

# NPC



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National People's Congress of China

## NATIONAL CONSTITUTION DAY TO SHORE UP AWARENESS



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Schoolchildren attend a memorial ceremony as the national flag is seen behind at half-mast, at the Nanjing Massacre Museum in Nanjing, Jiangsu Province on December 13, 2014. CFP



On December 2, 2014, accompanied by her daughter, Yang Cuiying pays tribute to her relatives who were killed during the notorious Nanjing Massacre. On December 14, 1937, Yang's father and uncle were arrested by the Japanese invaders and never returned. Having gone through huge hardships, Yang managed to survive the massacre. Li Xiang







People attend a candlelight vigil on December 13, 2014 in Nanjing, Jiangsu Province to commemorate the victims slaughtered by the Japanese invaders during the Nanjing Massacre 77 years ago. *CFP*

People participate memorial services on December 13, 2014 in front of the Memorial Hall of the Victims in Nanjing Massacre by Japanese Invaders as China commemorates its first national memorial day for victims of the massacre. *CFP*

About 3,000 pigeons are released on December 13, 2014, which marked China's first National Memorial Day for Nanjing Massacre Victims in Nanjing, Jiangsu Province. Chinese President Xi Jinping and others gathered at a memorial hall in Nanjing, where 77 years ago invading Japanese soldiers slaughtered more than 300,000 people, mostly unresisting civilians. *Han Yuqing*







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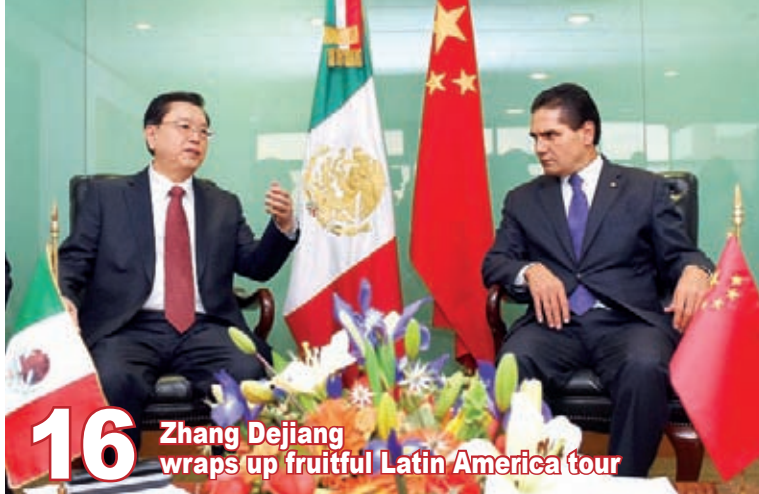
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COVER: Students from Hailiang School in  
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na's inaugural Constitution Day. Luo Shanxin



**NPC**

General Editorial

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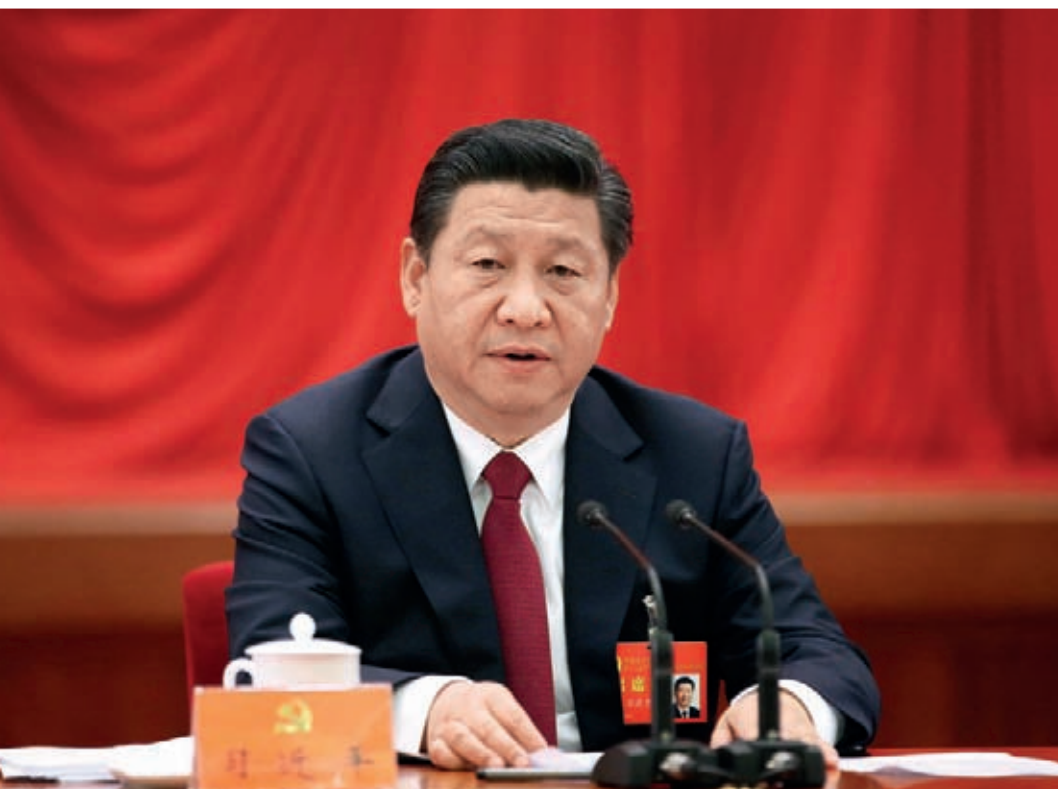
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# CPC sets new blueprint for rule of law



Chinese President Xi Jinping addresses the Fourth Plenary Session of the 18th Central Committee of the Communist Party of China (CPC) in Beijing.  
*Lan Hongguang*

**T**he Communist Party of China (CPC) set a new blueprint for rule of law in China during a key meeting in October 2014, promising sweeping judicial reforms while hailing the overarching role of the Constitution in the country's legal system.

