The first session of the 12th National People’s Congress (NPC) opens at the Great Hall of the People in Beijing, capital of China on March 5, 2013. (Xinhua/Pang Xinglei)
Chinese Ambassador to India Mr. Wei Wei meets Indian Foreign Minister Salman Khurshid in New Delhi on February 25, 2013. During the meeting the two sides exchange views on high-level interactions between the two countries, economic and trade cooperation and issues of common concern.

Chinese Vice Foreign Minister Cheng Guoping, on behalf of State Councilor Dai Bingguo, attends the dialogue on Afghanistan issue held in Moscow, together with Russian Security Council Secretary Nikolai Patrushev and Indian National Security Advisor Shivshankar Menon on February 20, 2013.

Chinese Ambassador to India Mr. Wei Wei and other VIP guests are having a group picture with actors at the 2013 Happy Spring Festival organized by the Chinese Embassy and FICCI in New Delhi on February 25, 2013. Artists from Jilin Province, China and Punjab Pradesh, India are warmly welcomed by the audience.

Chinese Ambassador to India Mr. Wei Wei and Indian Minister of Culture Smt. Chandresh Kumari Katoch enjoy "China in the Spring Festival" exhibition at the 2013 Happy Spring Festival. The exhibition introduces cultures, customs and traditions of Chinese Spring Festival.

Chinese Ambassador to India Mr. Wei Wei (third from left) participates in the “Happy New Year " party organized by the Chinese Language Department of Jawaharlal Nehru University on February 28, 2013. The party is held annually to celebrate Chinese Spring Festival.

Chinese Ambassador to India Mr. Wei Wei visits the Chinese Visa Application Service Centre based in Southern Delhi on March 6, 2013. The Centre was established in August 2008. During the past five years the Centre has already accepted 6.6 lakh visa applications.
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President Xi Jinping Gives Joint Interview To Media from BRICS Countries

Before paying a state visit to Russia, Tanzania, South Africa and the Republic of the Congo and attends the Fifth BRICS Leaders Meeting, President Xi Jinping gave a joint interview to ITAR-TASS and RTR of Russia, e.Sat TV of South Africa, Press Trust of India, Valor Economico of Brazil and Xinhua News Agency of China in the Great Hall of the People on 19 March. During the interview, he talked about China’s policies and positions on China’s bilateral relations with relevant countries, China-Africa relations, BRICS cooperation and China’s reform and opening-up. The following is a part of the interview.

Xi Jinping: I will soon pay a state visit to Russia, Tanzania, South Africa and the Republic of the Congo and attend the Fifth BRICS Leaders Meeting in South Africa.

I am delighted to give this joint interview to the media from BRICS countries before the trip. Let me take this opportunity to extend, through you, my sincere greetings to the people of your respective countries.

This will be my first foreign visit as Chinese President. During the visit and the BRICS meeting, I will exchange views with leaders of the aforementioned countries and other BRICS countries on developing bilateral ties, international and regional issues of mutual interest and strengthening BRICS cooperation. I hope that this visit will contribute to the friendship between the Chinese people and people of these countries as well as the mutually beneficial cooperation between China and these countries and push the BRICS cooperation mechanism to a new level. I believe that with the joint efforts of all sides, my visit and the Fifth BRICS Leaders Meeting will be a success.

Press Trust of India: China and India have had long-standing exchanges. What policy will the new Chinese leadership pursue towards India? Will there be any change in China’s position on the China-India boundary question? How will China and India enhance cooperation both bilaterally and in international affairs?

Xi Jinping: China and India enjoy a traditional friendship. They are the two largest developing countries in the world, and their combined population exceeds 2.5 billion. To jointly follow a path of peaceful development and development through cooperation meets the common interests of the two countries. It will also do a great service to Asia and the world at large.

In May 2010, I had a very good meeting with President Patil during her visit to China. We agreed that we need to fully tap the huge potential of China-India cooperation and raise China-India relations to a higher level. In recent years, with concerted efforts of the two sides, China-India relations have made important headway. We have strengthened our friendly interactions by properly handling differences and seeking common development. China sees its relations with India as one of the most important bilateral relationships, and is committed to pushing forward the China-India strategic and cooperative partnership.
At present, both China and India are pursuing development at a faster pace. This has offered more opportunities for the two countries to boost mutually beneficial cooperation. We should seize these opportunities and take solid steps to bolster cooperation and exchanges in all fields and take China-India relations to a new height. First, we should maintain strategic communication and keep our bilateral relations on the right track. Second, we should harness each other’s comparative strengths and expand win-win cooperation in infrastructure, mutual investment and other areas. Third, we should strengthen cultural ties and increase the mutual understanding and friendship between our peoples. Fourth, we should expand coordination and collaboration in multilateral affairs to jointly safeguard the legitimate rights and interests of developing countries and tackle global challenges. Fifth, we should accommodate each other’s core concerns and properly handle problems and differences existing between the two countries.

The boundary question is a complex issue left from history, and solving the issue won’t be easy. However, as long as we keep up our friendly consultations, we can eventually arrive at a fair, reasonable and mutually acceptable settlement. Pending the final settlement of the boundary question, the two sides should work together to maintain peace and tranquility in border areas and prevent the boundary question from affecting the overall development of bilateral relations.

Press Trust of India: How do you see the impact of rising emerging markets and developing countries represented by the BRICS countries on the existing world architecture and global governance system?

Xi Jinping: A great number of emerging markets and developing countries, including the BRICS countries, have enjoyed fast economic growth. They have become an important force for world peace and common development, and played an important role in tackling the international financial crisis and boosting global economic growth. This is in keeping with the trend of our time towards peace, development, cooperation and mutual benefit.

The global economic governance system must reflect the profound changes in the global economic landscape, and the representation and voice of emerging markets and developing countries should be increased. In recent years, the G20 summits have played a prominent role and the International Monetary Fund and the World Bank have carried out quota reforms. These are important steps in moving forward reform of the global economic governance system in the right direction. Emerging markets and developing countries hope to see an improved global economic governance system that better meets the needs of global productivity growth and facilitates common development of all countries.

**Chinese President Says BRICS Cooperation Benefits World Economy**

Beijing March 19 (Xinhua) — Chinese President Xi Jinping said on March 19 that cooperation among BRICS countries is conducive to a more balanced world economy and the improvement of global economic governance.

“Many emerging markets and developing countries, including the BRICS countries, have enjoyed fast economic growth,” Xi said in a joint interview with Xinhua and media outlets from the other four BRICS countries ahead of his first
Chinese President Reiterates Policy of Peaceful Development

Beijing, March 19 (Xinhua) — Chinese President Xi Jinping said here Tuesday that China will adhere to the path of peaceful development.

“China will unswervingly follow the path of peaceful development. In the meantime, we hope all countries in the world will pursue peaceful development,” Xi said.

China, as its strength grows, will assume more international responsibilities and obligations within the scope of its capabilities and make greater contribution to world peace and development, Xi said while receiving a joint interview by Xinhua and media outlets from the other four BRICS countries ahead of his first foreign visits as Chinese president.

China hopes that countries and civilizations around the world will carry out exchanges on the equal footing, learn from each other and achieve common progress, added Xi.

The Chinese president also urged all countries to make united efforts to build a harmonious world of enduring peace and common prosperity.

II. NPC AND CPPCC 2013 ANNUAL SESSIONS

Xi Elected Chinese President, Chairman of PRC Central Military Commission

Beijing, March 14 (Xinhua) — Xi Jinping, general secretary of the Communist Party of China (CPC) Central Committee, was elected president of the People’s Republic of China (PRC) and chairman of the PRC Central Military Commission (CMC) on March 14, 2013.

The plenary meeting of the first session of the 12th National People’s Congress (NPC) also elected Zhang Dejiang chairman of the NPC Standing Committee. Li Yuanchao was elected vice-president of the PRC.

Elected to vice chairpersons of the NPC Standing Committee were Li Jianguo, Wang Shengjun, Chen Changzhi, Yan Junqi, Wang Chen, Shen Yueyue, Ji Bingxuan, Zhang Ping, Qiangba Puncog, Arken Imirbaki, Wan Exiang, Zhang
Baowen and Chen Zhu.

The post of secretary-general of the NPC Standing Committee went to Wang Chen (concurrent).

Also elected were 161 members of the 12th NPC Standing Committee.

According to the rules of election and appointment adopted at the NPC session, the elections of chairman, vice-chairpersons and secretary-general of the 12th NPC Standing Committee, president and vice-president of the PRC, and chairman of the CMC are non-competitive.

And the elections of the NPC Standing Committee members are competitive. This time, 161 members were elected out of 174 candidates, bringing the 7-percent margin in the previous election five years ago to 8 percent.

Also at the meeting, NPC deputies adopted a massive cabinet restructuring and streamlining plan which aimed to reduce bureaucracy and make the government more efficient.

Li Keqiang Endorsed as Chinese Premier

Beijing, March 15 (Xinhua) — Li Keqiang was endorsed as Chinese premier at the session of the 12th National People’s Congress (NPC), the country’s top legislature on March 15.

Nearly 3,000 NPC deputies voted to approve the nomination of Li, by newly-elected President Xi Jinping, as the candidate for premier at the legislative session.

By approving Li’s nomination, the deputies cleared the way for Li to be appointed as premier by President Xi.

When the voted endorsement was announced, Li stood up and bowed to the deputies, smiling. He shook hands with President Xi and former Premier Wen Jiabao.

After the NPC meeting, Xi signed his first presidential decree to appoint Li as premier.
Li becomes the seventh premier since the People’s Republic of China (PRC) was founded in 1949, replacing Wen who had headed the State Council since 2003.

Born in 1955 in Anhui Province, he joined the Communist Party of China (CPC) in 1976 and graduated from Peking University with law and economics degrees.

After working as provincial leaders in Henan and Liaoning, he was elected to the Standing Committee of the Political Bureau of the CPC Central Committee in 2007 and appointed vice premier in 2008.

Li was reelected to the Standing Committee of the Political Bureau of the CPC Central Committee in November.

“The new premier bears an important but difficult mission,” NPC deputy Wang Yuzhi said. “We have high expectations of him and the new government.”

After a decade of fast economic growth, China’s national strength has notably increased but the country also faces a tough task to push forward reform in key areas, Wang said.

Li is known for calling reform “the biggest dividend for China.”

Since being reelected in November as a senior Party leader, Li has used different occasions to facilitate reforms and showed toughness in advancing complex ones.

“Reform is like rowing upstream. Failing to advance means falling back,” he said at a symposium on advancing comprehensive reforms.

“Those who refuse to reform may not make mistakes, but they will be blamed for not assuming their historical responsibility.”

At Friday’s meeting, the deputies also voted to decide on the country’s military leaders.

Fan Changlong and Xu Qiliang were endorsed as vice chairmen of the Central Military Commission (CMC) of the PRC, after the nomination by President Xi, also CMC chairman.

Chang Wanquan, Fang Fenghui, Zhang Yang, Zhao Keshi, Zhang Youxia, Wu Shengli, Ma Xiaotian and Wei Fenghe were appointed CMC members after Xi’s nomination.

General Fan, born in May 1947, and General Xu, born in March 1950, are both members of the Political Bureau of the 18th CPC Central Committee and vice chairmen of the CPC Central Military Commission.

The NPC deputies also elected Zhou Qiang as president of the Supreme People’s Court and reelected Cao Jianming as procurator-general of the Supreme People’s Procuratorate.

**Zhang Dejiang Elected Chairman of NPC Standing Committee**

Beijing, March 14 (Xinhua) — Zhang Dejiang was elected chairman of the 12th National People’s Congress (NPC) Standing Committee on March 14 morning at the annual session of Chinese top legislature.

Zhang, born in 1946, is a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee.
Yu Zhengsheng Elected Chairman of China’s Top Political Advisory Body

Beijing, March 11 (Xinhua) — Yu Zhengsheng was elected chairman of the National Committee of the Chinese People’s Political Consultative Conference (CPPCC), the top political advisory body, on March 11 afternoon.

Yu was elected at the fourth plenary meeting of the first session of the 12th CPPCC National Committee, which was held at the Great Hall of the People in Beijing.

Jia Qinglin, chairman of the 11th CPPCC National Committee, shook hands with Yu amid warm applause from more than 2,000 members of the CPPCC National Committee, after the election result was announced.

Yu was born in April 1945 in Yan’an of northwest China’s Shaanxi Province and graduated from the Department of Missile Engineering at the Harbin Military Engineering Institute with a major in automatic control systems of ballistic missiles.

He joined the Communist Party of China (CPC) in November 1964.

Yu had worked as technician and engineer for about 16 years and later as Party and government officials in several places.

From 2007 to November last year, Yu had been the Party chief of China’s financial and economic center Shanghai.

At the first plenary session of the 18th CPC Central Committee held in last November, Yu was elected member of the Standing Committee of the Political Bureau of the CPC Central Committee.

At Monday’s meeting, political advisors also elected 23 vice chairpersons of the 12th CPPCC National Committee and 299 Standing Committee members.

Zhang Qingli was elected secretary-general of the CPPCC National Committee.

The newly elected chairman and vice chairpersons are aged 63.7 in average.

Among the vice chairpersons, 11 are CPC members including Zhou Xiaochuan, the central bank governor. Four are from ethnic minority groups and two are women.

The Standing Committee members are aged 59.4 in average, 65.2 percent of whom are not CPC members.

A total of 38 Standing Committee members are from ethnic minority groups and 36 are women.

The CPPCC is a patriotic united front organization of the Chinese people, serving as a key mechanism for multi-party cooperation and political consultation under the leadership of the Communist Party of China (CPC), and a major symbol of socialist democracy.

The CPPCC consists of representatives of the CPC and non-Communist parties, personages
without party affiliation, and representatives of people’s organizations, ethnic minorities and various social strata. It also has the representation of compatriots of Hong Kong, Macao and Taiwan, returned overseas Chinese, and specially invited people.

**President Vows to Press Ahead with “Chinese Dream”**

Beijing, March 17 (Xinhua) — Chinese President Xi Jinping pledged on March 17 to make arduous efforts to achieve the “Chinese dream.”

“In face of the mighty trend of the times and earnest expectations of the people for a better life, we cannot have the slightest complacency, or get the slightest slack at work,” Xi said at the closing meeting of the National People’s Congress, China’s legislature.

