better industrial investment structure is taking shape, with leasing and commercial service, mining and retail, and wholesale business as the top three key overseas investment sectors, said Shen.

Xing Houyuan, Vice President of the Chinese Academy of International Trade and Economic Cooperation (CAITEC), told Beijing Review that a surging ODI from China is a result of foreign countries’ thirst for investment and Chinese companies’ growing ambition for more development beyond the border amid an overheated domestic economy.

“From the demand side, the world needs Chinese capital more urgently than ever. The infrastructure construction and high-end manufacturing in developed countries need Chinese investment, while developing countries, which are in a key period of their industrialization and urbanization, also need China’s capital, technologies, equipment and expertise in infrastructure construction,” Xing specified.

“From the supply side, after 35 years of accumulation in capital, production capacity and experience in construction, China can meet global demand. China’s industrial upgrade also requires the nation to transfer part of its advantageous production capacity to other countries,” she said.

Marching Forward

According to the MOFCOM, outbound investment from China grew over 40 times over the past 12 years.

“It’s a result of the government’s strategy to go global as well as Chinese companies’ continuous efforts,” said Long Guoqiang, a senior research fellow with the Development Research Center of the State Council.

The fact that China has become a net capital exporter signals the Chinese economy has been infused into the global economy and both the competitiveness and internationalization of Chinese companies have greatly improved, Long said.

Zhang Yongjun, a research fellow with the China Center for International Economic Exchanges, said it’s a rare phenomenon for a country to become a net capital exporter when it’s still a developing country, breaking the previous trend that only developed countries may join the club of net outbound investors.
“The main reasons for the surging ODI are China’s economic upgrade, continuous trade surplus, abundant foreign exchange reserves as well as the country’s advantages in several industries,” Zhang said.

Deng Yujun, an economics professor with the South China Normal University based in Guangdong Province, said capital outflow from China will greatly facilitate the internationalization of the Chinese currency, the yuan.

“Among the total outbound investment from China, the majority is yuan-denominated, making the currency one of the most popular clearance and reserve currencies in the world,” Deng said.

With $4 trillion in foreign exchange reserves and continuous supportive policies such as the Silk Road Economic Belt and 21st Century Maritime Silk Road initiatives, the potential for a much larger flow of outbound investment from China is enormous.

To better integrate the regional economy, China proposed the Belt and Road initiatives in 2013. Last November, Chinese President Xi Jinping announced that China would contribute $40 billion to set up a Silk Road infrastructure fund to break the bottleneck in Asian connectivity by building a financing platform. The China-led Asian Infrastructure Investment Bank, which was established last October, will be dedicated to funding infrastructure projects in Asia.

CAITEC’s Vice President Xing said the two initiatives will further increase outbound investment from China. China has accumulated a lot of experience and expertise in infrastructure construction, which will greatly contribute to countries involved in the two initiatives, she said.

“China is a big country but not yet a strong one. China doesn’t want to be strong alone. It wants to share its prosperity with other countries to achieve mutual benefits. Therefore, this is not the government-pushed ‘Marshall Plan’ as some have speculated,” Xing said. Officially known as the European Recovery Program, the Marshall Plan invested $17 billion in the rebuilding and bolstering of European economies after World War II.

Xing said the Marshall Plan aimed at boosting U.S. influence in Europe, while the two initiatives are both about planning, building and sharing fruits of development of countries and regions along the proposed routes. “China will definitely respect the will of countries along the proposed routes and give full consideration to their needs so as to achieve win-win and multi-win results.”

Roadblocks

Despite remarkable progress in overseas
investment, China still has a long way to go before becoming a more sophisticated capital exporter like the United States and Japan.

According to data from the MOFCOM, accumulated ODI from China stood at $646.3 billion as of the end of 2014.

Jiang Zengwei, Chairman of China Council for the Promotion of International Trade, said the accumulated ODI from China is a small number compared to those top global investors.

“It’s about one tenth of the accumulated ODI from the United States, half of the ODI from Japan and one third from Germany,” Zeng said.

“But I think as China becomes a more international company, China’s ODI still has huge development room,” Jiang said.

With that being said, Jiang said Chinese companies’ overseas foray is not without obstacles.

China’s telecom operators Huawei or ZTE were blocked from the United States over security concerns in 2012. Last year, the Mexican Government cancelled a $3.7-billion high-speed train contract won by a group headed by China Railway Construction. In addition, China’s top smartphone maker Xiaomi was mired in lawsuits on the ground of intellectual property infringement in India.

“They will face many challenges and uncertainties when expanding overseas markets, including accelerating trade protectionism worldwide, an ever-changing international market, a lack of understanding toward the political and economic environment in investment destinations, poor access to financing channels and the shortage of a talent pool that’s familiar with international business operations,” Jiang said.

Wang Huiyao, Director General of the Center for China and Globalization, a non-profit think tank based in Beijing that conducts research on many global issues, agreed.

“Lack of trust with local stakeholders, fierce competition from local and Chinese counterparts and ignorance of the local regulatory and cultural environment have caused trouble in overseas investments and operations,” Wang said. “It requires careful homework and cooperation with government, professional third-party agencies and qualified international talent to be a competent and responsible buyer.”

Xing summarized the risks facing Chinese companies’ overseas expansion as follows.

“First, there are risks caused by uncontrollable factors, such as natural disaster,
religious conflict and war. Second, some risks occur because Chinese companies fail to adapt to local environment, have flawed internal control or have poor abilities to integrate local resources. Finally, there are trade protectionism laws specifically targeting Chinese companies or citizens, such as the deadly riots targeting Chinese people in Viet Nam last May and untenable allegations from the United States over national security concerns targeting Chinese companies,” Xing said.

“Chinese companies can buy relevant insurance to reduce losses in case of the first type of risk. For the second type of risk, Chinese companies should improve their management standards and strengthen internal control in overseas markets. Industrial organizations can play their role in this respect, too, through methods like disciplining Chinese companies and preventing cutthroat competition among Chinese companies,” Xing suggested.

“As for trade protectionism, I don’t think any company is powerful enough to solve it. Companies concerned should report that to the Chinese Government and the issue should be solved in government-level bilateral talks,” Xing said.