The Fourth Plenary Session of the 18th CPC Central Committee was held in Beijing from October 20 to 23.

According to a communique issued after the meeting, the overall target of the CPC's current drive to advance rule of law is to form a system serving "the socialist rule of law with Chinese characteristics" and build a country under "the socialist rule of law."

China will work to build a law-abiding government, and will ensure the leadership of the CPC in "the socialist rule of law with Chinese characteristics," the communique read.

It also pledged to rule the country in accordance with the Constitution.

This is the first time a plenary session of the CPC Central Committee has taken rule of law as its central theme.

According to the communique, the four-day meeting adopted a decision on "major issues concerning comprehensively advancing rule of law," and listened to a work report of the Political Bureau of the CPC Central Committee.



The Fourth Plenary Session of the 18th Central Committee of the Communist Party of China (CPC) is held from October 20 to 23, 2014 in Beijing, capital of China. *Ju Peng*



## Constitution rules

The communique stated the Constitution is the “core” of the country’s socialist system of laws.

The words mirrored a speech of Xi Jinping in late 2012 when he stressed that “no organization or individual has the special right to overstep the Constitution and laws, and any violation of the Constitution and the laws must be investigated.”

Law experts also see “rule of Constitution” as a higher level of rule of law.

Prof. Xu Guangjian, vice dean of the School of Public Administration at the Renmin University of China, believes that the terms “rule of Constitution” and “governing in line with Constitution” are an important step heading towards the rule of law construction, as they present a deeper and more pro-

found sense of rule of law.

“To observe the Constitution is not just the citizens’ obligation, but is also integrated as part of the ruling party’s governance philosophy. I think it is one of the highlights in the reforms indicated in the communique,” Xu said.

The communique also vowed to enforce the implementation of China’s Constitution through a constitutional supervision system under the National People’s Congress.

“Efforts to adhere to the rule of law should give priority to the rule of Constitution, and to adhere to the governing by law should put the governing in line with Constitution in the first place,” said the communique.

The system to ensure the implementation of the Constitution and to supervise the implementation should be improved, it said.

The National People’s Congress and its Standing Commit-







Chinese leaders Xi Jinping, Li Keqiang, Zhang Dejiang, Yu Zhengsheng, Liu Yunshan, Wang Qishan and Zhang Gaoli attend the Fourth Plenary Session of the 18th Central Committee of the Communist Party of China (CPC) in Beijing. The session was held from October 20 to 23, 2014. *Lan Hongguang*

tee, meanwhile, should play a better role in supervising the Constitution's implementation, the communique added.

Moreover, procedural and systemic rules regarding the interpretation of the Constitution should be improved, the communique said, urging those with national and local leadership positions in legislature to have their legislative power ensured.

## Party leadership

The communique also highlighted once again that the country will ensure the CPC's leading role in its quest toward rule of law, citing the Party's leadership "the most fundamental guarantee" in the process.

"The CPC's leadership is consistent with the socialist rule of law," it said.

The rule of law needs the CPC's leadership while the CPC's rule depends on the rule of law, the document further explained.

Defined by the Constitution as the country's leader, the Party should take the lead in all aspects of promoting the rule of law, it said.

"Only if the CPC rules the country in line with the law, will people's rights as the master of the nation be realized and the

## The rule of law needs the CPC's leadership while the CPC's rule depends on the rule of law.

State and social affairs be handled in line with the law," the statement said.

Prof. Ma from China University of Political Science and Law stressed that to advance the rule of law is also to reinforce the leadership by the CPC, not weaken it.

"The leadership by the CPC has been enshrined in the country's Constitution and to ensure the leadership is a natural requirement in the course of promoting rule of law," Ma said.

He noted that efforts to adhere to governing by law should be a basic pattern of CPC's leading the public to govern the country.

"The CPC, as the country's ruling party, must take the lead in advancing the rule of law, and itself must act and use its power in line with the Constitution and law," he added.



Meanwhile, the communique added that the rule of law not only requires the CPC to rule the country in line with law but also to manage itself in line with Party rules and disciplines.

The communique called for improved regulations and system of the Party to strengthen self-discipline and required Party members to take the lead in abiding by state laws.

The effectiveness of implementing rule of law will be a significant index in judging the work of officials at various levels and will be added to their performance appraisal system, the communique read.

It called on all Party members to help implement the CPC Central Committee's major decisions of comprehensively deepening reform and promoting rule of law, and to have the "strategic willpower" to maintain sustained and sound economic development, improve people's livelihoods, clear up undesirable work style and be strict to its members.

### 'No meddling'

The communique promised legal reforms that are aimed at giving judges more independence and limiting local officials' influence over courts and cases.

According to the communique, they will develop a system in which officials will be given demerits or held accountable if they are found interfering in judicial cases.

Officials will be criticized in public notices if they influence judicial activities or meddle in a particular case, it said, adding that judicial injustice can inflict a "lethal damage" to social justice.

Prof. Ma Huaide, vice president of China University of Political Science and Law, noted that this is the first time that the Party has explicitly banned officials from meddling in judicial cases and vowed to hold violators accountable.

"Only by ensuring judicial organs' independent practice of justice, independent from influences such as administrative orders, personal relations or money, could the public feel the fairness and justice in the judicial process," he said.

China has been pushing for deeper judicial reforms to address public concerns over capability and fairness of Chinese courts which are receiving more cases than ever.