“We must make persistent efforts, press ahead with indomitable will, continue to push forward the great cause of socialism with Chinese characteristics, and strive to achieve the Chinese dream of great rejuvenation of the Chinese nation,” Xi said.

To realize the “Chinese dream,” China must take the Chinese way, he said.

People of all nationalities must gain confidence in the theory, the road and the system of socialism with Chinese characteristics, and forge valiantly and unwaveringly ahead along the right road, Xi said.

To realize the Chinese road, we must spread the Chinese spirit, which combines the spirit of the nation with patriotism as the core and the spirit of the time with reform and innovation as the core, Xi said.

The Chinese people of all ethnic groups must spread the great spirit of the nation and the great spirit of the time, keep strengthening the spiritual bond of solidarity and the spiritual drive of constantly striving for improvement, and step toward the future, always full of vigor and vitality, Xi said.

**President Xi Pledges Resolute Fight against Corruption**

Beijing, March 17 (Xinhua) — China’s newly-elected president Xi Jinping pledged on March 17 to resolutely fight against corruption and other misconduct in all manifestations and always preserve the political integrity of Communists.

“All members of the Communist Party of China (CPC), especially the leading cadres of the Party, must consolidate their ideal and conviction, always put the people above everything else, and exalt the Party’s glorious tradition and fine conduct,” Xi said at a closing meeting of the country’s annual legislative session.

Xi, also general secretary of the CPC Central Committee and chairman of the CPC Central Military Commission, was elected president of the People’s Republic of China (PRC) and chairman of the PRC Central Military Commission on Thursday.

“We must resolutely reject formalism, bureaucratism, hedonism and extravagance, and resolutely fight against corruption and other misconduct in all manifestations,” Xi told almost 3,000 legislators.

“We must always preserve the political integrity
of Communists and unswervingly strive for the cause of the Party and the people,” he said.

Xi stressed that the CPC is the core force in the great cause of leading and uniting the people of all ethnic groups to build socialism with Chinese characteristics.

“We are shouldering the heavy task bestowed by the history and going through the test of the times. We must uphold the principle that the Party was founded for the public good and that it exercises state power for the people, supervise our own conduct and run the Party with strict discipline, enhance the Party’s art of leadership and governance, and strengthen the ability to resist corruption, prevent degeneration and ward off risks,” he said.

While noting that achieving the grand goal requires unremitting efforts, Xi called on all political parties, social groups, ethnic groups, social strata and circles in the nation to be more closely united around the CPC Central Committee to fully implement the spirit of the 18th CPC National Congress and follow the guidance of Deng Xiaoping Theory, the important thought of Three Represents and the Scientific Outlook on Development.

“We must always be modest and prudent, defy difficulties and work hard, bury ourselves in work and forge ahead with determination so as to achieve new, greater victory in completing the building of a moderately prosperous society in all respects and advancing the socialist modernization as well as make greater contribution to the humankind,” he said.

China’s New Premier Presses Reforms as “Biggest Dividend”

Beijing March 17 (Xinhua) — Chinese Premier Li Keqiang on March 17 pledged to deepen comprehensive reforms in the country as the world’s second-largest economy is seeking new momentum for development other than its large workforce.

“However deep the water may be, we will wade into it because we have no alternative,” Li told a press conference after the closing of the first session of the 12th National People’s Congress, China’s top legislature, noting reform concerns the destiny of the country and the future of the nation.

Known for calling reform “the biggest dividend for China,” Li explained that he sees great room for improvement in the country’s socialist market economy.

“There is great space for further unleashing productivity through reform and there is great potential to make sure the benefits of reforms will reach the entire population,” said 57-year-old Li as he met the press for the first time as China’s premier.

Li’s remarks came as some economists say the Chinese economy has reached a stage where reforms must be accelerated urgently as the demographic dividend, defined as a large proportion of the workforce in the entire population, is starting to dwindling sharply in the world’s most populous nation.

Since being elected in November as one of the top leaders of the Communist Party of China, Li has facilitated reforms and showed toughness in advancing complex changes.

“Reform is like rowing upstream. Failing to advance means falling back,” he once said at a symposium on advancing comprehensive reforms.

Li was endorsed as China’s seventh premier by the top legislature on Friday, replacing Wen.
Jiabao.

In pushing forward reform, the new premier called for “courage, wisdom and tenacity” that policymakers can absorb from the people to make solid progress and pursue comprehensive reforms that cover all sectors.

He outlined key tasks and priorities in driving the reform forward, including those areas for reform that will make immediate and sustained impact.

Li vowed to accelerate economic transformation, make full use of fiscal, financial and pricing and other policy instruments, and pursue reforms of the budgetary system to make it more open, transparent, standardized and inclusive.

The government will welcome the public’s effectiveness in supervising government expenditure and revenues, improve the structure of government spending, and tilt spending in favor of areas that will have a direct benefit for people’s lives, Li said.

In reforming the country’s financial sectors, Li reiterated the government will carry out market-oriented reforms in interest rate, exchange rate of the yuan, develop a multi-tier capital market and raise the share of direct financing.

Driving economic transformation through opening up is another key area Li hopes to press ahead.

“Looking ahead, our trade will continue to grow at a high speed in the years to come. That will create enormous opportunities for the world and help the Chinese enterprises to upgrade themselves in the course of fair competition,” he said.

To improve people’s well-being, Li noted, the government needs to reform the income distribution system and narrow the gap between urban and rural areas that involves 800 million rural residents and over 500 million urban residents, as well as bridge the gap between different regions.

While allowing more private capital to invest in the financial, energy, railways and other sectors, the government will also reform the areas of social security, medical and pension insurance to contribute to the labor mobility in the country, according to the premier.

Reforms will be carried out in social sectors to promote upward mobility, said the premier who has seen a “quite low” share of rural students in some universities in China.

“We need to gradually raise that proportion so as to give hardworking rural students hope,” Li told the televised press conference.

He acknowledged the difficulty in advancing reform as the nation has to shake up vested interests, which he said may be more difficult than “touching the soul”.

But his determination remains even though he has to lead the government to navigate through uncharted waters.

“In advancing reform, the important thing is to take action,” he said, “Talking the talk is not as good as walking the walk.”

More Opportunities for Sino-U.S. Trade, Investment: Premier

Beijing, March 17 (Xinhua) — Chinese Premier Li Keqiang said on March 17 that more opportunities in trade and investment between China and the United States might emerge in the years to come.

Li, at a press conference after the conclusion of the annual parliamentary session, cited the rapid growth in the bilateral trade volume from
only 1 billion U.S. dollars three decades ago to more than 500 billion U.S. dollars last year.

“I don’t believe conflicts between big powers are inevitable,” Li said. “Shared interests often override their disputes.”

Li said both China and the United States would benefit from pursuing mutual benefits. “Trade and investment opportunities in the future would surely be bigger than those in the past three decades,” he said, citing the Sino-U.S. cooperation would bring concrete interests to both Chinese and American people.

Experiencing ups and downs, the bilateral relations were developed anyway, which suggested that the Sino-U.S. cooperation meet basic interests of both sides and comply with the overall international trend of peace and development, Li said.

“The Chinese government, as always, highly values the ties between the world’s most powerful country and the biggest developing country,” Li said.

“We’re willing to construct, together with the Obama Administration, a new type of relationship between big powers,” he said.

“I’m not saying there are no disputes between us,” Li said. “As long as we respect concerns of each other, the two countries could achieve mutual benefits which possibly shadow disputes.”

China’s Parliament Endorses New Cabinet Lineup

Beijing, March 16 (Xinhua) — The new lineup of China’s State Council, nominated by Premier Li Keqiang, was endorsed by lawmakers at the ongoing national legislative session on March 16.

Zhang Gaoli, Liu Yandong, Wang Yang and Ma Kai were endorsed as vice premiers, with Yang Jing, Chang Wanquan, Yang Jiechi, Guo Shengkun and Wang Yong as state councilors. Yang Jing was also appointed secretary-general of the State Council.

Lawmakers also endorsed Li’s nominations of ministers, governor of the central bank and auditor-general at the sixth plenary meeting of the first session of the 12th National People’s Congress (NPC).

The following is the list of the newly appointed officials:

— Wang Yi, minister of foreign affairs
— Chang Wanquan, minister of national defense
— Xu Shaoshi, minister in charge of the National Development and Reform Commission
— Yuan Guiren, minister of education
— Wan Gang, minister of science and technology
— Miao Wei, minister of industry and information technology
— Wang Zhengwei, minister in charge of state ethnic affairs commission
— Guo Shengkun, minister of public security
— Geng Huichang, minister of state security
— Huang Shuxian, minister of supervision
— Li Liguo, minister of civil affairs
— Wu Aiying, minister of justice
— Lou Jiwei, minister of finance
— Yin Weimin, minister of human resources and social security
— Jiang Daming, minister of land and resources
— Zhou Shengxian, minister of environmental protection
— Jiang Weixin, minister of housing and urban-rural development
— Yang Chuantang, minister of transport
— Chen Lei, minister of water resources
— Han Changfu, minister of agriculture
— Gao Hucheng, minister of commerce
— Cai Wu, minister of culture
— Li Bin, minister in charge of the National Health and Family Planning Commission
China’s Growth Target Set at 7.5%

Beijing, March 6 (Xinhuanet) — A growth target of 7.5 percent and a greater focus on consumption and economic reforms were some of the goals set out by Premier Wen Jiabao in a keynote address on March 6, 2013.

An inflation target of 3.5 percent was set, below the 4 percent target of 2012, Wen said in his last Government Work Report to the National People’s Congress.

The growth target is the same as last year’s, when GDP increased by 7.8 percent from a year earlier, a 13-year low.

Economic growth in 2011 was 9.3 percent and 10.4 percent in 2010.

The consumer price index, a main gauge of inflation, rose by 2.6 percent year-on-year in 2012, compared with 5.4 percent in 2011.

Wen stressed the importance of boosting domestic demand as a long-term strategy vital to supporting development.

“We should use the power of consumption to unleash the potential of economic growth,” Wen said and called for income distribution reform and the narrowing of the income gap.

Ma Jiantang, head of the National Bureau of Statistics, said, “the GDP growth target was rational”, but he highlighted the importance of income growth.

“A key ingredient toward improving consumption is to ensure that incomes can keep up with stable growth,” Ma said.

Li Ruogu, chairman and president of the Export-Import Bank of China, said that the target of 7.5 percent would not be difficult to achieve as the policies are in place.

“We won’t see a big fluctuation in the CPI this year because the government has put more emphasis on fighting inflation,” he said.

Li Yining, an economist at Peking University, agreed that economic growth should be about 8 percent. “But the important thing is to improve the quality of that growth.”

The government decided to continue a proactive fiscal policy and a prudent monetary policy.

A fiscal deficit target of 1.2 trillion yuan ($190 billion) and a 13 percent growth in the broad money supply, or M2, were set.

“Our proactive fiscal policy should play a bigger role in ensuring steady growth, advance reform and benefit the people,” Wen said.

Zhou Xiaochuan, governor of the People’s Bank of China, the central bank, said that the slower growth of M2 this year indicated that the government aims to moderate the monetary supply as the world’s main economies turn to monetary easing.

M2 is a broad measure of money supply that covers all the deposits and cash in circulation. It registered a year-on-year growth rate of 13.8 percent by the end of December.

In January, the indicator grew by 15.9 percent from a year earlier, after lenders extended loans of 1.07 trillion yuan, a record high of monthly new loans in nearly three years.

Liu Mingkang, former chairman of the China Banking Regulatory Commission and a national political adviser, said the monetary stance this year
would be tighter compared with last because capital inflow has become a realistic threat.

A forecast from JPMorgan said that the 2012 GDP growth may stand at 8.2 percent, supported by policy easing and a recovery in the housing market.

Zhu Haibin, chief China economist at JPMorgan, said, “The government needs to pay attention to the investment boom risk this year, which usually happens in the first year after a leadership transition.”

III. CHINA-INDIA RELATIONS

Enhanced China-India Cooperation to Increase Common Interests: Chinese PM

Beijing, March 15 (Xinhua) — China’s new Premier Li Keqiang told his Indian counterpart Manmohan Singh in a telephone conversation on March 15 that enhanced bilateral cooperation would contribute to enlarging the two countries’ space for development and common interests.

Singh, over phone, congratulated Li on his endorsement as Chinese premier, and said bilateral ties over the past few years have seen a comprehensive development and continuous progress in cooperation and exchanges in various fields.

He also said the world has enough room for both India and China to realize their common goals for development.

India is willing to work with the new Chinese leadership to explore the potential for mutually beneficial cooperation and make even greater achievement in bilateral ties so that the two countries could set an example for state-to-state relations in the 21st century, Singh said.

Li thanked Singh for his congratulation, and pointed out that China and India are the two largest Asian powers and developing countries, which are also two ancient civilizations and emerging economies.

He said the two countries, by enhancing their cooperation, can expand their space for development, and increase common interests so as to facilitate a sustainable economic and social development and help the world order and system advance in a just and reasonable direction.

This will promote better livelihood of more than 2 billion people in the two countries, which bears a great significance for the whole world, Li noted.

China will, as always, attach great importance to its relations with India, and would like to work with the country to promote their relations of strategic cooperation and partnership to a new stage.

Li was endorsed as Chinese premier Friday morning at the ongoing session of the 12th National People’s Congress (NPC), the country’s top legislature.

Nearly 3,000 NPC deputies voted to approve the nomination of Li, by newly-elected President Xi Jinping, as the candidate for premier at the legislative session.
Dai Bingguo Holds Telephone Conversation with India’s National Security Advisor Menon

On March 11, 2013, State Councilor Dai Bingguo held a telephone conversation with India’s National Security Advisor Shiv Shankar Menon, exchanging views on China-India relations.

Dai said China attaches great importance to Sino-Indian relations. Over the past 10 years, Sino-Indian relations have made great progress, which brings great benefits to the two countries and their peoples and makes important contributions to the peace and prosperity of the region and the world at large. The two countries have explored an effective way of maintaining friendly co-existence, which has not only laid a sound foundation for the future development of bilateral relations, but also provided a good example for big powers and neighbouring countries to properly handle differences and seek common development. We are confident that with the joint efforts of both sides, China and India will embrace a better tomorrow for their relations.