China Goes Global

by Michael Zakkour

China’s reemergence as a global economic superpower during the end of the 20th and into the early 21st century was marked by a long list of firsts, milestones and eye-popping statistics.

The 1990-2014 period saw China become the largest manufacturing and export country in the world. China gained admittance to the WTO, became a host of the Olympics and saw its cities become some of the largest in the world. Its economy boomed, and it became the largest consumer market. A Chinese company became the world’s biggest e-commerce player. Its auto market surpassed all others in growth. Finally, its crowning achievement was becoming the world’s second largest economy.

Many policies, events and factors combined to make all of this possible, including the government’s long-term planning and willingness to experiment, the entrepreneurial passion of the people and the opening up to world markets. In turn, the world embraced China. Privatization and the modernization of old businesses and an emergent middle class resulting from massive job growth and urbanization, also contributed to the phenomenon of China’s growth.

However, one of the key foundations for all of this success was foreign direct investment, or inbound investment into China. No amount of policy changes, entrepreneurial spirit, technological development or urbanization could count for anything unless the money to build new businesses and industries and to institute new policies was not made available.

Thirty years ago, the West had the money, the banks, the companies, the experience and the desire to invest abroad, and a great deal of this investment went to China. Companies from regions and countries such as Hong Kong, Taiwan, Singapore, the United States and
Europe invested in making the Chinese mainland the workshop and marketplace of the world. Eventually, they invested in providing Chinese citizens with the products and services they needed and desired. The West also had the wealth and the insatiable appetite for goods and products that made the investments in China pay off in affordable products for import, which allowed the government, businesses and individuals in China to profit.

In 2015, the roles have been, in many ways, reversed. China has the economy, the money, the banks, the foreign reserves, the companies and the individuals who are ready, willing and able to invest outside of China.

**Net Cash Exporter**

For most of the last 30 years China has been a net cash and investment importer, a natural role for a developing economy. What has separated China from other net cash importers is how its people have used those investments to grow and prosper for the long term.

During this period, outbound investment started as an experimental afterthought but has now become a primary driver for future growth.

In 2002 China invested about $2.7 billion on acquisitions and new projects overseas. In 2013 the total had increased to $108 billion. In 2014, China’s outbound investment reached $116 billion. If Chinese firms’ investment through third-party financing is included, the total investment would amount to $140 billion. In 2015 I expect that to increase to between $180-$250 billion.

The major factors that will spur record outbound investment and make China a larger net exporter of investment include a natural and healthy adjustment in the mainland economy making overseas investments, an attractive—and needed—part of China’s growth; government, corporate, bank, private equity and private wealth interests seeking high growth opportunities; the desire of foreign governments, companies and property holders for Chinese-led investment; and the growing wealth of all Chinese individuals.

Outbound investment from China can be divided into three categories: government- or bank-led; corporate-, private equity (PE)-, or venture capital (VC)-led; and private- or individual-led.

**Government-led**

The Chinese Government has more than $4 trillion in government-administered foreign reserves. It will continue to put this money to good use in a number of ways.

It will continue developing strong relationships in Africa and Latin America through investment in local economies and infrastructure as well as the development and purchase of much needed natural resources. Smart governments will continue to engage China and learn how to create mutually beneficial partnerships.

China will also continue to utilize the massive wealth and immense brainpower that make up the China Investment Corp. (CIC), the
largest sovereign wealth fund in the world. Founded in 2007 with $200 billion in assets CIC has leveraged smart investments and savvy partnerships into more than $600 billion in 2014. Smart global companies, banks and others will continue to engage with and seek partnerships with CIC.

China will also actively encourage and assist private and state-owned companies to invest in overseas mergers and acquisitions (M&As), minority stakes and greenfield projects.

**Corporate-led**

China’s economy is still growing faster than almost any other economy on Earth and, relative to its maturity, the rate is impressive. One of the fruits of this growth is that the country and its companies are awash in cash. A great deal of investment is being deployed in China to develop industries, infrastructure, healthcare, urbanization and local companies and brands.

Still, there is ample cash on hand at all levels to invest in projects overseas.

“China Going Global,” as China’s global step forward is known, is healthy for China and the world. A key determinant of success for China Going Global will be in Chinese companies’ abilities to expand their operations, sales, brands and presence in developed markets.

In 2015, Chinese companies and investors are expected to build on the success of M&As in 2014 with even more activity. As Wanda Group proved in 2011 (acquiring the AMC cinema chain) and WH Group proved in 2012 (buying U.S. producer Smithfield Foods), Chinese companies can reap the rewards of new customers and the attainment of new technologies, best practices, distribution, supply chains and personnel through M&A activity.

I expect the following companies to be active in overseas investment and growth in 2015:

**Alibaba** should be making major investments in overseas supply chain and operations projects. It will also engage in a massive global branding campaign, investing heavily in creating e-commerce platforms in the United States, Europe, India and Africa.

Lenovo is seeking to expand its global footprint in the mobile communications category and has the smarts, the muscle and the
In 2015, individual Chinese will increase investments in overseas capital markets and investment vehicles as well as overseas real estate. Chinese investors rank first in dollars spent in New York City. They will also continue to invest in education abroad. For some families, the ideal mix is a Chinese and foreign education that will ensure their children are prepared for a global economy. U.S. and European universities love the smart, prepared and ready Chinese students who are willing to pay full tuition. They will also invest in global luxury products and services and spend more on experiential luxury.

Chinese will continue spending on travel. China set a record with more than 100 million outbound travelers in 2014. That number will likely double in the next two years thanks to increased wealth, consumer sophistication, business engagement and new China global consumers. The recent agreement between the United States and China for 10-year visas will further spur investment in travel.

China has gone global and shows no sign of stopping. Investments by the Chinese Government, banks, investment companies, corporations and private individuals will grow exponentially in 2015 and this is good news for the countries, companies and governments receiving the investment and the investors from China who stand to profit.

(The author is vice president of China/Asia Pacific Practice at the global consulting firm Tompkins International.)

Unleashing the Force of Agriculture

by Deng Yaqing

Liu Tianhua, a farmer in Zhoukou, central China’s Henan Province, established Tianhua Farming Specialized Cooperative in his hometown in 2009. The cooperative now

legacy product mix to make it work.