In 2013, the country's local courts heard more than 14.22 millions cases, up 7.4 percent from 2012.

Hailing justice as the "lifeline" of rule of law, the communique said China will improve the system in which judicial power is exercised and supervision strengthen over judicial activities.

To further boost judicial independence, the Supreme People's Court will set up circuit courts to facilitate the handling of judicial cases filed by the public from local communities.

The country will explore establishing courts and procuratorates with jurisdictions spanning across different administrative regions, and building a system in which prosecuting bodies can institute public interest litigations.

Trial judges and procurators will assume lifelong accountability to their cases, and public participation will be ensured in judicial procedures.

No illegal mitigation of a sentence is allowed, and the handling of judicial cases should not be influenced by personal connections, favors or bribery. (Xinhua) ■

## Highlights of the communique

The Fourth Plenary Session of the 18th Communist Party of China (CPC) Central Committee announced a communique after its conclusion on October 23, 2014.

Following are the highlights of the document, which focuses on "comprehensively advancing the rule of law" in China.

- The general target is to form a system serving "the socialist rule of law with Chinese characteristics" and build a country under "the socialist rule of law".

- China will ensure the leadership of CPC in "the socialist rule of law with Chinese characteristics".

- The major tasks are to improve a socialist system of laws with Chinese characteristics, in which the Constitution is taken as the core, to strengthen the implementation of the Constitution, to promote administration by law, to speed up building a law-abiding government, to safeguard judicial justice, to improve judicial credibility, to promote the public awareness of rule of law, to enhance the building of a law-based society, to improve team building and to sharpen the CPC's leadership in pushing forward rule of law.

- To realize the rule of law, the country should be ruled in line with the Constitution.

- The system to ensure the implementation of the Constitution and to supervise the implementation should be improved.

- The National People's Congress and its Standing Committee should play a better role in supervising the Constitution's implementation.

- China will work to build a law-abiding government.

- A mechanism to examine the legitimacy of major decision-making in governments should be set up, with a lifelong liability accounting system for major decisions and a retrospective mechanism to hold people accountable for wrong decisions.

- China will promote transparency of government affairs.

- A mechanism will be set up to record officials who interfere in judicial cases and name them publicly to hold them accountable.

- The Supreme People's Court will set up circuit courts, and the country will explore establishing cross-administrative region courts and procuratorates, and seek to allow prosecutors to file public interest litigation cases.

- The country will enhance the protection of human rights in judicial procedures.

- China will try to recruit lawmakers, judges and prosecutors from qualified lawyers and law experts.

- The CPC will improve its internal rules and mechanisms.

- The effectiveness of implementing rule of law will be a significant index in judging the work of officials at various levels and will be added to their performance appraisal system.

- The People's Liberation Army will promote the rule of law and enforce strict discipline.

- China will guarantee the practice of "one country, two systems" and promote national reunification in line with laws. (Xinhua)





Citizens in Xi'an, Shaanxi Province read posters on the rule of law on December 4, 2014 which marked China's first Constitution Day. Li Yibo

## Chinese expect CPC's rule-of-law blueprint to **better protect rights**

**W**ith the Communist Party of China (CPC) setting a new blueprint for rule of law, people in China are building hopes that their rights and interests will be better protected in a more law-abiding society.

At the Fourth Plenary Session of the 18th CPC Central Committee held from October 20 to 23, the CPC declared sweeping judicial reforms while hailing the overarching role of the Constitution in the country's legal system.

The CPC also pledged to rule the world's most populous country in accordance with the Constitution and build a law-abiding government.

Cao Hongxin, managing director of a private electric enterprise in East China's Jiangsu Province, said rule of law is

the foundation of a well-functioning market economy and the CPC's new blueprint will certainly provide a more leveled play for private entrepreneurs in China.

"This is a good thing we entrepreneurs have been eagerly anticipating," said Cao.

Wei Daxing, a 46-year-old farmer and village Party chief in Guangxi Zhuang Autonomous Region in South China, also viewed the CPC Central Committee's communique in a plain perspective.

The rule of law, he said, is ultimately to meet the demands of the common people and safeguard their interests.

"Adhering to law is important to a village as well as to a nation. Only when law is enforced indiscriminately and fairly can the interests of the people be protected and the faith of



the public in law be established,” said Wei.

Another encouraging feature of the CPC’s plan is the recurrent reference to the Constitution as the “core” of the country’s socialist system of laws.

“To realize the rule of law, the country should be ruled in line with the Constitution,” the document read.

Fan Ti, a senior lawyer in Central China’s Hubei Province, said this again shows CPC’s resolve to put power into an institutional cage. The key point of governing the country in accordance with the law is to make everybody’s interest to be fairly guarded by the law so that everyone will have genuine faith in law.

While buoyed up the CPC’s decision to advance to the rule of law, many Chinese remain sober. They point out the real-

ization of the blueprint will take time and efforts.

Yao Jianjun, a court judge in Xi’an, said that there is still a long and arduous way to go before people can feel and acknowledge judicial fairness and justice. He said judges like him are determined to defend judicial justice.

Shi Jie, a national political advisor, believes the implementation of an all-around rule of law in China will be a tough project. How to better set power boundary, how to fully implement existing rules and other issues concerning rule of law all await better answers.

Moreover, Zhang Tongjun, a court official in East China’s Shandong Province, said that to advance rule of law requires increasing legal awareness among citizens. (Xinhua) ■

## Major steps taken by the Party to advance the rule of law since November 2012

– The report adopted at the 18th CPC National Congress in November 2012 requires accelerating the building of a socialist country based on the rule of law and promoting law-based governance of the country in an all-around way.