Menon agreed with Dai’s positive comments on bilateral relations, saying the development of Sino-Indian relations embodies the painstaking efforts of the leaders of the two countries and people from all walks of life, and the hard-won results should be cherished. The Indian side is willing to make joint efforts with China to push forward the strategic cooperative partnership.

Chinese Ambassador Wei Wei Visits Press Trust of India

On February 18, 2013, Chinese Ambassador to India Wei Wei paid a visit to Mr. M. K. Razdan, Chief Editor and CEO of the Press Trust of India, and held an interaction with some of the senior editors of PTI. The two sides held candid and in-depth exchanges on China-India relations, discussed how media could make an impact on the development of bilateral relations.

Mr. Razdan gave an overall introduction about PTI to Ambassador Wei Wei. He also recalled his previous visits to China and expressed his willingness for a future reporting visit to China.

Ambassador Wei Wei appreciated the positive role PTI had played on reporting China-India relations and China’s development, as well as enhancing mutual understanding between the two peoples. He said that the current China-India relations maintain a strong momentum, entering the threshold of a golden age, enjoy ample space and huge potential on bilateral cooperation. Media
Media from the two countries should do reports on each other in a positive, objective and comprehensive way to properly guide readers, and do everything possible to add to the mutual understanding and trust between the two countries. The Chinese Embassy in India would further promote two-way visits, exchanges and cooperation between media of the two countries to strengthen mutual understanding, amity and friendship between the two peoples.

Ambassador Wei Wei also answered concrete questions raised by the PTI editors on China-India relations.

IV. EXTERNAL AFFAIRS

Xi Jinping Holds Telephone Conversation with His U.S. Counterpart Barack Obama

On the evening of March 14, 2013, Chinese President Xi Jinping held telephone talks with his U.S. counterpart Barack Obama.

Offering his congratulations on Xi’s election as Chinese president, Obama said the United States and China have conducted broad and in-depth cooperation over the past four years. Currently, U.S.-China relations are faced with a historic opportunity to chart a course for future development, said Obama. The U.S. side hopes to work with China to maintain contacts between the heads of state of the two countries and strengthen communication and dialogue in a bid to promote steady development of bilateral ties in a right direction and build a new type of inter-power relations based on healthy competition rather than a strategic game, he said.

Obama said the U.S. side is willing to strengthen communication and coordination with China through mechanisms such as the U.S.-China Strategic and Economic Dialogue to accommodate each other’s concerns and to promote economic and trade relations. The U.S. side is willing to strengthen cooperation with China to ensure security, stability and prosperity of the Asia-Pacific region, he said.

Xi expressed thanks for Obama’s congratulations. Xi said China and the United
States have enormous common interests, but also differences. China firmly maintains and promotes the development of China-U.S. relations, and would like to work with the United States in enhancing mutual trust, expanding cooperation, handling differences, and maintaining high-level contacts, Xi said. He also said the two countries should jointly maintain and promote the sound development of a series of mechanisms, including the Strategic and Economic Dialogue and high-level consultations on humanistic exchanges, boost the development of cooperative partnership, and find a path for new-type of inter-power relations.

On bilateral economic and trade cooperation, Xi said the two sides should adhere to equal dialogue and candid communication, and should prevent politicizing economic and trade issues so as to further consolidate the basis of China-U.S. economic and trade ties that are characterized by mutual benefits and win-win results. It will bring benefits to the two peoples and will produce positive results on global economic development, said Xi.

He emphasized that as long as the two sides follow the spirit of mutual respect, openness and tolerance, China and the United States will be able to achieve more in the Asia-Pacific region and to turn the Pacific into an ocean of peace and cooperation.

Xi and Obama also exchanged views on the situation of the Korean Peninsula, cyber security among other issues. Xi expressed China’s principles and positions on those issues.

**China More Active in International Affairs**

Beijing, March 9 (Xinhua) — To actively participate in international affairs and contribute to the building of the international system will be a priority of the diplomatic strategy of China’s new leadership, one top diplomat said on March 9.

Chinese leaders will become actively engaged in summits and top leadership diplomacy to further enhance China’s international image and raise its international influence, Foreign Minister Yang Jiechi said at a press conference on the sidelines of the first session of the 12th National People’s Congress (NPC).

China’s new president, to be elected at the NPC session, is expected to make a debut on the international stage, with invited visits to Russia, Tanzania, South Africa and the Republic of Congo.

China and neighboring Russia, Yang said, see each other as a significant opportunity for development and a priority partner for cooperation.

The new president will also attend the fifth leaders’ summit of BRICS countries, to be held from March 26 to 27 in Durban, South Africa.

BRICS is an economic bloc representing five of the world’s leading emerging economies, Brazil, Russia, India, China and South Africa which represent about 43 percent of the world’s population and about one fifth of the global gross domestic product.

**RELATIONSHIP WITH U.S., EU**

The relations between China and the United States, the world’s top two economies, generally maintained a momentum of steady development in recent years due to joint efforts from both countries.

Chinese President Hu Jintao and U.S. President Barack Obama had successful exchange of visits and met 12 times. Xi Jinping, general secretary of the Central Committee of the Communist Party of China, exchanged letters with Obama after he was reelected to U.S. president.
“Leaders of the two countries reached agreement that China and the United States should work together to build a cooperative partnership based on mutual respects and mutual benefits and explore the establishment of a new type of relations between major countries,” Yang said.

China and the U.S. share the most convergent interests and have the most frequent interactions in Asia Pacific, he said, citing that China welcomes a constructive role of the U.S. in Asia Pacific, and the U.S. should also respect China’s interests and concerns in the region.

“The regional affairs in Asia Pacific should be handled by all countries in the region through consultations to promote peace, stability and prosperity in the region,” he said.

The relationship between China and the European Union is one of the most important bilateral ties in the world. This year marks the 10th anniversary of the establishment of the comprehensive, strategic partnership between China and the EU.

In the latter half of this year, the two sides will hold the 16th China-EU summit and discuss an institutional framework for their medium-to-long-term cooperation.

“We will also step up collaboration in such areas as urbanization, new energy sources, scientific and technological innovation and green development,” Yang said.

GOOD NEIGHBORLY RELATIONS

Neighboring countries became increasingly important in China’s diplomatic setup.

In 2012, China’s trade with neighboring countries exceeded the total that China had with Europe and the U.S. to reach 1.2 trillion U.S. dollars. The trade volume is further expected to increase.

Besides the trade growth, China has established strategic partnerships with most neighboring countries. More than 100 high-level official visits were made last year.

“It is not surprising to see 200 or even 300 such visits in the future. As neighbors, our relations will be closer with more exchanges,” he said.

China will host an annual meeting of the Boao Forum for Asia next month in Boao, Hainan Province, in which state leaders of China and some foreign countries, as well as heads of international organizations will attend.

China and the Association of Southeast Asian Nations have launched the largest free trade area (FTA) among developing countries in the world while the Shanghai Cooperation Organization has formed its first strategy for medium and long-term development.

The negotiations for an FTA among China, Japan and the Republic of Korea as well as the regional comprehensive partnership have been launched.

On territorial disputes with some neighbors, Yang said China sticks to a firm stand of defending its sovereignty and legitimate rights and interests, while hoping to properly handle and resolve the disputes through negotiation in order to maintain regional peace and stability.

China has taken firm measures over the tension over the Diaoyu islands. The Diaoyu Island and its affiliated islets have been China’s inherent territory since ancient times, Yang said.

“The current situation has been caused by the Japanese side single-handedly. The root cause of the Diaoyu islands issue lies in Japan’s illegal seizure and occupation of China’s territory.

“The Japanese side needs to face up to the reality, take real steps to correct its mistakes and work with China to properly handle and resolve the relevant issues through dialogue and consultations to prevent the situation from further escalating or even getting out of control,” he said.

“We are willing to promote the strategic and mutual beneficial China-Japan ties on the basis of the four political documents signed by the two countries,” the minister said.
Tensions on the Korean peninsula were once again heightened, after the Democratic People’s Republic of Korea (DPRK) conducted its third nuclear test on Feb. 12. It conducted two nuclear tests in 2006 and 2009.

The UN Security Council passed Resolution 2094, demanding that the DPRK not proceed with further nuclear tests, give up any nuclear arms program, and return to the nuclear Non-Proliferation Treaty.

The resolution also called for peaceful, diplomatic and political settlement of the current situation and a resumption of the six-party talks which began in 2003 but stalled in late 2008.

Yang said China holds that sanctions are not the end of the UN Security Council actions, nor the fundamental way of solving the Korean Peninsula nuclear issue.

The only solution to the Korean Peninsula nuclear issue is to hold negotiations and address concerns of all parties in a comprehensive and balanced way, he said.

“We call on all relevant parties to bear in mind the larger interest, stay calm, exercise restraint, and refrain from taking any moves that may further worsen the situation,” Yang said.

ADVANCING TOGETHER WITH AFRICA

China is committed to growing its relations with African countries. Strategic partnership between China and Africa has developed fast over the years, and the two sides are actively implementing the follow-up actions to the fifth Ministerial Conference of the Forum on China-Africa Cooperation.

The cooperation between China and African countries, nevertheless, has aroused suspicions and accusations.

“We hope all parties can view the cooperation between China and African countries in an objective manner, and respect the African friends in choosing cooperative partners by themselves,” Yang said.

“If you want to walk fast, walk alone; if you want to walk afar, walk together,” Yang cited an African proverb to elaborate on the importance of the cooperation with African countries.

The cooperation between China and African countries is in line with African people’s aspiration for stability and development in their own countries, unity among African countries, and fairness and justice of the international order, Yang said.

China and Africa will further promote cooperation in such fields as investment and financing, assistance, African integration, civilian exchanges, peace and security in Africa.

Yang said many countries are now advancing their cooperation with Africa, and China welcomes such cooperation.

Yang said China is willing to develop cooperation with regional organizations such as the Community of Latin American and Caribbean States, and promote establishment of the forum on China-Latin America cooperation.

CHINESE PROTECTION OVERSEAS

An increasing number of Chinese nationals and companies traveled abroad in recent years.

In 2012, Chinese mainland residents made 83.18 million overseas trips and there are about 20,000 China-funded enterprises overseas.

The Foreign Ministry and foreign missions have, on a timely basis, handled several hundred thousand consular protection and assistance cases involving overseas Chinese nationals and agencies.

The ministry and consulates abroad handle 100 cases of consular protection every day.

“All our efforts on this front are designed to ensure our citizens to make happy trips overseas and take safe trips back home,” Yang said.

“We will continue to deliver high-quality consular services to overseas Chinese nationals and companies and try our best to serve and benefit them,” he said.
NO CYBER SPACE WAR

A U.S. cyber security firm Mandiant released last month a report which alleged that a secret Chinese military unit in Shanghai conducted cyber attacks against U.S. companies.

The report was followed by a wave of Western media criticism of hacking from China.

“Those reports may have caught eyes of many, but they are actually built on shaky ground,” Yang said.

“What is black is black, and what is white stays white. Anyone who tries to fabricate or pieces together a sensational story to serve political motives will not be able to black names of others or whitewash themselves,” he said.

“Cyber space needs rules and cooperation, not a war,” Yang said, citing that China is vulnerable to cyber attacks and suffers such attacks most.

“We oppose to turn cyber space into another battlefield, or capitalize on virtual reality to interfere in other countries’ internal affairs,” Yang said.

“We hope irresponsible rebuke or criticism (against China) would end,” he said, adding that the Chinese government opposes hacking activities.

Japan Should not Escalate Tension over Diaoyu Islands

Beijing, March 9 (Xinhua) — Chinese Foreign Minister Yang Jiechi on March 9 urged Japan to take real steps to correct its mistakes over the Diaoyu islands issue, and work with China to prevent the current tension from escalating or even “getting out of control.”

“We urged Japan to make concrete efforts to improve its relations with China, and play a positive and responsible role to maintain the peace, stability and development in the region,” Yang said at a press conference on the sidelines of the parliament’s annual session.

The Chinese foreign minister reiterated China’s position over the Diaoyu islands, saying the Diaoyu Island and its affiliated islands have been China’s inherent territory since ancient times.

“The current situation has been caused by the Japanese side single-handedly,” Yang said, noting that “the root cause of the Diaoyu islands issue lies in Japan’s illegal seizure and occupation of China’s territory.”

He noted what the Japanese side has been doing violates China’s territorial sovereignty, poses a challenge to the outcome of the victory of the Second World War and post-WWII international order, greatly damages China-Japan relations and has undermined the stability in this region as well.

“The firm measures taken by the Chinese side have shown the will and resolve of the Chinese government and the Chinese people to defend our territorial sovereignty,” he said.

He said the Japanese side needs to face up to the reality, take real steps to correct its mistakes and work with China to properly handle and resolve the relevant issues through dialogue and consultations to prevent the situation from further escalation or even getting out of control.

He urged Japan to correctly recognize and reflect on the history and take that as an important foundation for the China-Japan relations.

The war of aggression waged by the Japanese militarists brought untold suffering to the people in China and other victimized Asian countries, Yang said, adding that only by respecting history and showing remorse to that part of history can Japan develop good relations with its Asian
neighbors.

A long-term, sound and stable China-Japan relationship serves the fundamental interest of the two nations, he said.

“We are willing to promote the strategic and mutual beneficial China-Japan ties on the basis of the four political documents signed by the two countries.”

**Russian Far East Eyes Closer Cooperation with China**

Moscow, March 4 (Xinhua) — Russia’s Far East region expects to develop closer economic cooperation with China, says the Amur region’s governor.

Economic cooperation between Russian Far East and China has yielded fruits, and Moscow has been mulling more projects to boost bilateral trade, Oleg Kozhemyako told Xinhua in a recent interview.

“We plan to open a cable road to connect Heihe and Blagoveshchensk in the next two years. This is an unique project, first in the world,” Kozhemyako said.

Blagoveshchensk, the capital city of Amur, and Heihe of China’s Heilongjiang province, are separated by a river.

There are a series of cooperation projects between China and Amur and tourism has boomed in recent years, the governor said.

“Many Chinese citizens visit the Amur region, currently the number exceeded 35,000,” Kozhemyako said.

Meanwhile, Russia welcomes more Chinese investment, especially in the industrial sector, and is ready to offer various tax benefits over the next 10 years, the governor said.

So far, Chinese investors haven’t participated in such areas as forestry, building material, construction and customer goods production in Amur, he said.