Chinese conglomerate Wanda Group’s motto should be Let Me Entertain You, the song from the musical Gypsy. From movies and TV shows to Web content, theaters, hotels and resorts—if it can put a smile on your face, Wanda will be investing in it and doing it well. A play for a major Hollywood studio is possible.

The investment firm Fosun has now established itself as not only a major Chinese firm but also a major global firm to be reckoned with. It completed its takeover of Club Med this year, acquired Meadowbrook Insurance for $433 million and is a factor to be considered in any major investment opportunity in China, the United States and Europe.

Some of the categories where I see the most action taking place include—media and entertainment, e-commerce, hard asset real estate, FIRE (finance, insurance and real estate) service providers, and food and beverage industry.

Individual-led

As I wrote about in my new book China’s Super Consumers the era of the China Global Demographic/Consumer/Investor has arrived. What makes a China global consumer? It is the nexus of Chinese consumers becoming mobile—using mobile devices, acquiring brand and product sophistication; and a want/need to invest their time, money and future inside and outside of China.
operates 733 hectares of farmland, with fixed assets exceeding 20 million yuan ($3.19 million). “My greatest wish in 2015 is favorable weather and more supportive policies,” Liu said.

Liu’s cooperative has evolved into a comprehensive farming entity, the business of which encompasses planting, land transfer, warehousing, processing of agricultural products, lease of agricultural machinery and technical assistance.

“In 2014, rural reforms were carried out in steady steps,” said Chen Xiwen, Deputy Director of the Central Rural Work Leading Group, which is China’s top agency in charge of rural work and agricultural affairs. He stressed that authorities have pushed reforms regarding pricing policies for some crops, registration and confirmation of farmers’ rights to their contracted lands, transfer of land use rights and transformation to large-scale farming.

On February 1, the Central Committee of the Communist Party of China and the State Council, China’s cabinet, jointly released their first policy document in 2015, informally known as the No.1 Document. Modern farming and rural reform are high on its agenda. Since 2004, issues concerning agriculture, rural areas and farmers have been the focus of central authorities’ No.1 documents for 11 years in a row.

Compared to double-digit expansion over the past few decades, the Chinese economy has entered a “new normal” of moderate and more stable growth. Chen said that the economic growth slowdown has exerted an influence on supply and demand as well as fiscal revenue of the government, which will undoubtedly pose a new challenge to agricultural development.

He believes the “new normal” will also have a positive impact. “Under the ‘new normal,’ attention will be shifted from GDP and output growth to the quality and efficiency of economic development and production, which will create a propitious atmosphere for the transformation of agricultural development model, the improvement of production structure and the integration of the agricultural, manufacturing and service industries,” Chen said.

**Highway to Modernization**

China’s grain output hit 607.1 million tons in 2014, up 0.9 percent year on year; its rural per-capita net income stood at 989 yuan ($158), an increase of 9.2 percent after adjusting for inflation, according to statistics from the National Bureau of Statistics. The income of rural residents grew faster than that of urban residents.

While great achievements have been made in agricultural development, the pressure to do more lingers.

“Equal emphasis should be laid on elevating output, quality and efficiency,” said Han Jun,
Deputy Director of the Office of the Central Rural Work Leading Group.

Chen noted that the greatest challenges to agricultural development now come from rising production costs and a deteriorating ecological environment.

Currently, production costs of major agricultural crops in China are higher than imports. “Since China has a huge population engaged in agriculture and household-based farming is usually small-scaled, it is difficult to lower production costs,” Chen said.

As was stressed during the Central Rural Work Conference held at the end of last year, registration and confirmation of farmers’ rights to their contracted lands should be accelerated and transfer of land use rights should be encouraged to develop large-scale farming.

“In the past, China’s agricultural development was resource-intensive. To balance the importance of quantity, quality and efficiency, efforts should be made to propel scientific and technological progress and raise farmers’ awareness of modern farming techniques,” Han said.

According to statistics from the Ministry of Agriculture (MOA), the contribution rate of science and technology to agricultural development has reached 57 percent in China, and the country’s comprehensive agricultural mechanization rate has surpassed 60 percent. Farmlands managed by large-scale farming entities, such as family farms and farmers’ cooperatives, have accounted for roughly one third of the total contractual lands.

China needs a new agricultural management system and new operating entities are encouraged to develop various forms of large-scale farming, says the No.1 Document. According to statistics from the MOA, there have been 870,000 family farms and 1.21 million farmers’ cooperatives in China, which have greatly boosted efficiency of agricultural production.

“New land management approaches and the development of agricultural science and technology will significantly facilitate agricultural modernization,” said Yang Jianbo, Director of China Agro-Technological Extension Association.

In addition, the No.1 Document also pays attention to the integration of the agricultural, manufacturing and service industries. It means expanding the agricultural industry from simple grain production to include the processing and circulation of agricultural products and leisure farming, prolonging the industry chain in an effort to boost value-added of agriculture and farmers’ incomes.

“Take eco-agricultural tourism for example. A total of 1.2 billion tourists traveled to rural areas last year, bringing about 320 billion yuan ($51 billion) in revenue to farmers and make 33 million rural residents live a better-off life,” Chen revealed.

A Better Countryside

“Agricultural development should not blindly pursue high yields and heavily rely on resource consumption,” the No.1 Document states, suggesting protecting and improving the
quality of arable land, pushing forward structural adjustment and highlighting the role of scientific and technological innovation.

The old development model that has severely overdrawn soil fertility and capacity has come to an end, said Zhu Lizhi, a research fellow with the Chinese Academy of Agricultural Sciences. He added that the transformation of the development model will help China foster its agricultural competitiveness.

In addition, the No.1 Document proposes to quicken infrastructure construction and expand the coverage of basic public services in the countryside, make access to electricity available to rural residents in areas which are not covered by power grids, improve rural residents’ living environment and promote ethical progress in rural areas.

Different from the past, while attaching importance to the construction of water-, power- and road-related projects, this year's No.1 Document also stresses the importance of building cultural facilities in rural areas.