– Delivering a speech at a congress marking the 30th anniversary of the implementation of China’s 1982 Constitution on December 4, 2012, Xi Jinping, general secretary of the CPC Central Committee, said safeguarding the Constitution’s authority, is to maintain the dignity of the will of the Party and the people, to ensure the Constitution’s implementation, and to ensure the realization of the fundamental rights of the people.

– Making comments during a national political and legal work teleconference in January 2013, Xi asked the political and legal organs to meet the people’s expectations on maintaining public security, judicial justice and rights protection, build a safe society, uphold the rule of law and strengthen the internal disciplinary systems.

– In July 2013, the Commission for Political and Legal Affairs (CPLA) of the CPC Central Committee issued guidelines to prevent miscarriages of justice, emphasizing following legal procedures and conducting systematic rectifications.

– On May 31, 2013, the CPLA held a conference in Suzhou, Jiangsu Province, to promote the campaign of “peaceful China,” which was launched by the Ministry of Public Security to promote the rule of law.

– On October 11, 2013, a conference marking the 50th anniversary of the “Experience of Fengqiao” was held in Hangzhou, Zhejiang Province. Fengqiao, a town in the province, became known for its experiment of “letting the Party and government bear their respective responsibilities for definite work, relying on the masses, defusing conflicts, safeguarding stability and promoting development.”

– On November 9, 2013, the Third Plenary Session of the 18th CPC Central Committee approved a decision on “major issues concerning comprehensively deepening reforms.” The decision stressed upholding the unity of the rule of law, law-

based governance and law-based administration, and the integral development of a law-based country, government and society as a whole.

– On December 28, 2013, the NPC Standing Committee adopted a resolution to abolish the reeducation-through-labor system.

– On January 7, 2014, Xi said at a national political and legal work conference that ensuring social stability is the basic task of the country’s political and legal work, promoting social justice and equality its core value and maintaining a safe living environment its fundamental goal.

– In March 2014, the CPC Central Committee General Office and State Council General Office jointly issued a circular on the handling of lawsuit-related letters and visits, which required local government departments to establish mechanisms on handling lawsuit-related letters and visits.

– On June 6, 2014, the third meeting of the leading group for overall reform under the CPC Central Committee reviewed and adopted suggestions on issues related to judicial system reform and the plan on the pilot programs of judicial reform in Shanghai.

– On July 9, 2014, the Supreme People’s Court held a press conference to make a briefing on the fourth Five-Year Reform Program of People’s Courts (2014-18). This program was a programmatic document to guide the reform work of courts in the following five years. Consisting of 45 measures in eight key areas, the document put forward the goal of building a socialist judiciary power execution system with Chinese characteristics till 2018.

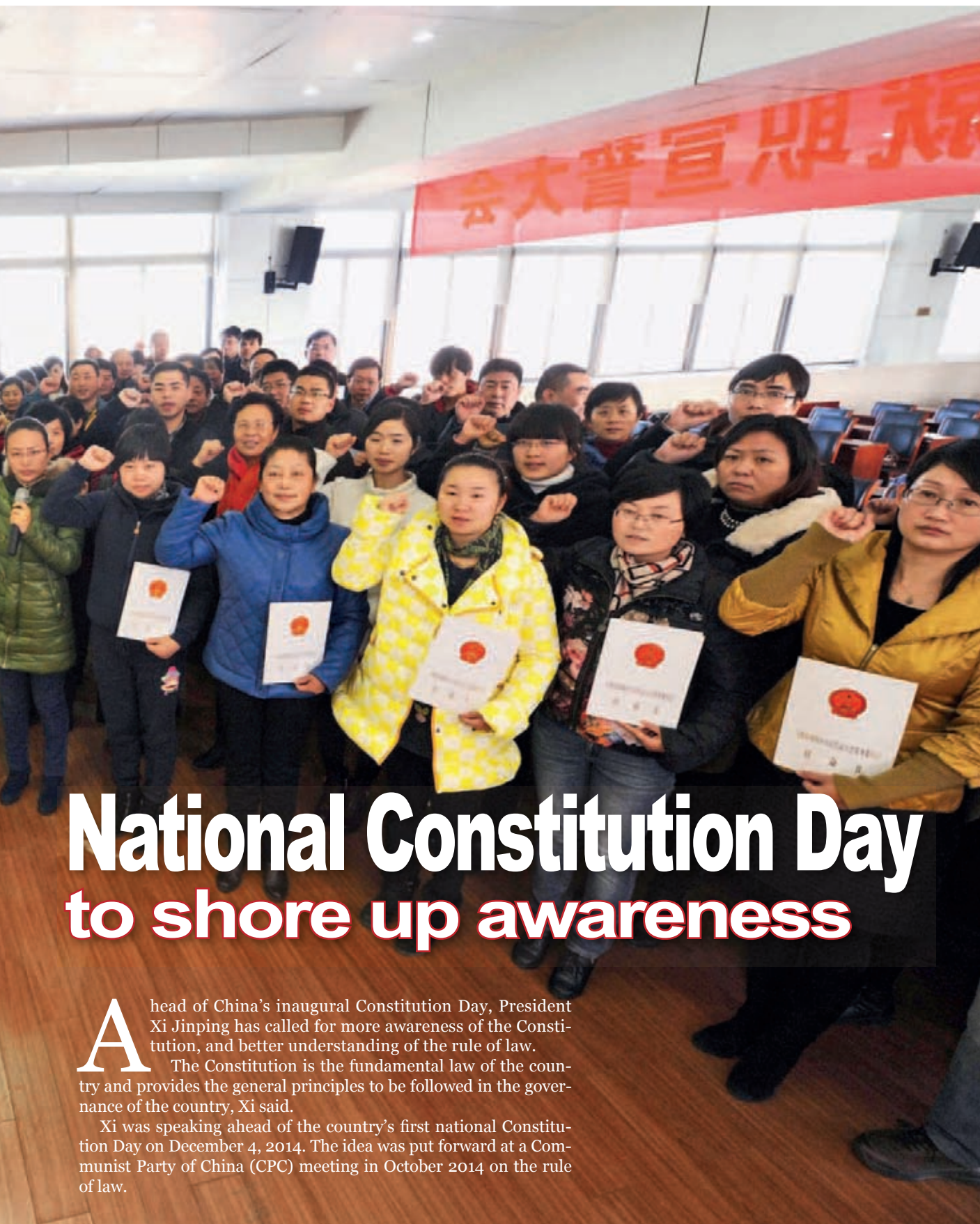
– On September 30, 2014, the Political Bureau of the CPC Central Committee held a meeting to review comments and suggestions solicited from some Party members and non-Party members to the decision on “major issues concerning comprehensively advancing the rule of law,” and decided to hand over the document to the Fourth Plenary Session of the 18th CPC Central Committee for review after amendment. (People’s Daily)