The region, the governor said, welcomes Chinese investment in raw materials processing, gas and chemical production, and coal mining among other sectors.

Meanwhile, the region has been considering more projects to attract Chinese investors into the energy sector, such as building the Yerkovets heat power plant, he said.

Russia has completed a 500 kw power line over the Amur river, and power exports reached 2.6 billion kw compared to the previous 800 million kw. The governor estimated the total amount of electricity exported to China could reach 4 billion kw in the next few years.

Amur needs “serious investors” who come not to export raw materials only but to participate in deep processing, according to the governor.

“We will support those companies which plan to proceed the harvest and not to support those who only want to grow and sell,” the governor said.

As director of an association in charge of implementing investment projects in the Far East, Kozhemyako said the region and Russia as well will strive to provide a safe and beneficial environment for foreign investors, he said.

He cited that a single state program and a law on developing the Far East will be submitted to the government in March, which would help create more favorable conditions for Russia’s eastern partners.

It would also boost cross-border cooperation with China, since half of the raw materials, electricity, fishery produced in the Far East will go to China and Southeast Asia, Kozhemyako added.
China Proposes Cyber Security Talks with U.S.

Beijing, March 15 (Xinhua) — A Foreign Ministry spokeswoman on March 15 said China hopes to discuss cyber security with the United States.

“China resolutely opposes hacking of any form and would like to communicate with the United States on cyberspace security in a constructive way,” Hua Chunying said at a daily press briefing.

Hua’s comments came after newly elected Chinese President Xi Jinping held telephone talks with U.S. President Barack Obama on Thursday, with cyber security among their topics.

According to Hua, Xi outlined China’s principle and stance on the matter, saying the issue of cyber security is increasingly prominent and a security challenge confronting all countries.

It is in the fundamental interests of China, the United States and the international community to safeguard peace, security, openness and cooperation of the cyberspace, the spokeswoman said.

Chinese Media Lambaste U.S. Hacking Allegations

Beijing, Feb. 22 (Xinhua) — The Chinese media have been outraged by allegations from the United States of hacking activities by China, lambasting the U.S. for groundless finger-pointing.

The Beijing Daily, a broadsheet newspaper, carried a commentary in its edition which reduced the U.S. accusations of cyber attacks by China as practicing hegemony in the virtual community.

The commentary came after U.S. cyber security firm Mandiant on Monday released a report which alleged that a secret Chinese military unit in Shanghai was behind years of cyber attacks against U.S. companies.

The report was followed by a wave of media criticism of hacking by China. The Obama Administration was reported to be considering possible fines and trade actions against China.

In response, the Beijing Daily commentary argued the U.S. has always played the victim card. In fact, the U.S. is the country where most cyber attacks stem from and the country is responsible for the majority of computer viruses. Using a Chinese slang term, the commentary said such a move is like “a thief yelling for help to catch the thief.”

The paper further questioned the true purpose hidden behind the U.S. media trumpeting the “Chinese hacking threat.” It may allow the U.S. administration greater leeway in carrying out aggressive cyber attacks, and the media fanfare might serve the purpose of wooing parliament’s budget approval and public support, read the commentary.

On Thursday, the Hong Kong-based newspaper Wenweipo expressed similar concerns about the “Chinese hacking threat.” The paper said it aims at whipping up public support for the U.S. government and the military to wage a cyber war, besides the conventional purpose of containing China as the “China threat” rhetoric does.

Ever since cyberspace became a new battle field, the American military has taken the lead to establish cyber headquarters and recruit numerous hackers to carry out computer virus research and development and build a cyber war arsenal, Wenweipo said.

The American cyber security force is still expanding. The paper cited a report in The
Washington Post on Jan. 27, which quoted a U.S. defense department official as saying that the U.S. will increase the size of its cyber security force fivefold over the next several years.

The Global Times, a national tabloid, carried an article on Wednesday calling for China to stand up to the U.S. finger-pointing, saying silence will only invite more accusations.

The tabloid argued that there are too few public reports of China being hacked by offshore forces, as many are held only within government authorities.

Besides, it is always a government spokesperson who does the complaining on the Chinese side, while it is an individual company or interested parties that tell their stories of being attacked, which makes the U.S. voices heard louder.

The Global Times appealed to relevant technology authorities of China to refute the American accusations through fact finding research. It also encouraged victims of cyber attacks sourced to U.S. IP addresses to tell the world what has happened to them.

Another Global Times commentary said, “We don’t believe the Chinese military is completely unprepared in a cyber war, but we are convinced that China will never act on the offensive side.”

Foreign Ministry spokesman Hong Lei, at a regular press briefing on Wednesday, said the groundless criticism from the U.S. is “irresponsible and unprofessional, which will not help to solve the problem.”

Interpreting the Second Wave of Cyber Security Threats to China

by Xu Peixi

Beijing, March 4 (Xinhuanet) — The U.S. has two times challenged China in the field of Internet governance. The first challenge came in the form of a speech delivered by former U.S. Secretary of State Hillary Clinton on Internet freedom following Google’s withdrawal from the Chinese mainland. The second came earlier this month as a private security firm, Mandiant, released a report accusing the Chinese military of stealing U.S. intellectual property.

I have discussed the first attack in an earlier publication. How to make sense of this new offensive — a seemingly scheduled escalation — of the previous hostility in terms of both rhetoric and substance? Observers feel reluctant to comment on the Mandiant report because they fail to understand the technical details. However, it is fairly easy to make sense of this dispute by reading the report itself and by some creative thinking

An important point to consider is that the China-U.S. conflict over Internet governance can be traced back to the first World Summit on Information Society (WSIS) in Geneva, 2003. China insisted on the role of state leadership in Internet governance, while the U.S. proposed market leadership. Both countries had their own reasons. For China, the state plays an important role in development and market issues. State authorities also manage the media to maintain social stability. The U.S. will not loosen its grip over core Internet resources because it is a gathering place for a myriad of commercial interests.

The EU then offered to broker a deal between the two parties. In June 2005, the EU Council of Ministers outlined its position on Internet governance by proposing a new cooperation model to solve conflicts over the management of the Internet’s core resources, namely the domain
names systems, IP addresses, and the root server system. This new cooperation model stated that “the existing Internet governance mechanisms should be founded on a more solid democratic, transparent and multilateral basis, with a stronger emphasis on the public policy interest of all governments,” and should be based on two principles ranging from “it should not replace existing mechanisms or institutions” to “it should contribute to the sustainable stability and robustness of the Internet.” According to my European colleagues, this proposal was raised to bridge differences between China and U.S.

When I was reading about this in 2005, I failed to see the value of the proposal itself and the significance of the role of EU in this grand dispute because I disliked state interference. In retrospect, both the EU proposal and the EU’s role were a viable solution that accurately reflected the multi-stakeholder principle in Internet governance. One would expect that the U.S. would respond positively to the EU’s stance because it clearly stated that the new model should not replace existing mechanisms, but U.S. simply said no.

Why was U.S. so afraid of a European role? In 2005, Internet policy researchers did not fully grasp the reason why the U.S. preferred a G-2 mechanism when over 170 states and over 600 civil society groups who wanted to share their concerns. At that time, Internet policy researchers believed the U.S. did not approve of the word “public” in the proposal. After all, European values of public service media are inconsistent with the American view of private media. In hindsight, I believe that the U.S. dismissed the EU proposal because it will limit their power to manipulate public opinion.

This psychological mechanism works particularly well regarding free speech and cyber attacks. Holding leverage makes it easy for the U.S. to strike a deal with China alone. Microsoft, Cisco, Yahoo, Skype, Sun Microsystems are all big players. When there isn’t a deal, challenging China is just as simple, easy, and cheap. China can be made to look like whatever scapegoat the U.S. public wants; it can be a hero saving world economy or it can be an aggressor coming to gobble the U.S. up. It is one of the few nations that U.S. foreign policy advisers can still apply their public animosity skills. However, having the EU act as a middleman would complicate this game, so the U.S. rejected the idea.

The only solution to the U.S.-China dispute over Internet governance in general, and cyber security in particular, is for U.S. policy-makers to realize that this is not a bilateral matter. Disputes like this are transnational in nature and involve many stakeholders. The failure at the WSIS summits has created lasting complications. The Google/U.S.-China row is only a very small fraction of the overall disputes, and this fraction is made visible by American officials because it played into their domestic needs.

After the failures of the 2003-05 WSIS negotiations, the world was increasingly led by U.S. foreign policy makers and commercial media companies. 2010 onwards has been particularly disastrous. In January 2010, Hillary Clinton delivered a well-known speech at Newseum calling for more Internet freedoms. In March 2010, Google showcased its formal withdrawal from China citing cyber attacks. In May 2010, the Pentagon launched the U.S. Cyber Command, and in May 2010, the U.S. State Department gave 1.5 million dollars to the so-called Global Internet Freedom Consortium directly affiliated with Falun Gong. In June 2010, computer malware Stuxnet — widely believed to be created by U.S. and Israel — was discovered in Iranian and Indonesian computers. In May 2011, President Barack Obama signed an executive order laying out cyber-war guidelines, and two weeks ago, Obama signed a new executive order to strengthen cyber defenses. Most recently, Mandiant released its report titled “APT1: Exposing One of China’s Cyber Espionage Units"
Motivated by U.S. attempts to weaponize Internet, nations such as the U.K., South Korea, Germany and Iran followed suit to increase cyber war capabilities. The more energy the U.S. wastes on accusing and attacking others, the more the world community feels threatened by the U.S. monopoly on Internet governance. The more other nations challenge the U.S. in forums such as ITU, the more U.S. state authorities and businesses find it necessary to create a scapegoat. U.S. concerns ranging from creating jobs in the Pentagon to bringing jobs home through trade wars will only hurt global economic growth. It is not the way the world works. It is much ado about nothing.

(The author is an associate professor with Communication University of China.)

V. DOMESTIC AFFAIRS

An Upcoming Spring for Reform

by An Gang

The National People’s Congress, China’s top legislature has finally completed the country’s leadership transition. The job performance of the new leadership of the ruling Communist Party of China (CPC), headed by Xi Jinping as general secretary of its central committee, in the past months has been described as a “dream start” — the Chinese public has clearly seen the emerging fresh look of the new leadership in governing a state, deeply sensing a promising future for China as well as an exciting and beautiful “China dream” for the people.

New Start for Reform

It is undeniable that Chinese society underwent a period of anxiety and fickleness marked by a public full of complaints, soaring grievances, acting on one’s own will and rebuking government aimlessly. All these signs pointed to the rapidly growing rich-poor wealth gap and the damaged state of social justice. It is an unavoidable winding step in the course of
China’s development, however, which originated from the variety of reform bottlenecks and the emerging middle-income trap, as well as being directly related to the economic downturn worldwide.

Chinese leaders do not evade any problems or block the public from expressing their will. By discussing openly the major policies and theories as well as frequent base-level field investigations and public opinion surveys, they fully demonstrate the resolve for top-down reform.

The series of moves of the new leaders after the 18th CPC National Congress have instilled in the public a vivid feeling of the rhythms of reform from the top level.

During a visit to an exhibition on China’s development since 1840 in Beijing last November, Xi said, “Realizing the great renewal of the Chinese nation is the greatest dream for the Chinese nation in modern history.” He also emphasized that spouting empty talk is harmful to the nation, while doing practical work can help it thrive. Xi’s remarks highlighted that people’s prosperity and a strong country are the two greatest common goals of Chinese society. He also spoke of restoring the social cohesion of Chinese society.

A commentary article on the British website Ftchinese.com remarked on the new look of Chinese politics that the right perception is a precondition for the right action. It is true that the new leadership has already taken action. On December 4, 2012, the Political Bureau of the 18th CPC Central Committee held its first meeting after taking office. The meeting adopted a document making explicit requirements on how Political Bureau members should improve their work style in eight aspects, including reducing meetings, getting rid of superfluous language, shortening traffic control during officials’ visits, and exercising thrift. The new regulations have sent a clear signal that the top leadership sets itself as an example.

From December 7 to 11, 2012, Xi went to Shenzhen, Zhuhai, Foshan and Guangzhou in southern Guangdong Province for field investigations, dubbed the “new southern tour,” signaling a continuation of the great course of China’s opening up and reform started by former leader Deng Xiaoping in the late 1970s. Prior to Xi’s tour, during a meeting on November 21, 2012, Vice Premier Li Keqiang, who is expected take over the premiership next month, said that opening up and reform is the biggest dividend of China’s development, in addition to being warmly welcomed by the public. The moves of the new-generation leaders demonstrate clearly they will waste no time knocking down barriers and deepening the reforms in important areas with greater political courage and wisdom. Within China, the public has keenly caught on to the political signals by top-level officialdom and echoed it with action. Now, a new environment for reform with the positive interaction between the public and high-level officials is taking unprecedented shape. Many greedy officials have been ousted by an online anti-corruption campaign launched by the public. Xi said openly that the Party should remain tough on corruption and crack down on malfeasance by both low- and high-ranking officials. In the meantime, Xi ordered enhanced restraint and supervision on the use of power. Power should be limited within the cage of regulations, Xi said.

A discussion about the direction of China’s reform is underway nationwide, which will help to reach consensus on promoting the steady progress of the reform. The discussion has underlined the importance of political restructuring and drawn an outline for improving the style of the leadership and the ruling mode of the Party, assuring effective governance of the country under the leadership of the Party and safeguarding the rights and freedom people enjoy according to law. In the new decade, China will abandon the “GDP first” principle and pay more attention to people’s livelihood. A more
comprehensive, balanced and sustainable development pattern will reconsolidate Chinese society and stimulate the development vitality and innovation capacity of China, setting a new path for China’s development and reform.

**Commitment to Peace**

At a group study session held on January 28 with members of the CPC Central Committee Political Bureau, Xi said that China will remain on a path of peaceful development and explained how to pursue that path. Xi stressed first and foremost that China should run its own affairs efficiently and rely on its own strengths. Xi also said that the country will never surrender its legitimate rights or sacrifice its core national interests. “No country should presume that China will engage in trade involving our core interests or swallow the ‘bitter fruit’ of harming our sovereignty, security or development interests,” he added. China’s core interests are both multifaceted and wide-ranging. Raising and defining explicitly the conception of China’s core interests is one of the major achievements in the theory and practice of Chinese diplomacy. A whitepaper entitled *China’s Peaceful Development* released by the Chinese Government in September 2011 said that China is firm in upholding its core interests: state sovereignty, national security, territorial integrity and national reunification, China’s political system established by the Constitution and overall social stability, and the basic safeguards for ensuring sustainable economic and social development.