“For the first time, the government proposes to encourage more private investment in rural construction, which will make the construction of new countryside more sustainable and deliver more tangible benefits to farmers,” said Li Guoxiang, a research fellow with the Chinese Academy of Social Sciences.

Beyond that, the government has decided to accelerate the improvement of legal systems concerning agricultural and rural development. Zheng Fengtian, a professor at the School of Agricultural Economic and Rural Development of Beijing-based Renmin University of China, noted that the rule of law plays an irreplaceable role in tackling issues concerning agriculture, rural areas and farmers.

“Rural reform will inevitably involve interest adjustment, and putting a sound legal system in place can guarantee its smooth implementation and safeguard farmers’ rights and interests,” Zheng said.

**Major Questions Facing China’s Agriculture**

- China’s economic development has entered a “new normal.” Amidst the current growth slowdown, how can it continue strengthening the position of agriculture as the foundation of the national economy and boosting farmers’ income?
- Given that the agricultural production costs are shooting up and domestic bulk farm products are generally priced higher than those from the international market, how can China adjust policies to enhance the agricultural sector's competitiveness?
- While dealing with problems such as agricultural resource shortage, over-exploitation and pollution, how can China ensure the effective supply and safety of
agricultural products and promote sustainable agricultural development?

- In the context of more dynamic urban-rural resource factor flow and more active urban-rural interaction, how can China speed up the construction of new countryside and realize common prosperity over the course of urbanization?

(Compiled by Beijing Review)

Representing Old Beijing

by Ji Jing

China attracts tens of millions of inbound tourists annually, with the ancient capital of Beijing topping the list of their destinations. But while many visitors seek to explore the city’s long history through its traditional customs and classic architecture, several decades of rapid development has utterly transformed the Beijing experience. To appreciate the “old city” as it appeared generations ago, one must now look to the art produced by those who lived in it.

Fang Yan, a 74-year-old painter who grew up in Beijing, has devoted himself for decades to preserving old Beijing on his canvases. His newly published illustrations collection, Pictures of Old Beijing: Living Memories of the Ancient Capital, has presented a panoramic view of Beijing during the period spanning from 1912 to 1948.

Published by New Star Press, the collection contains four volumes titled Life in Old Beijing; Ancient Architecture; Old Tianqiao Scenes; and Local Customs and Practices. Each volume is bound together using colorful threads on the right like ancient Chinese tomes. The collection features more than 400 pictures vividly depicting the daily life, food, customs, festivals, street performances and buildings of old Beijing. Half of the pictures are black and white and half are in color. A short description accompanies each illustration.

The book has been distributed in China as well as in English-speaking countries such as the United States, Britain and Australia. So far, nearly 2,000 copies have been sold.

Sun Zhipeng, Director of the General Editorial Office of New Star Press, told Beijing Review that the collection could be of interest to foreign visitors to Beijing who wish to learn more about the city’s history.

The book includes many hand-illustrated drawings—a vivid, personalized depiction of old Beijing (COURTESY OF NEW STAR PRESS)
Preserving History

Fang spent over one year painting the pictures included in the collection. In order to create an accurate portrayal, he had to research a large number of historical accounts both online and in books before putting his pen to paper. A picture was drawn based on historical accounts together with his memories. It sometimes took him several days to draw a small picture in order to guarantee accuracy.

“Only people as old as me are able to draw ancient Beijing because we have seen what the city was like in the old days,” said Fang.

Many of the architectural sites he painted have been demolished and many customs were lost in the course of history. For example, most of the 16 city gates drawn by Fang were torn down during the 1950s and the 1960s to facilitate transportation, leaving only parts of the Zhengyangmen and Deshengmen gates remaining. Beijing proper was once surrounded by a city wall with a total of 16 gates, nine for the Inner City in the north and six for the Outer City in the south. The Forbidden City, where the emperor resided, was located in the Inner City.

Vendors selling stringed jujubes, sesame oil and goose feather fans in hutongs (residential alleyways); traditional forms of transportation such as mule carriages, sedan chairs and rickshaws; and martial arts performances, wrestling matches and puppet shows were once ubiquitous in the Tianqiao area in the ancient Outer City. These activities, which were formerly commonplace in public, would appear quite unusual to today’s Beijingers—especially the younger generation.

When he was young, Fang lived near Xizhimen Gate in the northwest of the ancient Inner City, where he would often climb onto the gate tower to fly kites and pick wild jujubes with his friends. With a keen interest in painting, he often drew pictures of city gates, temples and other ancient buildings. In winter, when it was too cold to stay outside, he would go to the train station and sketch portraits of passengers.

Fang said that the painting skills accumulated early in his life laid a solid foundation for his future career as a painter.

“It’s inevitable that things fade out of history due to natural disasters or damage. However, I can preserve historic memories through my paintings so that the generations to come will be able to know what Beijing was like,” said Fang.

Fang is uncertain about how significant of a role his paintings can play, but he is committed to making the attempt.

One of his most notable works is a 7.8-meter-long scroll painting of Beijing’s south-to-north central axis. Palaces, temples, altars and ancient government offices were built symmetrically along the axis when Beijing served as the imperial capital. The city was first made a national capital in A.D. 1153 during the Jin Dynasty (1115-1234), before going on to function as the capital of the ensuing Yuan (1271-1368), Ming (1368-1644) and Qing (1644-1911) dynasties.

The Beijing Municipal Government launched a bid to apply world cultural heritage status for the central axis in 2011 and Fang was named an ambassador for the initiative that year.
In his foreword to *Legacy of the Old Capital*, another collection of Fang’s illustrations published in 2012, Luo Zhewen (1924-2012), noted expert on ancient Chinese architecture, commented, “Fang has accurately recorded the hutongs, stores and lifestyles of old Beijing in pictures, which is a remarkable feat.”

**A Secluded Life**

In order to be fully devoted to painting, Fang moved to his current abode in the suburban Tongzhou District, located about two hours’ drive from the city center, in 2003. The quiet surroundings of his house have enabled him to focus on his art.

Fang said if he lived in downtown, his retired friends, who have a lot of leisure time, would frequently drop in for a visit—an often time-consuming burden. Now that he lives far from central Beijing, few people pay him a visit.

Fang, who has few hobbies aside from painting and gardening, spends most of his time creating paintings of old Beijing.