On December 2, 2014, 47 newly-appointed people's assessors of the Yaohai District People's Court in Hefei, Anhui Province, take a solemn oath before the national emblem. CFP





# National Constitution Day to shore up awareness

**A**head of China's inaugural Constitution Day, President Xi Jinping has called for more awareness of the Constitution, and better understanding of the rule of law.

The Constitution is the fundamental law of the country and provides the general principles to be followed in the governance of the country, Xi said.

Xi was speaking ahead of the country's first national Constitution Day on December 4, 2014. The idea was put forward at a Communist Party of China (CPC) meeting in October 2014 on the rule of law.

## Spotlight on China's Constitution

December 4, 2014, marks China's first-ever Constitution Day. It was set up to commemorate the enactment of the Constitution of the People's Republic of China 1982.

### 1954

The Constitution was first enacted at the 1st National People's Congress.

### 1988

"Private sectors of the economy constitute an important component of the socialist State-owned economy" and "The right to the use of land may be transferred according to law" were added into the Constitution.

### 1993

"The State practices a socialist market economy" became part of the Constitution.

### 1999

"Rule of law" became a principle in the Constitution.

### 2004

"Citizens' lawful private property was inviolable" and "The State respects and preserves human rights" were added to the Constitution.

## Four Amendments to the Constitution

The current Constitution was adopted at the Fifth Session of the Fifth National People's Congress on December 4, 1982, and has been amended four times since then.



The Constitution of China conforms to the conditions and reality of the country, and is in accordance with the development of the times. It is a guarantee of the socialist path with Chinese characteristics, Xi said, adding the Constitution's authority is paramount.

Xi wants Constitution Day to teach people about the highest law of all, so that the Constitution is fully implemented.

Xi's words were echoed by Zhang Dejiang, chairman of the Standing Committee of the National People's Congress, who attended a symposium on the Constitution on December 3, 2014.

Zhang said education is of pressing importance "under the circumstances and in the face of new tasks". Constitution education should be an institutionalized, long-term project, so that the spirit of the Constitution takes root in people's hearts.

Zhang said education should focus on contemporary history and all China has achieved, bearing in mind the development, inevitability and importance of China's Constitution.

Constitution education should be built on the practical achievements of China's current drive to promote rule of law, and underline the supreme authority of the Constitution, closely associated with China's future direction and its development goals, Zhang added.

Zhang said the purpose of the day was to firmly establish the authority of the Constitution and ensure its full implementation. He called on all the authorities to enhance awareness of laws and put the Party's cause, the people's interests, the Constitution and laws first in mind.

He asked the authorities to reorganize the legal system







Together with police-men stationed in their school, students from Wenhua Road Primary School in Zaozhuang, Shandong Province take an oath on December 3, 2014, a day ahead of the nation's first Constitution Day. CFP



Staff members of the People's Court of Yunyang County, Southwest China's Chongqing Municipality, distribute a printed version of the Constitution to students at a primary school on December 2, two days ahead of China's inaugural Constitution Day. Rao Guojun

### Rights enshrined in the Constitution:

- Right to receive assistance from the State When in need
- Right to private property
- Right to education
- Right to rest
- Right to vote and stand for election
- Right to work
- Right to criticize and make suggestions to State organs
- Inviolable right to personal dignity
- Inviolable right to residence
- Freedom of speech
- Human rights
- Right of personal liberty



College students voluntarily answer Constitution-related queries raised by passersby on Bell and Drum Tower Square on December 4, 2014 in Xi'an, Shaanxi Province. Hou Zhi