China is at a special and crucial juncture approaching the great renewal of the Chinese nation, during which the most important thing is maintaining a trend of peaceful development. As China develops, it is increasingly necessary to show its determination and effectiveness in safeguarding its core interests. Meanwhile, safeguarding the core interests of the country relies on national strength and will, the solidarity and maturity of the nation and the firmness and wisdom of its diplomacy. Not a single aspect can be ignored. With the growth of China’s national strength and the advancement of social transformation, Chinese diplomacy has to take into consideration many more factors to maintain its core national interest. The country’s diplomatic efforts must rise to its defense. A grand strategy with a comprehensive approach is needed, with a healthy dose of caution when pitting core interests against the overall development objectives of China. Its diplomatic approach is not an either/or question between perceived “softness” and “toughness.” Handling disputes over territorial sovereignty and maritime rights properly is not contradictory to China’s adherence to peaceful development. On the one hand, China firmly opposes any behavior that impairs its territorial sovereignty and maritime rights; on the other hand, China works actively to create a favorable atmosphere and conditions for peaceful solutions to relevant disputes through dialogue and consultation. From China’s reaction to the disputes over the Huangyan Island in the South China Sea and the Diaoyu Islands in the East China Sea in 2012, we can conclude that China has held consistently to the principle of shelving disputes in favor of joint resource development. In the new era, peaceful development is still the banner of Chinese diplomacy and the extension of domestic development and reform. China will unwaveringly pursue the road of peaceful development, with its growing overall strength as a solid backing force. The fact that China has become increasingly powerful shows that it has more capacity to maintain its core and major interests and prevent wars, which should not be misinterpreted to suggest that China’s diplomacy will be tougher or even go to war.

(The author is an op-ed contributor to *Beijing Review*)
Clean Your Plates!

by Yin Pumin

Urging conservation at the dinner table has become the clarion call of an online campaign.

Millions of netizens across China re-blogged China Land and Resources News Vice President Xu Zhijun’s mid-January appeal to curb food wastage and appreciate the virtue of being thrifty even in times of plenty. Xu called for people to take uneaten food home after banquets.

Serving excessive amounts of food is rooted in China’s culture of face. The sociological concept, closely related to honor and prestige, is readily observable at banquets, where excessive portions represent the host’s overwhelming hospitality. A plenitude of uneaten food enables the host to gain face. However, if diners finish everything on the table, the host may lose face, appearing stingy or lacking finances.

Beijing-based China Agricultural University estimates 200 billion yuan ($32 billion) worth of food goes to waste in China each year, enough to feed approximately 200 million people.

After polling 2,700 diners in Chinese cities, the university concluded that at least 8 million tons of protein, enough for the annual demands of 260 million people, and 3 million tons of edible fat, close to 130 million people’s annual consumption, were discarded from 2007 to 2008.

Such figures are astonishingly high in a country where 128 million people live on less than $1 a day. Official figures show that about 5 million people in southwest China’s Guizhou Province received government food aid last year.

Public Response

Xu’s online crusade to encourage cleaned plates and bagged leftovers began in April 2012 but gained little traction until becoming the subject of reporting by the China Central Television (CCTV) and Xinhua News Agency. The microblog of People’s Daily, China’s most-circulated newspaper, deemed it an honorable act and a show of self-respect.

In late January, the Beijing Catering Trade Association, Beijing Cuisine Association and Beijing Western Food Association, along with 10 franchise restaurants in the city, launched a joint anti-waste initiative garnering rapid response. More than 750 restaurants in Beijing have announced that customers are encouraged to order smaller portions and take home what they can’t finish.

At the Meizhou Dongpo Sichuan Restaurant, special posters are put on the tables to remind
customers to order sparingly, while also pointing out that they are encouraged to take leftovers home. Instead of persuading customers to order a wide range of expensive dishes, waitresses would suggest modest orders to be supplemented later if diners are still hungry.

“We had 20 small-portion dishes before. Now, in order to answer the call to save food, we added another 10 half-portion dishes,” said Tao Dan from the Marketing Office of the Meizhou Dongpo Sichuan Restaurant.

“We can avoid wasting food on the one hand, and on the other hand, customers can order a wider variety of dishes,” Tao said.

Tang Qingshun, Chairman of the Beijing Food Industry Association, said that a pilot program for this campaign showed that the choice of small and half-portion dishes can reduce around 50 percent of the wasted food for family dinners.

Meanwhile, some restaurants offer rewards to customers who eat all their food or take away their leftovers or hand out coupons to diners who do not squander their food.

“All these methods have proved effective and can be promoted,” Minister of Commerce Chen Deming said at a national meeting on January 28. The meeting focused on measures to eliminate food waste.

Liu Qinglong, a professor at the School of Public Policy and Management of Beijing-based Tsinghua University, was happy to see the change in attitude toward food wastage, but he said that he’s waiting to see how things pan out over the long term. He expressed concern that the new move might be short-lived and would fade away in the face of traditional cultural pressures.

“Ostentation and preserving face have been part of Chinese culture for thousands of years,” Liu said, adding that people don’t like to be seen taking food home from restaurants for fear that neighbors and friends may think them stingy. He suggested that the government should introduce a media and social supervision mechanism to combat these perceptions.

Yuan Longping, a renowned agricultural scientist, has even called for criminalization of negligently squandering food.

“China has a large population and little arable land, and we scientists have worked so hard to improve rice harvests. But after production increased, people wasted it,” Yuan said in an interview with CCTV.

Official figures show that China’s grain output in 2012 rose 3.2 percent to 589.57 million tons. However, import figures tell a story of a strained domestic grain supply facing an increasing population and expanding cities.

According to official statistics released in January, China’s grain imports hit a record high in 2012 of 72.3 million tons, which means that China’s self-sufficiency rate on grain has plunged below 90 percent, a warning sign that the nation may have a food security issue.
The Chinese Government sets a 95-percent bottom line on its grain self-sufficiency rate, according to an earlier white paper on food security.

Chen Daifu, a deputy at the National People’s Congress (NPC), China’s top legislature, told Xinhua that he and other lawmakers proposed a law to curb and prevent food waste, as well as punish those responsible for wasting food.

A Government Campaign

The “clean plates” campaign is also part of a drive by Chinese leaders to fight extravagance and advocate thrift. Last December, the Political Bureau of the ruling Communist Party of China’s (CPC) Central Committee released eight provisions requiring officials to improve their work habits and refrain from excessive spending, especially spending on luxury banquets.

Many provinces have followed suit, launching their own, more-detailed versions. Central China’s Henan Province has ordered that business meals for officials should feature no more than four dishes, and alcohol is prohibited. Southwest China’s Guizhou Province has set a time limit of 45 minutes on meals paid from the public purse.

Also in last December, the Central Military Commission said that military banquets would be banned, as would alcohol at receptions.

On January 22, Xi Jinping, General Secretary of the CPC Central Committee, once again called on all Party organs and members to maintain a frugal lifestyle and resolutely oppose all kinds of extravagance, including luxury banquets.

The traditional idea of frugality should be promoted among the entire Party, Xi said, adding that all government organs, institutions, state-owned enterprises and non-profit organizations as well as officials at various levels should work toward putting an end to extravagance.

As far as Xu is concerned, the transformation from a non-government campaign to one with government support highlights the need to curb wasteful habits. “The fight against food wasted by officials is a fight against corruption,” Xu said.

The latest example of the government’s efforts came on February 5, when the head of a state-owned enterprise was suspended from his post for attending a luxury banquet after one of the diners wrote about the event online. CPC discipline authorities in Zhuhai in south China’s Guangdong Province have ordered Zhou Shaoqiang, General Manager of Zhuhai Financial Investment Holdings Co. Ltd., to step down after he exceeded the spending limit for an expensive dinner. Zhou and 16 others attended a banquet at a local restaurant on January 4 at a cost of 37,517 yuan ($6,022), including 12 bottles of pricey red wine.

In south China’s island province of Hainan, Wang Qun, Director of the Finance Bureau for Qiongzhong, a poverty-stricken county, was suspended from his post and placed under investigation after allegations of misusing public funds in restaurants, a disciplinary watchdog said.
Investigators said Wang spent 15,000 yuan ($2,408) on three banquets for friends and colleagues in January.

“We have found other government departments in Hainan are also involved in the misuse of taxpayers’ money on feasts and we will find those who are accountable and punish them,” said Luo Zhijun, Deputy Director of the CPC Hainan Provincial Commission for Disciplinary Inspection.

No Guarantees

Due largely to the national frugality campaign, many restaurants, especially high-end ones, have already reported sharp declines in extravagant banquets.

According to a survey conducted by the China Cuisine Association, as much as 60 percent of restaurants, mostly upscale ones, said many reservations have been canceled since the end of last year.

Chen Junhai, an executive at Wangshunge Restaurant Group in Beijing, said that efforts to eradicate publicly funded extravagance had been a big blow to many high-end catering businesses. About 30 percent of Wangshunge’s income comes from hosting luxury business banquets, Chen said.

In Tianjin, the number of banquets held by government departments in the past month dropped nearly 30 percent year on year, according to Xing Ji, head of the Tianjin Catering Trade Association. Xing said that the average cost of official banquets had also fallen by 50 percent.

In Haikou, Hainan, restaurants have reported huge losses from the cancellation of government banquets. “Normally, business banquets account for 80 percent of our revenue at the end of each year, but the wave of cancellations has cast a big shadow on our business,” a manager of a luxury restaurant in Haikou told People’s Daily.

The China Cuisine Association said that most restaurant owners are predicting a grim year for 2013. About one third estimated that the growth rate would slip below 10 percent.

However, Jiang Ming’an, an anti-graft expert from Peking University, warned that despite the Central Government’s orders urging frugality, some officials are able to create fake spending invoices to escape supervision. “The only measure that could prevent them from over-spending or abusing their privileges would be to make public spending transparent,” he said.

Zhang Zhixin, a professor of public management at the Capital University of Economics and Business in Beijing, said that stricter rules are essential to curbing extravagance.

“We should try to eliminate undocumented spending by tightening our budgetary rules. By doing so corruption and unnecessary banquets can be avoided,” Zhang said.

Chinese Leadership Grips Future

by Kerry Brown

The political calendar in China is something that most non-Chinese don’t understand that well. Part of that is due to a lack of knowledge about the structure of governance in the country. They know there are ministries and they know there is the Communist Party of China (CPC). They may well have followed the buildup and outcome of the 18th CPC National Congress late last year and assumed that this was when all leadership changes were made. But if you were to point out to many
in Europe or North America that there are still important government changes to be made at the National People’s Congress (NPC), this would no doubt cause confusion. The quickest way to explain the function of the NPC is to refer to it acting like a parliament.

What helps even more is to explain that the NPC is in fact speaking directly to the government through the State Council, which collects the heads of ministries and executive government bodies. That means that when the NPC sits down each year it is primarily discussing government plans for the coming year. That supplies the parallel to a parliament in other systems. It is there to scrutinize and discuss proposals, and give some idea about what public opinion and government intentions might be about issues that need to be decided.

**Government Changes**

The main issue for the NPC this year is to reveal a bit more about what the new leadership will look like in policy terms. The transition from the last CPC Central Committee with Hu Jintao as general secretary to the new one under Xi Jinping occurred during the CPC National Congress in November last year. But that was part of what we can call a longer transition. Now the main Party positions at the Standing Committee of the Political Bureau, the full Political Bureau and the Central Committee have been completed, it is time for government changes. They will occur in the NPC. A new premier will be announced, and some new ministers and vice ministers. We can say by the end of this that full Party and government changes, at least centrally, will have been made. From the day the NPC closes we will have a largely new team to get to know.

And getting to know them is important. The euro crisis might be receding, and the U.S. economy growing a bit, but globally development remains sluggish. The tough times since 2008 are continuing. China’s role as an economic stabilizer during much of this is as necessary now as it was back in the days when Lehmann Brothers shocked the world by collapsing and heralding the start of a major financial implosion. China has continued to account for a large proportion of global GDP growth. The decisions that the new government team make on the economy, on the housing market and interest rates in China will be as much international as domestic in their significance.

During this NPC too we will want to see what sort of specific reforms the government will want to embrace socially as well as economically. We know that the 12th Five-Year Plan (2011-15) is the overarching macroeconomic blueprint, and that it contains the key promises the government has made up to 2015. But from this point, we will also start to look at clues for what might be formulated in the succeeding plan. The 12th one was called
the greenest that China has ever produced. But China’s water and air quality, its reliance on fossil fuels and its energy efficiency are going to remain huge issues. Investment in clean and renewable technology likely needs to go up sharply.

So is investment in education. The previous five years saw the proportion of GDP spent on education increase, with rural schooling in particular getting attention. At the tertiary level, a rising proportion of Chinese are now going to universities. But the challenges of providing education across society from primary up to tertiary level are going to persist, simply because without this investment in human capital, the desire to shift to a more service-oriented economy, and one where manufacturing is more specialized and in the higher value-added sectors, will not be possible. The need for an increasingly well-educated workforce is going to intensify in the coming years. It is likely therefore that this NPC will have to look at committing more resources to this critical area. The 12th Five-Year Plan and the previous NPC session also looked at social management. Expenditure on public security like police is high, with the costs of arbitration between different contesting groups rising as their claims on land, or public goods, or other material assets increase. Investment in social infrastructure and ways of delivering social cohesion will need to continue. The creation of a stakeholder society where people are able to take responsibility increasingly for their affairs is part of the journey toward middle-income status for the country and a doubling of per-capita GDP by 2020. But having systems in society that can mediate between different income groups and create harmony among them is something that takes time. In particular, the discussions this NPC has about increasing land rights, pensions or household registration reforms will be important. Each of these poses major policy challenges, which have been heavily discussed in the past. The main issue now is to get some sense of where the new leadership might wish to go with these reforms and how they build on the legacy of the last group of leaders.