“My wife and I lead a simple life. We seldom dine out or shop for expensive items,” said Fang. As Fang is presbyopic and does not know how to use the computer, his wife helps him do research for his artworks.

Fang is not alone in his quest to artistically depict old Beijing. Currently there are scores of painters engaged in the cause. Although these painters use differing techniques to draw different aspects of the city, they have one thing in common: They all cherish a deep love for the capital.

“As an artist who grew up in Beijing, Fang has deep affection toward the city,” said Liu Lihua, Deputy Editor in Chief of New Star Press.

Despite his ripe age, Fang is still ambitious. He plans to host a solo exhibition of paintings of old Beijing in the near future. The exhibition will include 100 to 200 pictures larger in size than those included in his newly released collection and painted in the styles of both ancient Chinese paintings and Western oil paintings. He is currently in the process of drawing sketches for the exhibition.

**Profile**

Fang Yan, born in north China’s Hebei Province in 1941, came to Beijing with his parents at the age of 8. He developed a deep interest in painting from an early age and studied ancient Chinese masters to learn the art. During the early period of his career, he painted comic strips and book illustrations. Feeling remorseful for the disappearance of ancient architecture and traditional lifestyles, Fang began to paint scenes of old Beijing in the 1980s. Published collections of his pictures include *Legacy of the Old Capital* and *Pictures of Old Beijing: Living Memories of the Ancient Capital*. 
Revisiting Quanzhou's Cultural Heritage

by Camille Boullenois

A seaside city of 8 million people, Quanzhou in southeast China's Fujian Province was once described by Marco Polo (1254-1324) as the “Alexandria of the East” in the late 13th century, when it was known as Zayton (or Zaitun) by traders arriving from the Arab world and heralded as one of the world’s most glorious ports.

Quanzhou was established in 718 during the Tang Dynasty (618-907). It later became one of the most important Chinese ports along the Maritime Silk Road during the Song (960-1279) and Yuan (1271-1368) dynasties.

Quanzhou has welcomed sailors and travelers from many different cultures and religions. A number of famous medieval explorers, such as Marco Polo and Ibn Battuta (1304-68) from Morocco, described the port as one of the most vibrant harbors in the world.

During Song times, Chinese maritime trade flourished. From Quanzhou, Chinese ships reached many ports of Southeast Asia, India, Persia, Mesopotamia, Africa, the Arabic Peninsula and finally Europe. They sold silk, porcelain, tea and books in exchange for various products from the different countries.

Quanzhou’s development coincided with a period of great commercial and cultural interaction in China. Cultural relics in the Quanzhou area, from sacred Muslim tombs to Indian carvings, bear witness to the variety of cultural and religious practices that converged there.

However, with the restrictions of trade imposed from the Ming Dynasty (1368-1644) onward, the city lost its position as a commercial center. Shortage of arable land forced people to seek a livelihood elsewhere. During the late Ming Dynasty, the continuation of the Silk Road’s overseas connections facilitated large-scale migration from Quanzhou to Southeast Asia.

A Symbol of Openness

Because of its history, Quanzhou has become a symbol of cultural pluralism and international cooperation. The presence of sailors, merchants and explorers contributed to the development of peaceful coexistence between the many different ethnic and religious
groups in the city, including Buddhists, Hindus, Taoists, Nestorians, Manichaean, Jews, Catholics and Muslims.

This cultural openness is illustrated by the diversity of historic religious sites and monuments in the city. In addition to this, the numerous tombstones and artifacts that are exposed in Quanzhou’s Maritime Museum also tell a story of strong inclusiveness, as they show different religious and cultural symbols brought together.

Islam provides one of the most obvious evidence of Quanzhou’s openness and inclusiveness. This religion was introduced into Quanzhou in the Tang dynasty, when large numbers of Arabian-Persian merchants settled in the city. Quanzhou provided a cultural environment that valued religious freedom and openness. As a result, many mosques were built, one of which, Qingjing Mosque, is the oldest Muslim place of worship in China.

Although Quanzhou’s openness was seriously dampened during the Ming and Qing (1644-1911) dynasties, the city now has the ambition to become a new cultural meeting point. Meanwhile, the tradition of religious and cultural integration is a strong asset for Quanzhou as the Chinese Government emphasizes cultural dialogue and cooperation.

A Tradition of Trade

Quanzhou’s cultural traditions also include many products and handicrafts that were exported through the Maritime Silk Road. The most important products, tea and porcelain, still play an essential role in the city’s economy.

Tea has been produced in the district of Anxi, in the periphery of Quanzhou, for at least 1,000 years. It was exported to as many as 58 countries in Europe, Africa and Asia during Tang, Song and Yuan dynasties. Until the
middle of the 19th century, Fujian remained the top region in the world for tea exportation, before India took over.

The porcelain sector also reflects the intertwining of art, innovation and mass production in Quanzhou. Many companies were successful in introducing new technologies for porcelain production. Some of them now meet the expectations of the global market by producing occidental-style porcelains that are exported en-masse to the United States and Europe. But Quanzhou also attracts many artists that revisit handicraft traditions and make them all the more alive.

Besides its tradition of handicrafts, Quanzhou is also well known as a historical example of successful trade relations and strong entrepreneurial culture.

The Maritime Silk Road and local traditions have indeed contributed to the development of a very original economic model, based on a multitude of small familial enterprises. Even today, unlike many other industrializing areas in China, the majority of Quanzhou’s factories and enterprises are neither joint ventures nor public enterprises, but privately owned companies that rely heavily on familial relations.

This economic tradition may explain why Quanzhou has recently become a very prosperous city in Fujian and has developed rapidly over last decades. The city has successively attracted thousands of migrant workers from all over the country to work in the production of shoes and sportswear.

Quanzhou also benefits from very important commercial ties with overseas Chinese. The Silk Road during the Song and Yuan dynasties, as well as the closing of all seaport trade with the outside world during the Ming and Qing dynasties, have indeed encouraged many people from Quanzhou to settle in other countries in Southeast Asia. Today, Quanzhou is said to be the hometown of over 60 million overseas Chinese.