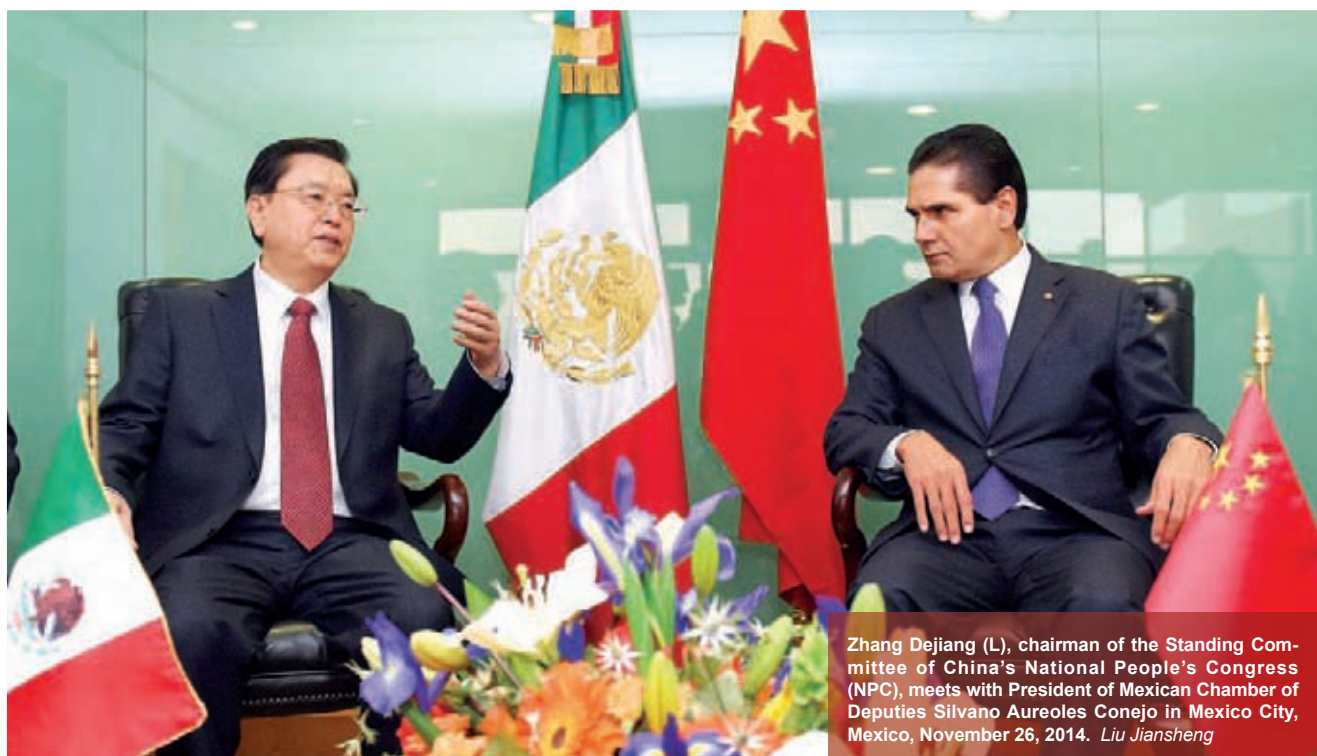
## A supervision mechanism is vital to ensure the implementation of the Constitution.

with the focus on the Constitution.

December 4 used to be called the national legal system publicity day. The Constitution was adopted on December 4, 1982.

Lin Laifan with the law school of Tsinghua University, said, "Fully implementing the Constitution is the primary objective and a basic task for building a socialist country under rule of law."

Observing Constitution Day and requiring government officials to pledge their allegiance to the Constitution before taking office are concrete measures to that end. A supervision mechanism is vital to ensure the implementation of the Constitution; violations and lax enforcement should be punished accordingly. (Xinhua) ■



Zhang Dejiang (L), chairman of the Standing Committee of China's National People's Congress (NPC), meets with President of Mexican Chamber of Deputies Silvano Aureoles Conejo in Mexico City, Mexico, November 26, 2014. *Liu Jiansheng*

# Zhang Dejiang

## wraps up fruitful Latin America tour



Zhang Dejiang (1st R), chairman of the Standing Committee of China's National People's Congress, holds talks with Fabio Raul Amin Saleme, president of the Colombian Chamber of Representatives, in Bogota, capital of Colombia, November 24, 2014. *Ju Peng*



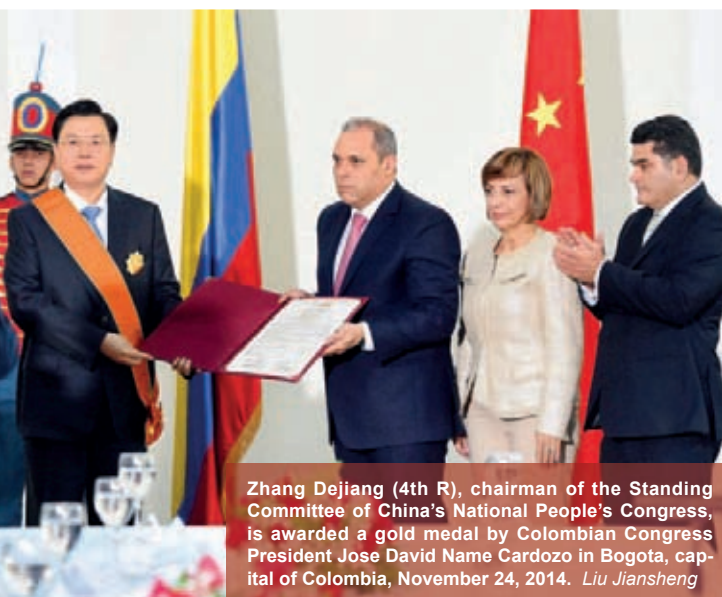




Zhang Dejiang (L), chairman of the Standing Committee of China's National People's Congress (NPC), meets with Mexican President of Senate Miguel Barbosa Huerta in Mexico City, Mexico, November 26, 2014. Ju Peng

**Z**hang Dejiang, chairman of the Standing Committee of the National People's Congress (NPC), wrapped up a fruitful three-nation tour of Latin America from November 20 to 28, 2014 that has contributed to promoting relations and cooperation between China and Latin America.

During his visit to Peru, Colombia and Mexico, Zhang underscored, together with leaders of the host countries, the importance of strengthening bilateral legislative cooperation and mutual exchanges in other fields.