**Austerity Politics**

One of the moves made by the new leadership in the Standing Committee of the CPC Central Committee Political Bureau since last November is to cut down on official expenditure. Officials have been told to restrict how much they spend on entertainment and banquets. They have been told to economize on travel, domestically and overseas. Austerity politics have been in existence in Europe and North America now for over five years. Here, governments, whatever their political complexion, have a common problem. In the United States, fights are looming over the deficit between the president and Congress, with the government due to spend over $3.5 trillion, and revenues from tax and other income sources only coming in at $1 trillion less than this. Funding this massive shortfall has become a political time bomb. In the UK, public spending continues to rise way beyond government predictions, with a $90-billion increase this year, at a time when tax revenues are going down. The Chinese Government’s finances are not in this position, but there is a sense in which a more frugal period is here and in which the government has to become more fiscally efficient and focused on economizing. What will be of most importance in the NPC for many observers therefore will be some idea of where resources and expenditure are likely to be committed in the coming year, in which areas there are likely to be increases, and in which (for instance capital investment) there are likely to be reductions, or at least a freeze. This is different this time because it will be seen as representative of what a new and still largely little understood leadership is aiming to do in the longer term. Finally, there is the issue of how the new leadership in the NPC communicates both domestically and internationally. We are used to the ways in which
those leaders now retiring spoke and the sorts of messages they conveyed in their public language. During the NPC we are likely to see, for the first time, the new leadership speaking at length about their ideas for the future and where China now needs to go, and see where these remain the same as the previous leadership and where there might be developments or differences of emphasis. Presentation is often dismissed too easily, with people being keen to say how much they value substance. But at the end of the day, presentation does matter, in intellectually and, to some extent, cognitively persuading people to accept an argument or at least think about it. The ways in which the NPC shows us officials, leaders and influential figures prioritizing challenges, seeking new ways to approach issues and revealing something about their attitude toward policy innovation are important. After all, a lot has changed since last year, and this will be as good a chance as any to assess what has happened, where we all stand, and in which direction we, China and the world, are likely to go.

(The author is an op-ed contributor to Beijing Review and executive director of the China Studies Center at the University of Sydney)

National Treasure

by Bai Shi, Photos by Wang Xiang

To ensure public supervision plays a part in protecting its precious artifacts, the Palace Museum of Beijing released a catalogue on its website on January 1, publicly listing details of its collection for the first time in history.

According to an official statement, the list covers 18 categories including bronze, gold and silver ware, jade ware, enamel vessels, sculptures, and religious artifacts.

There are a total of 662,784 antique pieces in the first catalogue. The list contains brief information on precious and general cultural relics, as well as ceramic items. Information on the seven other categories is due to be released successively at a later date, the statement said.

From 2004 to 2010, the Palace Museum sorted through its numerous collections, aiming to update its General Collection Catalogue. This is the fifth time it has carried out such a project.

According to official records, by 2010, the museum housed a total of 1,807,558 antiques in 25 categories while its huge storage facilities safeguarded 1,684,490 additional pieces of precious treasure, including 115,491 general relics and 7,577 ceramic items.

To assist in its catalogue efforts, the museum held many seminars and meetings in which experts...
corrected previous faulty information related to number, name and period.

First to Open

As an institutional first, the catalogue will meet demands for academic research and increase public supervision of the museum’s work.

At a press meeting on July 6, 2012, Curator Shan Jixiang stressed that the museum would do its utmost to improve services and up supervision related to the compiling of the General Collection Catalogue.

Shan was appointed curator in January 2012, following a series of scandals that hit the museum.

On May 8, 2011, Shi Bokui snuck into an exhibition chamber and stole several objects. Surprisingly, the thief cheated seemingly rigorous security systems before his arrest by Beijing police on May 11. The robbery aroused public suspicion regarding security at the Palace Museum.

At the time, Rui Chenggang, a well-known China Central Television reporter, wrote via the Internet that Jianfu Palace of the museum was rebuilt as a private club for entertaining rich members, shaming the cultural legacy of the museum. The club was subsequently closed down following exposure.

Furthermore, on July 30 the same year, an anonymous ceramic collector revealed on a microblog that a Ge Kiln (Song Dynasty, 960-1279) porcelain dish kept at the museum was seriously damaged by staff due to faulty testing procedures on July 4. With pressure from the public, the mistake was finally acknowledged on the July 31.

The spate of incidents lead to unprecedented criticism, aggravate public mistrust and calls for greater transparency.

For various reasons, the magnificent Palace Museum has been invaded by commercialization over the past decades with fast-food restaurants and stores occupying chambers while peddlers and shoddy exhibitions grace its grounds.

Shan vowed to strengthen the integrity of the museum and improve services as soon as he assumed his post.

The curator plans to restore historical architecture covering 13,000 square meters and remove all commercial operations by 2016. At that time, around two thirds of
the museum will be open to the public. According to the museum head, about 60 percent of China’s precious antiques are collected within the palace walls. The Palace Museum was declared a UNESCO World Heritage site in 1987.

### The Palace Museum

Established in 1925, the Palace Museum is located inside the Forbidden City from where Ming (1368-1644) and Qing (1644-1911) dynasty emperors administered China.

Situated in the heart of Beijing, the Palace Museum is approached through Tian’anmen Square. The royal dwelling derived its name from its heavily restricted access. It was built from 1406 to 1420 by Yongle Emperor (1403-20) who, upon usurping the throne, moved his capital northward from Nanjing to Beijing. During nearly 600 years, 24 emperors lived in and ruled from the palace.

Surrounded by 10-meter-high walls and a 52-meter-wide moat, the museum covers an area of 720,000 square meters, offering visitors the chance to experience traditional palace architecture, enjoy treasures kept inside, and learn of legends and anecdotes about the imperial family.

Once inside, tourists are greeted by a succession of halls and palaces spreading out on either side of an invisible central axis. The buildings’ glowing yellow roofs levitating above vermillion walls are a magnificent sight while the painted ridges and carved beams all contribute to a sumptuous effect.

Representing 5,000 years of Chinese civilization, alongside the 600-year history of the Forbidden City itself, the museum is committed to the preservation of the national patrimony and becoming a world-class facility.

Although previously allocated inside forbidden precincts, the Palace Museum has become increasingly accessible by means of digital technology.

Its official website, established in 2001, is dedicated to spreading the cultural message of the Forbidden City worldwide.

The Palace Museum mainly draws from the Qing imperial collection. Magnificent architecture and vast holdings of imperial paintings, calligraphy, ceramics, and decorative objects make the museum one of the most prestigious in China and the world. Together with Tian’anmen Square, the Great Wall and the Summer Palace, it is a must-visit tourist attraction in Beijing.

As one of the most famous national heritages in the capital, it attracts numerous visitors from around the world every year. The museum set a record when it received 182,000 tourists on October 2, 2012.

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### VI. TIBET TODAY

#### Tibet Ranks Top of Residents’ Happiness List

Tibet, the snow-covered holy land in southwest China, topped a survey of residents’ sense of happiness in Chinese inland areas, with the most satisfying index of air condition.

The survey, “China Happiness Index Map”, conducted by Tencent.com together with 34 local media involved 10mln voters from 34 provinces, cities and autonomous regions.

In the survey, Tibet was graded with 6.7 points (full marks for 10 points), followed by the Ningxia Hui Autonomous Region with a score of 6.2 points and three other provinces including Hai nan,
Liaoning, Jiangsu Fujian ranking third with the same score of 6.0 points. While Guizhou, Beijing, Shanghai and Guangdong, with 5.0 points, became the least happiness areas of Chinese inland.

Happiness index shows social systems and people’s life, and it is also the indicator of the social development and people’s opinion.

The survey clearly showed that the “happiness map” was affected by the pace of life, environment and many other factors a city.

In the questionnaire, netizens were required to vote based on ten livelihood-related indexes, including income, security, commodity price, food, transportation, air condition, house prices, education, medical treatment and employment.

According to the statistics of the questionnaire, air condition becomes the most satisfying index in Tibet, followed by social security. 32.09 percent of people were content with the climate of Tibet, and 14.25 percent of people chose the social security.

During the survey, some netizens also expressed their feeling about the happiness of Tibet. An Xin, a visitor to Tibet said, “Lhasa is a relatively relaxing and comfortable city. It is very pleasing to come here and enjoy the brilliant sunshine and clean air.”

A migrant worker in Tibet Lao Wang said, “Lhasa is the city with the most stable public order in China, where people have a sense of security and stability, and people living here feel very dependable.”

(From: China Tibet Online)

**Tibet Sees Sharp Poverty Reduction in 2012**

Lhasa, Feb. 22 (Xinhua) — China’s Tibet autonomous region saw its impoverished population decrease by 130,000 people last year, local authorities said recently.

Through the efforts of the central and local governments, 130,000 poverty-stricken people have overcome poverty, according to the regional poverty alleviation office.

Statistics from the office showed that the number of impoverished people in Tibet had decreased to 583,000 by the end of 2012 from 833,000 in 2010.

Chonyi Yarphel, director of the office, said Tibet has made great efforts to find effective ways to alleviate poverty, including the establishment of anti-poverty projects and job training programs.

The construction of family hostels and food processing plants has proven to be a popular method of combating poverty, Chonyi Yarphel said.

The regional government has prioritized the allocation of poverty alleviation funding for border areas, pastures and other areas with adverse geographical conditions, he added.

The impoverished population is expected to decrease by 128,000 this year, according to the regional poverty alleviation office.

(From: China Tibet Online)

**“Self-Immolation Guide”: Desperate Insanity of the Dalai Clique**

Beijing, March 6 (Xinhua) — The China Tibet Online, a multi-language media website dedicated to providing news stories on Tibetans living in China, has recently published a bylined opinion article on the “Self-immolation Guide,” produced by the Dalai Lama clique.
Following is the full text of the article in English:

Recently, the Dalai clique published a “Self-immolation Guide” on the Internet, openly inciting Tibetans within the Chinese border to “carry out self-immolations according to the plan and procedures.”

The “Self-immolation Guide” demonstrates a sober attitude in scheming and arranging the cruel actions of self-immolations, which makes it stand out among the many propaganda of the Dalai clique, and thus soon get intensive spotlight.

The book is published in the name of one person only for the “Tibetan government-in-exile” to avoid public condemnation toward its overt manipulation of self-immolations. The alleged author of the “Instructions” is Lhamo Je, who had been a “member of parliament” for two terms in the “parliament” of the Dalai clique and now still has an important position in its “educational system.”

The “guide” consists of four parts. The first part is an ideological mobilization which advocates the idea that self-immolators are “great and honorable fearless heroes” and that “both male and female heroes” should be ready at all times to sacrifice for the “just cause.”

The second part gives detailed instruction on the “self-immolation preparation,” including “picking important days and places,” “leaving written or recorded last words,” and “asking a couple of trustworthy people to help record videos and take photos.”

The third part introduces “self-immolation slogans” and instructs the self-immolators to shout “Free Tibet, let the Dalai Lama return to Tibet, and release political prisoners” and so forth, and asks them to print out the slogans into leaflets to scatter them on the spot so as to increase the impact.

The fourth part illustrates “other non-violent activities” such as “shouting loudly the campaign slogans at schools and other populated places,” “making public speeches,” and “filing petitions to the central government,” and points out that “it is very important to launch various activities in political, economic, religious and cultural fields.”

No matter from which perspective, this “Self-immolation Guide” can yet be regarded as “a remarkable piece of writing,” for it is tantamount to a “confession” of the Dalai clique which has committed the crime of manipulating self-immolations.

As the head of the “Tibetan government-in-exile” Lobsang Sangay has asked the Chinese government to show evidence of the Dalai clique’s manipulation of the self-immolations, and “welcome” the Chinese government to send groups to Dharamsala to search for evidence, they have now made public the evidence by themselves.

The reliability of the evidence lies not only in the source of the writer, a senior official of the Dalai clique, but also in the confirmation of every item of the contents listed by previous self-immolations.

In fact, almost every self-burning happened just like what the “guide” had planned — some people videotaping the scene, some people shouting separatist slogans, inciting and gathering others to stop the government from taking rescue actions.

Sometimes the Dalai clique was able to hype the burning cases with photos and personal data of the self-immolators obtained only dozens of minutes after the incidents.

The contents of the “last words” shouted by some self-immolators are exactly the same as in the “guide.”

According to Lorang Konchok, who has pleaded guilty of intentional homicide, he acted on the instructions of the Dalai clique to make use of his status and influence in the temple, and incited, instigated and coerced others to burn themselves with the help of his nephew.

Before the self-burning happened, Lorang Konchok recorded the individual and family information of the self-immolators and took photos for them. Once the self-immolation was committed, he sent the information immediately to the Dalai clique via a cell phone.
The “guide” aims to “standardize and systematize the self-immolation behavior so as to manipulate it like an assembly line in the future,” and reach the goal to be “more efficient” as set down by the Dalai Lama.

The “guide” also gives a slap in the face to some Western forces. In order to contain and split China, for many years these forces have set the Dalai Lama as a “non-violent” model that represents struggle. After the self-immolation incidents, they completely disregarded the facts, denied the crimes committed by the Dalai clique, and accused the policy made by the Chinese government of causing the self-immolations. Furthermore, they even showed sympathy for and “concern” to those criminals who have been sentenced to jail in line with Chinese law to encourage the self-immolation manipulators.

The “guide,” which openly admitted the crime of the Dalai clique’s inciting and scheming self-immolations, its political motivations as well as its future plans for continued manipulations, has not saved the faces of his Western masters.

Why did the Dalai clique publish the “Self-immolation Guide” at this moment? The reason is that the extremists among them feel desperate. According to the Canadian Sing Tao Daily, the Dalai clique once instructed his followers earnestly and tirelessly, “Suppose we resort to arms to achieve our objective, we need guns and ammunition in the first place, but who will sell them to us? If we find the seller, where can we get the money? Even if we have money and get guns, how can these guns be transported to China and through which country’s border? The CIA once air-lifted guns for us, which happened in the past and will never happen again.”

The Dalai clique drew a lesson from its own failures: That seeking “Tibet independence” through violent activities publicly did not work, and it is better to adopt the “Middle-way Approach,” which can deceive the world and seek “Tibet independence” indirectly. However, this political plot has not made any progress since its existence, and even the channel of contact and talk with the central government was blocked by themselves.

Up to now, the scheme of manipulating self-immolations has been worked out by racking their brains as “the highest form of non-violent struggle,” which will be doomed. All of these make some extremists more and more impatient, so they had to publish the “guide,” hoping this wicked fire can make some “achievements” before it extinguishes.