**Valuable Asset**

In spite of its glorious past, Quanzhou’s cultural heritage has only recently become an asset for the city’s tourism industry.

Quanzhou declined after the Ming Dynasty, while Xiamen, a few kilometers away, became one of the most important ports in China in the previous more than 100 years. For this reason, Quanzhou suffers from a lack of attention from Chinese tourists and international travelers alike.

Several steps have already been made in recent years toward a wider recognition of Quanzhou’s cultural past. First of all, Quanzhou was one of the first historic cultural cities approved by the State Council, China’s cabinet, in 1982.

In recognition of the role played by
Quanzhou as one of the major ports along the Maritime Silk Road, a team from the UN Educational, Scientific and Cultural Organization also visited the city in 1991. The city is now present in a number of different heritage lists of the organization, including the World Heritage and the Intangible Heritage lists.

(The author is an editorial consultant with the ChinAfrica magazine.)

People Celebrate Spring Festival & Lantern Festival around China

People purchasing flower lanterns in Nanjing, capital of east China’s Jiangsu Province on the Lantern Festival. The Festival, which falls on March 5 this year, is celebrated on the 15th day of the Chinese Lunar New Year.
Farmers perform "yangko," a rural folk dance, on the Lantern Festival in Beijing.

Residents in Changchun, capital of northeast China's Jilin Province, guess lantern riddles on the Lantern Festival.

A performance is staged to celebrate the Spring Festival, at the Yuhuangding temple fair in Yantai City, Shandong Province.

Children make sweet dumplings in Nanchang, capital of east China's Jiangxi Province.

Farmers perform a rural folk dance on the Lantern Festival in Beijing.

Lantern show to celebrate the Spring Festival in Xining City, capital of northwest China's Qinghai Province.
Tibetan Official Slams Dalai Lama Reincarnation Claim

Beijing, March 9 (Xinhua) — A senior Tibetan official on Monday slammed the Dalai Lama’s recent claim that the Tibetan Buddhism tradition of reincarnation should cease with his death, saying that the religion and history must be respected.

Padma Choling, chairman of the Standing Committee of the Tibet Autonomous Regional People’s Congress, also stressed that door for dialogue with the 14th Dalai Lama is “always open.”

But he added that as to how the dialogue would be held and what to discuss totally depend on the Dalai Lama’s attitude.

To regain his waning influence, the monk said in December that his traditional religious role should cease with his death, a claim that is against the Tibetan Buddhism tradition as the soul of a senior lama is reincarnated in the body of a child on his death.

The move is expected to upset the reincarnation system that has been honored for hundreds of years in Tibet and destabilize the Buddhist region.

The reincarnation of the Dalai Lama should follow strict historical conventions and required religious rituals of the Tibetan Buddhism and should also be approved by the central government, Padma Choling said.

“It’s not up to the Dalai Lama,” he noted.

“What he claimed is blasphemy against the Tibetan Buddhism,” the official said after a panel
discussion with other Tibetan lawmakers at China’s annual parliamentary session in Beijing.

The year of 2015 is expected to be eventful for the southwestern Chinese autonomous region, as it ushers in crucial anniversaries and strives for development.

In September, China will observe the 50th anniversary of the founding of Tibet Autonomous Region, home to over 3 million residents of different ethnic groups.

More economic growth potential is expected to be unleashed in Tibet this year, which has maintained double-digit growth over the past two decades.

In 2015, Tibet, still one of the poorest regions in the world’s second largest economy, will aim to maintain economic growth at 12 percent, the same as last year and an eye catching figure against the backdrop of China’s economic slowdown.

“Tibetan people’s sense of safety and sense of happiness are both at historical high,” Padma Choling said.

Lhasa Households Enjoy Heating Subsidy

February 27 (Xinhua) This winter, more than 100,000 homes in Lhasa, capital city of Tibet Autonomous Region, were warmed by a local government heating subsidy.

A citywide network, initiated in 2012 and completed in 2014, connected 98 percent of all households in Lhasa to piped gas, and the local government, in conjunction with the Tibet finance department, allocated a subsidy of 370 million yuan (60.3 million U.S. dollars) to reduce residents’ gas utility costs.

Lhasa, one of the highest city’s in the world, has an annual mean temperature of about 8 degrees Celsius, and temperatures can fall to as low as minus 16 degrees Celsius.

According to the city’s previous multi-tier pricing mechanism, gas cost upward of 4.46 yuan per cubic meter; much higher than the 2.02 yuan per cubic meter levied on Beijing residents and 3 yuan per cubic meter in Shanghai.

This is due to the fact that all the city’s natural gas must be liquefied before it is transported from Golmud, in nearby Qinghai Province, and re-gasified once it arrives in Lhasa.

In 2014, the average annual income in Lhasa was 23,350 yuan, and as gas cost 4,000 yuan for a four and half month period, many families could just not afford to heat their homes.

However, thanks to the government subsidy, the price has been slashed to 1.5 yuan per cubic meter for households that use up to 1,500 cubic meters a year, the lowest among nearby regions.

In addition, households under the poverty line are entitled to 600 cubic meters of natural gas every year for free, according to the local government.

“Daily gas consumption has increased by nearly 20,000 cubic meters since the price adjustment,” said Ysetyong, vice manager of Lhasa Nuanxin Gas and Heating Co. Ltd.

“Since the government subsidy, we use gas for heating, cooking and bathing,” said Changtsan, a resident of Lhasa City. “And we are no longer afraid of the cold winter nights.”

The clean energy has also helped cut pollution. Lhasa saw a significant reduction in carbon dioxide, sulfur dioxide and nitrogen oxide emissions in 2014, a drop of around 180,000 tonnes, 1,652 tonnes and 510 tonnes, respectively.
Tibet is not only the origin of rivers, the source of ecology in South and Southeast Asia, but also an initiator and a conditioning zone for the Chinese and even the climate of the Eastern Hemisphere, thus honored as the last pure land in the world.