Zhang Dejiang (4th R), chairman of the Standing Committee of China's National People's Congress, is awarded a gold medal by Colombian Congress President Jose David Name Cardozo in Bogotá, capital of Colombia, November 24, 2014. Liu Jiansheng

## Mutual respect and understanding

The visit by the chairman of the Standing Committee of the NPC, China's national legislature, aimed to boost common interests with mutual respect and understanding.

In Mexico, Zhang called on both countries to firmly support each other on affairs of common concern and expand reciprocal cooperation.

In political and economic fields, Zhang said the China-Mexico comprehensive strategic partnership should be consolidated on the basis of equality, mutual benefit and common development.

In Colombia, Zhang urged the two states' legislatures to share their experience in governance, including ways of maintaining social stability and promoting social justice.

Zhang called on Colombia and China to learn from one another's experiences in fighting terrorism and corruption, as well as to develop greater exchange and cooperation.

Chinese Ambassador to Peru Huang Minhui said Zhang's visit has helped to promote bilateral cooperation and exchange, and boosted the China-Latin America strategic partnership as well as global peace and justice.

## Closer cooperation

While meeting local Chinese business leaders in Peru, Zhang suggested they explore and make use of all opportunities for expanding cooperation.

## The visit aimed to boost common interests with mutual respect and understanding.

Economic ties should be strengthened on the basis of mutual benefit with an eye on boosting the relationship between China and Latin America, including Peru, he said.

In Colombia, Zhang highlighted the toughened friendly ties and practical cooperation between the two countries. He noted in Mexico that both countries are big developing countries and emerging economies with significant shared interests and a promising outlook in cooperation.

The two countries should work more closely on large infrastructure projects in energy and high technology areas, and on expanding exchange in education, science, technology and culture, to lift bilateral strategic cooperation to a higher level.

## Expanding trade

China and Colombia scored a trade volume of \$10.45 billion in 2013, while in the first nine months of 2014 the bilateral trade surpassed \$12 billion, up 54.4 percent from one year earlier.

China is Peru's second-biggest trade partner, its biggest export market and second largest source of imports, with bilateral trade hitting \$14.66 billion in 2013, a 6.26 percent



Zhang Dejiang (L), chairman of the Standing Committee of China's National People's Congress (NPC), receives a decoration awarded by President of the Peruvian Congress Ana Maria Solorzano on behalf of the Peruvian Congress after they held talks in Lima, Peru, November 21, 2014.

*Liu Jiansheng*

year-on-year rise.

As Mexico's second-biggest trade partner, China saw a bilateral trade of \$39.2 billion with it in 2013.

In 2014, China brought up a cooperation initiative with Latin America under a new formula, known as 1+3+6, which is designed to boost sustainable development for all parties.

The formula stands for a 2015-2019 cooperation plan with Latin America and the Caribbean, and addresses the three engines to drive cooperation – trade, investment and finance – and the six key sectors for cooperation– energy, infrastruc-

ture, agriculture, manufacturing, scientific and technological innovation and information technology.

The goal of the initiative is to promote interaction between Chinese and Latin American industries as a way to expand mutually beneficial cooperation.

## Highlights of visit

In Peru, Zhang met with Peruvian President Ollanta Humala. Both leaders underlined the rapid development of bilateral ties, which led to the signing of a free-trade agreement in 2009 and the establishment of a comprehensive strategic partnership in 2013.

In Colombia, the second leg of his tour, Zhang exchanged views with President Juan Manuel Santos on ways of improving pragmatic collaboration.

Zhang appreciated Colombia's efforts to promote peace and end the long-term internal conflict in the country, and expressed gratitude to the Colombian side for its support of the one-China policy.

While meeting with Mexican President Enrique Peña Nieto, Zhang conveyed to him the greetings from Chinese President Xi Jinping.

China and Mexico, Zhang said, are currently cooperating closely on preparation for the upcoming first ministerial meeting between China and the Community of Latin American and Caribbean States, which is to be held in Beijing in 2015.

Peña Nieto, who officially visited China in the middle of November 2014, described his visit as a great success, saying that it helped to strengthen mutual trust and Mexico's determination to consolidate ties with China.

Mexico admires the "amazing achievements made by China," and hopes to learn from its experience and success, said the president. (Xinhua) ■



Zhang Dejiang (front L), chairman of the Standing Committee of China's National People's Congress (NPC), talks with students as he visits a Confucius Institute at Ricardo Palma University in Lima, Peru, November 22, 2014.

*Liu Jiansheng*



# 10 buzzwords make plain China's diplomacy in 2014

By Liu Hua, Yang Yijun, Zhang Yuan and Cui Wenyi

Looking back on 2014, we found ourselves immersed in numerous buzzwords of China's diplomacy, such as "pinpoint visits", "One Belt and One Road", "a lion, peaceful, amiable and civilized", "APEC blue" and "a big guy in the crowd". All these words have showcased the historic moments of China's diplomacy, and major-country diplomacy with Chinese characteristics.

## Key word 1: **Top-level design**

More attention on top-level design is a distinctive feature of China's diplomacy in the new era.

Visits to foreign countries by Chinese leaders embody the overarching architecture of China's diplomacy. The year of 2014 started with President Xi Jinping's attendance to the Opening Ceremony of Winter Olympics in Sochi, Russia. By mid-December, members of the Standing Committee of the CPC Political Bureau had paid 17 visits to over 40 foreign countries across five continents, and engaged in diplomatic activities with neighboring countries, major countries, developing countries and on multilateral occasions. The strategic design for China's diplomacy has been expanded and deepened, as a global network of partnerships has increasingly developed and improved. Nowadays China has established 72 partnerships in different forms and at different levels with 67 countries and 5 regions or regional organizations. By embracing a new approach of pursuing partners instead of allies, China upholds a vision of major-country diplomacy with its own features.