Another reason for the publication of the “guide” is that self-immolations have not achieved the effect in the international community as the Dalai clique had expected. Even if some Western powers always support the Dalai clique, they dare not take such a huge risk of losing political reputation or moral legality to openly support manipulating self-immolations, which is a disguised form of violence and terrorism.

The head of the “government-in-exile” lamented, “There was a self-immolation in Tunisia which was labeled the catalyst for the Arab Spring. How come we have been given less support than what we witnessed in the Arab world?” reported the New York Times on Feb. 3.

A comment from the Chinese News Net revealed the truth, “In fact, the self-immolations of Tibetans have rarely received support from the international community.”

It is hard to imagine that how the international community can support such brutal and inhumane acts. The Chinese government does not create conditions to encourage Tibetans to self-immolate. Hence it cannot be condemned.

Western countries all understand the background of self-immolations, so they are already doing the “Tibetan government-in-exile” a big favor by not condemning them.

The Dalai clique attempted to prompt more self-immolations through publishing the “guide” in
order to beg for more international compassion. This act has actually made the international community recognize the ferocity and insanity of the Dalai clique clearly, and urged some Western powers to hold back when supporting the Dalai clique.

The “guide” published by the Dalai clique was an attempt in political blackmail, against the Chinese government, but it turned out to be in vain.

If plotting “Tibet independence” failed in 1959 through the military confrontation and armed rebellion, how will it be possible by inciting several poor people to burn themselves?

As a matter of fact, through the joint efforts of all levels of local governments at the spots of the incidents, the frequency of self-immolations has been curbed and the evidence of the Dalai clique’s role in manipulating such acts has been made clear. Many criminals, whose acts are detested by the local people, have been brought to justice.

All of these fully show the unpopularity of the Dalai clique in China and the popularity of the Chinese government. The government will win the battle of anti-self-immolation as long as it does not hold unrealistic hopes from the Dalai clique, nor expects some Western forces to be kind, but keep the situation under control on the basis of its own work.

The Dalai clique’s fantasy that every self-immolation will exert some pressure on the Chinese government will be highly counter-productive. On the contrary, every self-immolation case that occurred was an additional bloody crime the Dalai clique committed on its own ethnic Tibetans.

Some people from the clique including the plotters of the “Self-immolation Guide” told the public repeatedly that self-immolation is a kind of “peaceful protest” and expected to get the same attention as the vendors in Tunisia. Then please teach yourselves by following the guide first like what the netizens have called for. If you dare not burn yourselves, please stop the folly as early as possible.

Just as Lu Xun, a famous Chinese writer, said that people who are alive themselves have no right to persuade others to die. So do it yourself first if you believe it is a good idea to die.

First Arrival in Yerpa

Text & Photo by Jigme Phungyel

Yerpa means blossoming flowers in the local Tibetan language. Indeed, from a distance, Yerpa does look like a fully blooming flower by the Nujiang River.

Yerpa is a small village in eastern Tibet and is located on the middle reaches of the Nujiang River. This village is part of Linka Township, Baxoi County, Chamdo Prefecture. When we first arrived in Yerpa, it was still inaccessible by road. Looking at Yerpa from a hill five or six kilometers away,
we saw a village surrounded by lush greenery and sitting quietly along the winding Nujiang River. It was unutterably peaceful and serene.

Our team headed to Yerpa to live there for some time. Not too long ago, the government of Tibet Autonomous Region made the decision that work teams should be dispatched from the four levels of Tibet Autonomous Region, prefectures (cities), counties, and townships to 5,451 executive villages and neighborhood committees in Tibet. The time of stay was temporarily set at three years. Cadres should have meals, work and live with the masses at the grassroots level so as to help them get rich. Our team, whose members were mostly from the TAR Federation of Literary and Art Circles, were sent to Yerpa. Eight colleagues from the Federation who were traveling with us were sent to Pulong Village and Niba Village in Linka Township. They arrived at their destinations before us and we traveled all the way to the end of the meandering road. Our team left the county town at nine o’clock in the morning and arrived in Yerpa after six o’clock in the afternoon. The journey was only 90 kilometers.

It was at the end of October in late autumn. We saw from afar the peaceful village overwhelmed by greenery. It seemed fairly warm.

It was getting dark when the vehicle brought our luggage and necessary materials for the life there. The township secretary and the head of township had come to see us off. We followed them to the home of a village doctor named Chophel. He has a big house with a small shop and a video room. These are places where villagers gather. On the second floor, an old-fashioned cellphone could receive signals at a certain spot and it was the “center of economic information” for the whole village. We were quite relieved when resting in the house. It is 70-80 square meters big and had four columns in the middle. However, we did not know what the rest of the village looked like.

The next morning, after seeing off the township secretary and the head of
township, we walked for several hundred meters along a mountain path under the guidance of some village cadres and arrived at the political center of the village—the village committee. That place was actually not yet in use. The door, built of sun-dried mud bricks, was sealed with pieces of wood. We removed the pieces and saw five L-shape bungalows. This was the building of the village committee, part of all the houses built by the county for every village. Village cadres could not work there yet because the building was not equipped with internal facilities. That was the home where we were about to live and work.

Village cadres gathered young men and women in the village at the end of the road to help us move things up the hill. As we had visited the place before and knew what it was like, the Federation, the county and every individual prepared everything, including a small power generator, folding beds, a steel stove burning wood, bedding, tables, chairs, kitchen utensils, oil, salt, soy sauce, vinegar, paper and pens. In other words, except for electricity and tap water, we took everything we could. People sent by the Federation to help us first started to install electrical wires while the village cadres helped us clean the house. We opened our cases in front of the curious villagers and took out various kinds of things they had never seen. After two days of work, we finally had a place to eat and sleep.

At night, I lay on the bed in the corner of the spacious room and listened to the light sound of the river flowing. I felt that my life in the city was ages ago. The noise, mixed feelings and ceaseless cellphone ringtones of the urban life have all gone. Occasionally, when the dzo of the villager Xiaduo living next door was grazing, the bell on its neck would make some sound, adding a musical note to the rhythm of the river flow. What a tranquil night! We did not have to think about what this year would mean to us. We were just enjoying the present.

Xiaduo was a woman in her fifties. She looked older than she really was and was in poor health. Later, she used a lot of our medicines. She had a son named Samdrup. He was in his twenties and was the youngest party member in the village. Before we came, they were taking care of and using the village committee building. Samdrup lived in one room and the other rooms were full of chili peppers, a widely known local specialty, bright red in color and with a strong spicy taste. After we moved in, Samdrup stayed in one of the rooms and Xiaduo moved all the chili peppers to that room. Since then, we would try the chili pepper powder made by Xiaduo every once in a while. It was indeed as good as everybody said. During the early days in the village, Samdrup would chop the
firewood for us to use and then stacked it in an orderly manner in the corner of the room.

In the beginning, we were only familiar with Xiaduo’s family and a few village cadres. We did not know the names of all the other people and huge language differences made it very difficult for us to communicate. Endless lines of people brought us gifts: yellow, juicy and sweet apples; black, sour yet tasty dried Tibetan pears which did not look good, but were said to have the function of helping weight loss; walnuts; pepper; and chili peppers. We could only smile and take out some sweets wrapped in colorful and non-degradable plastic bags to give villagers as gifts in return. Although inappropriate, that was the only choice because they would not take money. Gradually, our place became an exhibition hall of local specialties and a grocery of dried fruits. Some team members loved to eat the food. They were always eating, and in the end, they started to complain that their cheeks hurt.

We went through all the intense work of choosing people, mobilizing people and preparing for the trip from Lhasa. We experienced strangeness, freshness and uneasiness all along the way and finally we achieved a stable life. In the process, we felt huge contrasts in time and space. Some people felt fearful, some showed equanimity; others just wanted to take their luggage and go home. For me, that kind of new life was a whole new experience. Let alone the fact that I could try my best to do some practical work for the village, I felt it was tempting to find out what I would experience in a year of uncertainty.

Yadong Revisited

Text & Photo By Cheng Weidong

Yadong is the oldest border port in Tibet. It was also once the biggest. Starting from the mid-17th Century, Yadong gradually became a major port for Sino-Indian trade and in the early 20th Century, the volume of trade here once reached one hundred million silver dollars, accounting for over 80 percent by volume of the total Sino-Indian border trade. By the 1950s, over 1000 mules and some 700 people passed through the border port on a daily basis. At that time, India purchased wool, leather and yak tails from Tibet, sold clothing, Monument to the Anti-British Heroes in Chumixiong valley of Pagri.
tobacco, soap, Rolex watches and even automobiles to Tibet in exchange for bags of Chinese silver coins. The Jeep once owned by the Fourteenth Dalai Lama was actually imported to Tibet through here. When dismantled it was first carried into Lhasa by caravans and then assembled. The vehicle is now kept in Norbulingka.

Since 1987, I have been to Yadong four times.

**Yadong Opened as a Trading Port**

Yadong is located in the southern part of Tibet Autonomous Region, in the valley on the southern slope of the middle section of the Himalayas at an altitude of 2800 meters. It sits to the west of Bhutan and east of India. There are 41 civilian external roadways. On the map it is shaped like a wedge inserted between the two countries. It is an important military fort on China’s southwestern border.

On March 19, 1888, the British forces launched their first invasion to Tibet. After the war broke out, the Tibet local government dispatched over 10,000 monks and lay soldiers to the front line and engaged in several battles with the British forces. The Tibetan army put up a heroic resistance, but because of its horribly outdated weapons and the compromises and concessions of the Qing government, the British successfully took Tselila and Yadong. After losing the war, the Qing government was forced to sign the Convention between Great Britain and China relating to Sikkim and Tibet and Regulations Regarding Trade, Communication and Pasturage, which was to be appended to the forenamed convention. It required that “a trade port shall be established at Yadong, on the Tibetan side of the frontier, and shall be open to all British subjects for purposes of trade from the first day of May, 1894”. So from May 1, 1894, the Qing government established Yadong as a border port. Goods entering Tibet from British India, or vice versa, were exempted from duty for a period of five years commencing from the date of the opening of Yadong and the first customs district in Tibet was set up here by the Qing government.

After that, thanks to its geographic proximity to Bhutan and India on three sides, businesses from India, Bhutan, and Nepal swarmed into Yadong. The border trade volume kept growing and the market became very prosperous. Yadong gradually become a crucial trade center for southwest China. In 1913, as
the Qing Dynasty collapsed, the port of Yadong was completely shut down. Although the border between Pagri town and Bhutan was then only 64 kilometers long, there were no less than 15 civilian routes to the Bhutan side, the shortest one was only seven kilometers long. According to the town’s elders, in the past, Bhutanese people wearing traditional costume, could be seen everywhere in Pagri. Each year between April and August, the 30-plus beds in the border trade market hostel were always fully booked by Bhutanese merchants. The mountain path linking Pagri, Xia Yadong and Chumbi Valley was packed with caravans. Hostels and restaurants lined the streets. Board and lodging could also be found at the foot of the Natoi La Mountain. The moving caravans could see small shops selling cigarettes, alcohol, sweet tea and meals. There were many Indians with metal trunks full of bread, cakes, meat pies, or cigarettes on their heads, or baskets filled with peanuts on their backs. They stayed just behind the caravans, always ready to provide them with the goods they needed.

The Reopening of Natoi La Mountain Pass

According to the elders of Yadong, before the trade port was closed, the two main streets of Yadong town were lined with shops and vendor’s stalls. At that time, there were 46 Indian, and 26 Nepalese businesses in Xarsingma; 12 Indian, 8 Nepalese, 9 Bhutanese, and one Sikkimese businesses in Pagri town. There were no customs then, so incoming and outgoing goods enjoyed a “no inspection, no registration, and no taxation” policy, which continued until 1961. That is how Xarsingma town got its nickname as “mini Hong Kong”.

In 1962, a conflict broke out on the Sino-Indian border. On October 1, 1963, Yadong border port was officially closed, China and India both removed customs facilities from their border market, military forces came to guard the Natoi La mountain pass and barbed wire fences blocked border trade access. Personal and economic exchanges between China and Sikkim/India were completely cut off. Yadong is 460 kilometers from Lhasa, 410 kilometers from Calcutta, India, 100 kilometers from Gangtok, Sikkim, and 300km from Thimphu, Bhutan. Historically, Yadong border port was not only the biggest land border port between China and India, but also the best state Grade-1 border port in Tibet. Natoi La mountain pass is also known as China’s No. 1 post in the southwest”. The Chinese and Indian sentry posts are only 27 meters apart. The border is actually a wire fence. When tourists came, Indian sentries...
would offer assistance or pose for photos with them. There is also an international post office, which handles all classes of domestic and international mails.

On Apr. 11, 2005, Wen Jiabao, Premier of the State Council of the PRC, and Manmohan Singh, Prime Minister of India, met in New Dehli. Both parties were pleased with the implementation of the memorandum on the border trade at Natoi La mountain pass, and signed the Joint Declaration between the People’s Republic of China and the Republic of India.

On July 6, 2006, after 44 years of closure, Natoi La mountain pass, which links Yadong and Sikkim, reopened at last. Natoi La border trade passageway and border trade market are both open seasonally each year for 3 months, open trade days are from Monday to Thursday.

**The Opening of Rinchengang Border Trade Market**

Rinchengang is a village in Xia Yadong Township of Yadong County. It is 28 kilometers from Natoi La Mountain pass on the China-India border. The construction of Yadong Rinchengang border trade market started on Feb 18, 2006, and was completed in June of that year. The total investment in the project was over 10 million RMB. Its total land area was 4,606 square meters, with spaces for indoor and outdoor markets, parking lots, warehouses, office areas, hostel, restaurant, bank, post office and joint inspection area. Just like the boom in trade on the Sino-Russia, Sino-Vietnam, and Sino-DPRK borders, thousands of merchants wanted to be in Yadong to secure a place in this new market.