Tibet is known as grand, magnificent, pure and mysterious, which catches the eyes of countless tourists from around the world. Recent construction of the area has also fallen under the world’s eye, as well. From as early as the first part of the 21st century, when China began to build the Qinghai-Tibet Railway, the First Survey and Design Institution Group Co., LTD, affiliating itself with the China Railway Construction Corporation (hereinafter referred as “the FSDI of CRCC”) undertook the design and construction along with other participating entities to preserve the pure land. They have planned to establish a line of ecology for the Qinghai-Tibet Railway as a model for all Chinese railway constructions. For Chinese railways, this is definitely a first with opening special passageways for wild animals to migrate or in restoring and replanting vegetation on the highland as high as 4,000 meters.

As the extension to the Qinghai-Tibet Railway, the Lhasa-Shigatse Railway is undertaken by the same design and construction enterprises, which carry forward the former unique concept of an eco-friendly design and green construction.

Giving Way to Nature Reserves

Abiding by the principles of energy conservation and environmental protection, the Lhasa-Shigatse Railway takes clean energy from ground source heat pumps and solar power water heating system. Along the line, no boiler room has been set. In the very beginning of the alignment design, the railway has avoided the Black-Necked Crane National Nature Reserve in the midstream valley of Yarlung Tsangpo, the Shigatse Chorang Spherical Shell and Ellipsoidal Lava Nature Reserve, and the Chushur Water Conservation District. Besides that, the construction would not involve any ecologically sensitive areas like nature reserves or water conservation districts. All newly-built tank stations, living water stations, and sewage stops must strictly comply with the national emission standards. In addition, a proposal was added in the design that garbage on passenger trains and bio-waste at railway stations would be piled at particular spots, then collected and delivered to the local environmental sanitation departments for final disposal.

According to the introduction of Liu
Zhengping, Vice Commander of the Lhasa-Shigatse Railway from the FSDI of CRCC, there are dozens of nature reserves, cultural relic preservation sites, water conservation districts, and wet lands along the line, many of which are environmentally sensitive areas deserving designers’ high attention. To reduce the influence that construction would exert upon the environment to a minimum, the FSDI of CRCC referred to the successful experience in the former project of the Qinghai-Tibet Railway and put emphasis on making an overall plan in the earliest stage in alignment design. The basic thoughts can be summed up with two key words: avoid and across.

For instance, the Black-Necked Crane Nature Reserve is one of the most important national nature reserves along the line, covering an area of 614 thousand square kilometers with 3 regions, 6 counties, and 47 township villages. The FSDI of CRCC made intensive passes throughout the area as they defined the route. Now, the nearest section to the reserve is further than 2 kilometers; and the shortest distance from the rail to the Shigatse Chorang Lava Nature Reserve is more than 1.5 kilometers, with the space to the Nyemo National Forest Park being much further. Likewise, the Lhasa-Shigatse Railway is located far away from the surrounding water conservation districts and will not exert any impact on water origins.

Along the line, the railway avoids a dozen cultural relic sites as far as possible, limiting the distance to the border of the conservation sites within 2 to 5 kilometers, with the nearest section at a distance of more than 1 kilometer.

In total, there are four pieces of wet land near the Lhasa-Shigatse Railway. Among them are the Tanggar Go Wet Land, the Drakpa Lung Wet Land, and the Gyaltsen Wet Land, which are small and, to some extent, have lost their function as marshes. Now, they are basically farmlands, with the train running across some parts of them without any impact upon the environment; however, as with the Nyang Qu River Wet Land where the railway cannot fully pass around, builders found the way to build a bridge over it, reducing its environmental influence to a minimum.

An elaborate route plan worked out by the designing institute, the Lhasa-Shigatse Railway occupies a very limited land area, efficiently decreasing harm and impact upon the land source and the ground vegetation along the line. On top of that, railway stations are taking further green measures by planting trees, shrubs, and grass. As for the borrowed earth formed during construction, builders follow the former environmental protection methods by adopting steps to consolidate soil and restore vegetation. They intend to build the Lhasa-Shigatse Railway as the first first-class eco-friendly line in the world.

**Building the First-class Ecofriendly Railway**

Along with the difficulty in engineering, Lhasa-Shigatse Railway
project’s task to protect and restore the ecological environment is also quite complicated. Since September 16th, 2010, when construction started, all participating units have declared special full-time or part-time personnel as responsible for environmental protection, offering related pre-job training for workers and staff members on the one hand, and on the other, working out a target-oriented responsibility system and assessment methods on environmental protection with breakdowns of all the targets and measures in accordance to different working levels, placing responsibility on particular operation teams and individuals.

The sections participating with the 12th, 19th, and 21st bureau system companies of the CRCC are all key programs with difficult engineering and high environmental protection standards, of which the two undertaken by the 12th and 21st bureau system companies act basically as junctions that bridges use to join to tunnels. The construction sites are mainly located in Nyemo County, Lhasa, and Rinbung County, Shigatse, the valley of the Yarlung Tsangpo where natural conditions are harsh. The railway traverses the Yarlung Tsangpo, the country-level ecological shelter, a grand total of three times. The track is laid around Yarlung Tsangpo where natural conditions are harsh. The railway traverses the Yarlung Tsangpo, the country-level ecological shelter, a grand total of three times. The track is laid around Yarlung Tsangpo and the No. 318 National Road, directly across the geothermal belt of Yangpachen, Nyemo and Dochen Tso. Under a fragile ecological environment, the region has many geological problems like developing fracture structure, complicated geological environment, geothermic challenge, perilous falling rocks, debris flow, rock bursts, broken fault belt and weak surrounding rocks. During the engineering, the two headquarters and all project departments have always pushed for the concept that “environmental protection is as important as construction”. They would not disappoint Tibetans and make them feel regretful, with anyone saying that “though the Lhasa-Shigatse Railway was built on my gate, a mess of colorful garbage was left for my grandchildren.”

When construction was about to start and it was time for site selection, the builders tried their best to locate the project departments and the mixing stations in the deserted area without trees, farmland, and grassland. Besides that, they built three-level sedimentation basins in a score of living quarters to filter domestic and engineering waste water.

According to the design, the construction road before the entrance to the Phomyin La Tunnel goes by 7 ancient poplars and willows, each at least one meter in diameter, at the Village of Dzongga. Through cooperation and coordination with the local government and villagers, the project department applied professional skill transplanting the trees in the nearest water-abundant place. Now, all these
ancient highland trees grow well.

The entrance to No.1 Tunnel of the Thopu Village lies in the sandy land drifted by years of wind. If such an amount of wastes and spoils had not been disposed well, the fragile ecology would have become worse. So, as waste was cast off, builders strictly followed design requirements of location, area, and height, adhering to the principal of laying screens before discarding. They also assigned a special person to assure the efficiency of sand prevention and stabilization. Considering sand prevention and control after the corps withdrew from the windy and dusty area where they were stationed, the Project Department elaborately laid a network over an area of nearly 40 thousand square meters, covered it with mellow soil, and seeded that soil with highland grass. The three Divisions invested several million Yuan on rock crushing plants, breaking the harder tunnel spoil into small pieces and recycling them for the rail sub-base or the preventive slope and barricade. The measure not only cut down the area occupied by the spoil but also reduced the environmental pollution in reshipment. “Though much more was spent, we conserved the highland green that Tibetans have cherished for dozens and even hundreds of years,” said Li Jianmin from the Headquarters of the CRCC’s 21st Bureau System Corporation.

Caring for the Blue Water and Sky with Hearts

“The Qinghai-Tibet Plateau, the pure land in our Chinese hearts, will suffer no damage from our engineering. On the contrary, we will make it more beautiful by construction and conservation,” Zhang Junhong, Commander of the Headquarters of the Lhasa-Shigatse Railway, often said so to his staff. Therefore, from the very beginning of the project, the Headquarters have confirmed a four-step constructional strategy aiming at the environmental protection of the section in the midstream area of Yarlung Tsangpo. The four-step plan will be for education enhancement on environmental protection, strict pollution source control, sandy rail base consolidation, and vegetation restoration.

“The training for all the staff in the engineering and environmental protection Headquarters, which is held once a month, is compulsory and should not be changed,” said Hou Xuefeng, a technician from the Engineering Department. Though many regulations and requirements have been so familiar that builders could recite them by heart, the consistent lessons played a role in creating results. Through repeated education, some bad phenomena like littering at the sites have now seemed to gradually die out.

On the selection of the construction road and borrowed soil, the Headquarters demanded that the vegetation, woods, and nature reserves must be avoided, and any machinery should not be operated in the natural environment beyond the range of construction roads and highways. On the disposal of waste and dirty water, Headquarters regarded the prohibition to pile poisonous construction materials near the rivers and ditches as a high tension line and required that effective measures be taken to prevent oils from flowing into the water, with waste mud going through on-the-spot solid-liquid separation by precipitation. Zhao Wei said, “The rigid regulations on environmental protection have been carried out forcefully from the very beginning to the end. Thus, during those years, the scenario was that the track and bridge were built beside the river, yet the river remained clean and clear, which won the commendation of all proprietors, supervisors, and Tibetans.”

In the meantime, they kept spraying water regularly onto mixing places and working roads. All construction camps used clean energy like electricity and solar power, which reduced man-made pollution to a minimum.

In this section, the sandy rail base is as long
as 12,469 kilometers, covering a sandy land of 1,673 thousand square meters. To effectively consolidate the sandy base and land, the Headquarters established a special scientific research team to tackle the problems. Different defending schemes were worked out according to the degree of harm that wind and sand would exert upon the railway, with factors of water resources, construction material, vegetative conditions, and natural scenes also along the line.

“To keep wild animals and plants from being disturbed or destroyed, we set up over 70 striking signs along the constructional line, strictly limited the range for builders’ activity and machinery operation, and comprehensively prohibited anyone to hunt wild animals.” Shan Lili, an office clerk, told everyone on a QQ Group that some of those signs would be permanently preserved, reminding future tourists and certain illegal hunters not to destroy the hard-won new highland green nor kill the creatures belonging to the lovely land.

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(See Rule 8)

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BOOK REVIEW

Dear Readers,

China is attracting growing attention worldwide. The world wants to know what changes are in progress in China, and what impact they will have on the rest of the world. To respond to rising international interest and to enhance the rest of the world's understanding of the Chinese government's philosophy and its domestic and foreign policies, the State Council Information Office, the Party Literature Research Office of the Communist Party of China (CPC) Central Committee and the China International Publishing Group have worked together to produce this book --- *The Governance of China*.

You can come to get the book for FREE, or ask for a VPP service as you need.

Please email us first to reserve the book providing the serial No. Hope to hear from you in the coming future. Your comments and suggestions on NFC are also greatly welcome.

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FOREWORD

Since the 18th National Congress of the Communist Party of China (CPC) held in November 2012, the new central leadership with Xi Jinping as general secretary has led the whole Party and the people of China in confronting the problems and challengers they face: to drive reform and opening up to a deeper level, to modernize the national governance system, and to marshal their enormous strength behind the Chinese Dream of the great rejuvenation of the Chinese nation.

As general secretary of the CPC Central Committee and president of the People's Republic of China, Xi Jinping has delivered many speeches on a broad range of issues. He has offered his thoughts, views and judgments, and answered a series of important theoretical and practical questions about the Party and the country in these changing times. His speeches embody the philosophy of the new central leadership.

The book is a compilation of Xi Jinping's major works from November 15, 2012 to June 13, 2014. It includes speeches, talks, interviews, instructions, and correspondence. The 79 pieces are arranged in 18 chapters, and notes are added to help readers understand China's social system, history and culture.
CCTV News is the international English news channel of China Central Television. Drawing on unrivalled resources across China and a network of international correspondents, CCTV News offers unique insights to China and the world.

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Beautiful China, 2015
Year of Silk Road Tourism

The year of 2015 has been designated by China National Tourism Administration (CNTA) as “Beautiful China, 2015 Year of Silk Road Tourism”. All the tourists from home and abroad are welcome to explore Beautiful China along the Silk Road. We firmly believe that the friendly relations between countries lie in the close contact of the people. To promote Silk Road Tourism in India and continuously strengthen the people-to-people bonds, China National Tourist Office (CNTO) has started its new Action Plan and conducted a series of tourism activities in Delhi, Mumbai, Chennai and Patna during the first two months of 2015. Beautiful China as a tourist destination is being explored by an increasing number of Indian citizens.
Flowers are in full bloom in Hainan Province, Southern China.