Statistics from Yadong County showed that in 2006, there were a total of 1196 outbound Chinese departures. In the 25 years since 1987, I personally experienced the change from the blockade of Natoi La wire fence to the opening of Rinchengang border trade. I came back to Yadong in 2007. Here is the piece I wrote then:

On July 10, 2007, Rinchengang border trade market in Natoi La, Yadong, Tibet, celebrated its first anniversary. As a result of joint efforts by China and India, the past 12 months had seen an improvement in the trade environment of Natoi La border trade route and Rinchengang border trade market, and a rapid growth in the trade volume. The border trade market got off to a flying start. By the end of 2006, import and export volume totaled RMB 1.5 million, amongst this were exports of RMB 1.05 million, and
imports of RMB 0.45 million. Between May 1 and June 30, 2007, there were exports of RMB 270,620, and imports of RMB 180,000.

Several hundred people, including representatives from China and India, business owners, and border residents, drove on the rough mountain road to the border trade market in dense fog, amid a light drizzle in the early morning today, to celebrate the first anniversary of the Rinchengang border trade market in Yadong, Tibet. It was a cordial and joyous gathering. The Chinese and Indian representatives sang and danced together, to celebrate this happy occasion.

In 2012, when I returned to Rinchengang, the hustle and bustle of the market of five years ago was still vivid in my head. This time, I was able to stand next to the border and cordially shook hands with the Indian soldiers on the other side of the fence.

Xarsingma: a Natural Green Oxygen Bar

In the land of Tibet, which is 1.2 million square kilometers in size, Yadong is indeed a precious example. It is blessed with moist air and abundant oxygen. The peaceful valley is filled with trees, flowers, and rippling waters. There are other well-known mountain passes like Tselila and Drola in this Shangri-Lalike border mountain town besides the famous Natoi La mountain pass. The town is rich in Cordyceps, fungus, mushrooms, and the rare cold-water fish...

The primeval forest in Xia Yadong is regarded as a green treasury on China’s southwest border. It covers about 550 cubic meters. It is 12 kilometers from the Yadong county seat. In terms of topography, Yadong County is a big hollow. Its altitude drops dramatically from 4360 meters to 2000 meters. If we go further south into the plains of India and Bangladesh, we will see an even sharper drop in altitude. It forms a crack on the Himalayas...
stretching from west to east for several thousand kilometers, making way for the warm currents from the Indian Ocean to flow in. Therefore the land of Yadong, Kangmar, Gyantse, and Nyangchu River Valley are blessed with rich natural resources.

On the map, there are two other names under “Yadong”: Xarsingma and Chumbi. In fact, the name “Yadong” came from “Nadong”, which is at the foot of Natoi La Mountain, and nine kilometers from Chumbi Valley. Rinchengang Village sits somewhere near the middle. Those who go past Natoi La Mountain can have a bird’s eye view of “Nadong” through the mountain pass. Later, people pronounced “Nadong” as “Yadong.” Historically, the area around Rinchengang was known as “old Yadong” or “Yadong”, while the valley under Natoi La and Tselila Mountains was called “Yadong Valley.”

Yadong county government is located in Xarsingma town, which is to the west of Bhutan and east of Sikkim, and north to the Gubumazhen mountains straddling the China-Bhutan and China-India borders. The local elders said that Xarsingma in Tibetan means “east”. It is said that this land is endowed with fine meadows, a moderate climate and a variety of animals such as dear.

There are only several hundred households in Xarsingma town. It enjoys a humid climate, extensive forest cover, and thick vegetation. A lot of economically important trees and medicinal plants thrive here. To make full use of easily available local materials, homes are mostly built of pine wood, except for a few Tibetan-style stone houses whose doors and windows are also made of wood. These houses, doors, windows, rails, and eaves are often decorated with hand-carved or hand-painted traditional Tibetan patterns in bright colors. However, what impresses the visitors most are the flowers, whether it is in the little courtyard in front of the house, or on the balcony upstairs, or the narrow windowsill… you can find flowers in full bloom everywhere.

Yadong River runs through Xarsingma town. Snowmelt constitutes a major source for the river, which is only dozens of meters wide but has a strong current. Yadong fish is a rare species with spots in seven colors. It is unique to Yadong River. The China-India border is not far from here if we go downstream along the river from Xarsingma town. Along the way there are many wooden suspension bridges with distinctive features and little log cabins painted in a wide variety of colors with an immense, lush primeval forest as a backdrop. Yadong County has an extensive forest cover. In the past, the locals made quite a fortune by felling trees, but that has been banned since 2001.

When our car climbed the winding asphalt mountain road, the whole of Yadong valley, including Shang Yadong, Xarsingma and Xia Yadong was in complete silence. The mountains are all covered with green vegetation some with low bushes, others with tall trees. Waterfalls flow from the mountain, and streams ripple at the bottom of the valley. The merging of two streams forms Yadong River: one from Khambu (which is famous for its hot springs) and the other from Pagri Plateau. The strong flow resulting from the high drop in water levels makes a pleasant, soothing sound. Whether it is day or night, the natural rhythm and the pure, heavenly sound always rings in my ears.
Tsering Dargye, Bai Wannian and Tsering Chodron... these names should all be familiar to the Yadong residents of a certain age. They all lived through the tremendous changes in Yadong. Now, some of them have already passed away, others have been transferred to other posts. The person I missed the most is my old friend Tsering Chodron. 25 years ago, when I visited Yadong for the first time, it was Tsering Chodron who received me. She was a member of the county party standing committee and head of the publicity department then. She invited me to her house for tea and that’s how we became good friends. Like many Tibetan ladies, she has a hearty and outgoing personality, works hard and is generous to others. From then on, every time I came to Yadong, I would go to see her. In 2007, at the celebration for the first anniversary of the opening of Rinchengang border trade, we bumped into each other. She was hosting the event as deputy director of Yadong, Rinchengang border trade administrative committee. That was our third meeting. The next time I returned to Yadong was in July 2012, and I learned that she had been retired for two years but she still kept busy at home. Because all of her children were working out of town, her elderly mother needed to be taken care of. The first civilian residence I visited was in her house. The 6.8 Richter scale earthquake in Sikkim damaged many houses in Yadong to some degree. Fortunately most buildings in the county seat were still intact, Tsering Chodron’s house included. Before leaving Yadong, I went to her house again, to pay a visit to her 80-year-old mother, and take some more...
pictures of the house.

**Pagri: the Paradise in Yadong**

At 4,360 meters above sea level, Pagri Town of Yadong County is renowned as “the highest town in the world”. Against the background of snow-capped peaks and clear blue sky, the over 70 hectares of golden yellow rape flowers on Pagri plateau look nothing short of dazzling. Between Tuna Township and Pagri town, a 1000-square-kilometer large alluvial plain was formed.

In terms of landscape, Yadong is a big hollow. However, due to the drastic difference in altitudes, the land on two sides of Pagri has two distinctive climates. Pagri station is one of the 16 meteorological stations sitting on over 4000 meters in Tibet, and the only county-level meteorological station located in a town.

Every time I come to Yadong, it strikes me somehow that Pagri is the definitive snow-covered plateau; maybe it is because of the wide grassland, herds of sheep and cows, the straight highways, or the stone houses, and the Dromola snow mountain (a sacred mountain to the Tibetan people). It is true that we can see typical plateau scenery in most of Tibet, but Yadong is a special place with characteristics of both types of climates on southern and northern slopes of the Himalayas. Dram Valley, Gyirong Valley, Karma Valley, and Drenthang Valley are the four unique valleys in Tibet with the lowest altitudes, warmest climates, and richest biodiversity.

Yadong is known as “nature’s garden”. If you come here in late spring or early summer, flowers will greet you everywhere. By July or August, small wildflowers on Pagri grassland are in full bloom. Under the blue sky and white clouds, surrounded by snow-capped mountains, it is a beautiful scene: the grass is richly green, wildflowers nod in the wind, sheep and cattle enjoy their lives, herdsmen flip the whips and sing folk songs. In the forests in Yadong valley and Xia Yadong, yellow, purple, red wildflowers come marching out, among them are striking brightcolored wild poppies. You will be lost in the natural beauty here. In autumn, the whole Yadong valley is tinted with deep red as glorious as the sunset. Of course, with the lofty snow peaks as background, the autumn colors in Yadong valley are quite different from those of other places.

Once we entered Yadong through Kangmar, the famous Dochen Tso appeared on our left. It lies deep in the 4000-meter high plateau in Tuna
County, northwest of Dromolari Snow Mountain. There are 34 lakes of various sizes in Yadong, and Dochen Tso is the biggest and prettiest. It is a narrow alpine lake that receives its crystal clear water supply from the snowmelt of the mountains. Because of the light reflected by the snowy mountains, blue sky and white clouds, as the viewing angle changes, the lake takes on five different shades of colors: light blue, dark blue, light green, fresh green, and dark green. The highway circles the lake.

There are seven snow peaks to the east of the lake. Popular legend has it that those are seven fairies of the Himalayas. The highest one is Dromolari Snow Mountain at the altitude of 7314 meters. Mountaineers from China and overseas have made some attempts to climb it, but have yet to ascend to the top. There are glaciers among the peaks, some glaciers are so long and that they almost reach the lake surface, quite a spectacular sight.

The highway has brought growth to Pagri town. Two-storey Tibetan-style stone houses here are all equipped with big windows with wooden frames of black, red or yellow colors. On the outside, the areas on the wall around the frames are also painted black. Pagri grassland in summer is green and covered with wildflowers. Herds of sheep and large yaks roam the land.

Kambu spring, 40 kilometers from Yadong county seat and 27 kilometers from Pagri town, is a renowned therapeutic hot spring in Tibet. In the Tibetan scripture, the spring is called “the second best place for a recluse in the world”. Kambu Spring even enjoys the reputation of being “capable of curing all kinds of diseases”. It used to be frequented by the Dalai Lamas. There are 14 springs, each with its own separate spa pool and each with different temperature and effects. Some can help cure different diseases, such as arthritis and skin disease. The miraculous effectiveness of the spring attracts over a thousand tourists every year.

In Pagri, there was a significant sign by the highway, which pointed to the remains of an ancient fortress in Chumixiong Valley near Tuna Township, Yadong County. This was the site of one of the bloodiest battles in the Tibetan-British war. On March 31, 1904, a Tibetan force of 1,400 was stationed here to block the British force from coming through Yadong. The British tricked the Tibetan forces into disarming, and besieged the fortress. Eventually over 1,000 Tibetans were killed. The British drove straight in, forced the Tibet local government to sign the Lhasa Treaty, then Yadong and several other places were opened as trading ports. This event later became known as “the massacre of Chumixiong valley”. In 2004, to commemorate the centennial of the anti-British struggle, the government of Tibet Autonomous Region built a Monument to the Anti-British Heroes in Chumixiong valley, as a tribute to the Tibetans who sacrificed their lives in their brave struggle.

My trip to Yadong was coming to an end. The otherworldly beauty of Pagri, the Shangri-La-like Xarsingma, the handshakes and smiles on both sides of the Natoi La wired fence, Rinchengang border trade and the exchanges between the people of two countries... All these were precious memories that I would treasure for ever. They also gave me plenty of reasons to believe that Yadong will have an even better future.
Form IV  
(See Rule 8)

1. Place of publication  
   New Delhi

2. Periodicity of publication  
   Monthly

3. Printer's name  
   Mme. Zou Yonghong  
   (Whether citizen of India?)  No  
   (If foreigner, state the country of origin) People's Republic of China  
   Address  
   Embassy of the People's Republic of China, 50-D, Shantipath, Chanakyapuri, New Delhi-110021

4. Publisher's name  
   Mme. Zou Yonghong  
   (Whether citizen of India?)  No  
   (If foreigner, state the country of origin) People's Republic of China  
   Address  
   Embassy of the People's Republic of China, 50-D, Shantipath, Chanakyapuri, New Delhi-110021

5. Editor's name  
   Mme. Zou Yonghong  
   (Whether citizen of India?)  No  
   (If foreigner, state the country of origin) People's Republic of China  
   Address  
   Embassy of the People's Republic of China, 50-D, Shantipath, Chanakyapuri, New Delhi-110021

6. Name and addresses of individuals who own the newspaper and partners or shareholders holding more than one percent of the total capital  
   Embassy of the People's Republic of China, 50-D, Shantipath, Chanakyapuri, New Delhi-110021

I, Mme. Zou Yonghong, hereby declares that the particulars given above are true to the best of my knowledge and belief.

Date: March, 2013  

Mme. Zou Yonghong  
Signature of Publisher
New Logo of China Tourism Inaugurated

At the start of 2013, the new logo of China Tourism came into being. The logo features four modern Chinese characters that together signify Beautiful China. A Chinese character in Oracle style – meaning ‘travel’ – is juxtaposed with the two English words. The design represents a traditional Chinese seal and denotes the full array of Chinese cultural elements. It also stands for the new image and great vision of China Tourism as it faces the world.

The new logo will be on display across the world and beckons all the tourists from home and abroad to experience Beautiful China. China National Tourism Administration (CNTA) and its overseas offices are already developing a comprehensive plan to promote Beautiful China tours. A themed short movie and posters, brochures and electronic promotional materials are also in the process of production and will be out soon.

In 2012, foreign tourist arrivals to China were 27.19 million, representing an increase of 0.29% over the previous year. Before the end of 2015, the figure is expected to reach 32 million, representing an increase of about 4.5% annually.

Tourism is an important element in the bilateral exchange and cooperation between China and India and serves as an invaluable bridge to friendship and partnership between the two neighbors. In recent years, tourist traffic between the two countries has been on a continuous rise. In 2012, the direct (first-stop) visits from China to India went up to 136,000, an increase of 15.2% over 2011. Visits by Indians to China spiraled to 610,000, an increase of 0.61% over the figure of 2011. The future is very bright.

At present, there are many direct flights between the cities of India – Delhi, Mumbai, Calcutta, Bangalore – and the cities of China – Beijing, Shanghai, Guangzhou, Chengdu, Kunming and Hangzhou.

For most Indian travelers, these great cities of China are top destinations (please see www.cnto.org.in). India remains a coveted outbound market as 12 million Indians travel overseas each year with a projected annual growth of 12-13% until 2015. To further tap this source market, China National Tourist Office, New Delhi is mapping out a detailed market plan including media campaigns, travel mart participation and familiarization tours to China.

Contacts
Tel/fax: 011-41680541

Email: info@cnto.org.in
Villagers living happily in the newly built Pengjiacun Ecological Village in Baihe County, Shanxi Province of China. Their houses are built recently with the help of local government and are considered environment-friendly. (Xinhua/Liuxiao)