## Key word 2: **One Belt and One Road**

As the strategic plan on the Silk Road Economic Belt and the 21st Century Maritime Silk Road was initiated in 2013, it is the year of 2014 which has witnessed the plan being carried out into pragmatic cooperation.

Passing through the Eurasia continent, the economic belt and the maritime Silk Road connect Asia-Pacific economic circle in the East and European Economic circle in the West, which provides an inclusive platform for China and countries along the routes. By the end of 2014, over 50 countries along the routes have responded positively to the initiative.

The initiative has made substantive progress in pragmatic cooperation as seen in many aspects, such as Chinese leaders' specially designed visits to neighbor-

ing countries, the successful dialogues on strengthening connectivity partnership, as well as the establishment of Asian Infrastructure Investment Bank and the Silk Road Fund.

## Key word 3: **Host diplomacy**

More than 70 heads of foreign states or governments came to China in 2014. Officials, business leaders and academics from 52 countries attended Bo'ao Forum for Asia and more than 1,800 Chinese and Foreign entrepreneurs gathered in Summer Davos Forum. In particular, two "host diplomacy" events in 2014 attracted world attentions, namely Conference on Interaction and Confidence-Building Measures in Asia(CICA) Shanghai Summit held in May and Asia-Pacific Economic Cooperation(APEC) Conference held in Beijing in November.

Focusing on security in Asia, CICA Shanghai Summit was boasted of the most attending countries and the largest scale in CICA's history, with heads of states or governments and leaders or delegates of international organizations from more than 40 countries meeting in Shanghai. During the forum, China actively called for new Asian security concept, a common, comprehensive, cooperative and sustainable security strategy for Asia, and explored the new structure of regional security and cooperation, which aroused common resonance and positive response from all parties.

## Key word 4: **APEC**

Even if many Chinese people could not tell what APEC Shanghai was about, they still remember Tang suit and the firework display over the waterfront, proud of doing such an international event as the host country.

Thirteen years passed. China hosted the APEC Leaders' Informal Meeting once again but in Beijing. Compared with APEC Shanghai, Beijing was expected to have more topics discussed and more outcomes yielded. Having lived up to that expectation, the meeting was quite fruitful: shaping the future through Asia-Pacific partner-



Chinese President Xi Jinping, his wife Peng Liyuan, Sultan of Brunei Hassanal Bolkiah, Russian President Vladimir Putin, Indonesian President Joko Widodo and his wife Iriana Widodo head to a welcome banquet for the 22nd APEC Economic Leaders' Meeting in Beijing on November 10, 2014. *Liao Pan*

ship, initiating the FTAAP process and specifying the relevant roadmap, approving APEC Connectivity Blueprint. All of the efforts were led by the Chinese side and became a significant part of China's contribution to Asia-Pacific economic integration.

It is worth mentioning that the top leader of China talked about "APEC blue" with good humor on this international occasion, which turned this small phrase into a big one, thus making "APEC blue" the major objective for governments at all levels to achieve.

#### Key word 5:

### Evening Talk at Yingtai

A meeting at Sunnyland estate in California in June 2013, in return, President Xi Jinping and US President Barack Obama met at Yingtai in Zhongnanhai Compound in Beijing on November 11, 2014. The two had a one-on-one talk, private dinner and tea-drinking followed by a relaxed stroll, lasting over 4 hours altogether. Some believes that the meeting with fewer people is probably to have more in-depth and important talks. In this sense, it is easy to judge how important the evening talk at Yingtai was.

The next day two leaders held a formal meeting and reached consensus on pragmatic cooperation in various fields, which greatly enriched the new type of relationship between major countries. A list of 27 important deals in a wide range of areas was released that day, covering climate

change, trade relations, information technology, military mutual trust and visa reciprocity, leaving an eye-open impression to observers.

Among all the deals, China-US Joint Statement on Climate Change, regarded as a "milestone" agreement, was widely welcomed by international community and guided the direction of Lima Climate Change Negotiation in December 2014. UN Secretary-General Ban Ki-moon praised China and US for setting an example to address the issue of "Common but Differentiated Responsibilities", making an important contribution to a possible agreement at a UN climate change conference in Paris in 2015 and demonstrating the leadership of China and US as the world expects.

#### Key word 6:

### Meeting as requested

It was almost the lunch time on November 10, 2014 and President Xi Jinping walked out of Fujian Hall at the Great Hall of the People, where Japanese Prime Minister Shinzo Abe already stood waiting. They took photos together while shaking hands against the background of blue curtain.

During the 20-minute meeting at the request of the Japanese side, President Xi seriously pointed out that the historical issues bear on the national sentiment of over 1.3 billion Chinese people. Only by following the bilateral political documents between China and Japan and fulfilling the commitments made by previous administrations of



Japan, including the Murayama Statement, can Japan develop friendly relationship oriented toward the future with its Asian neighbors. Prime Minister Abe said that China's peaceful development provides important opportunities for Japan and the world at large and Japan is resolute in following the path of peaceful development. The sitting Japanese government will carry on the views as upheld by previous Japanese governments on the historical issues.

The meeting was held after the two sides reached a four-point principle consensus on improving the bilateral relations. It was the first time that the leaders of China and Japan had formal talks in the last two and half years, indicating a significant step toward improving the bilateral relations, as expected by the international community.

### Key word 7: **FTA Negotiations**

In November, the world's No. 14 economy Korea and world's No. 12 economy Australia successively announced the conclusion of FTA negotiations with China.

Until the end of 2014, China has signed 12 FTAs with 20 countries and regions, including FTAs with ASEAN, Singapore, Pakistan, Chili, Peru, Costa Rica, Iceland and Switzerland, Closer Economic and Partnership Arrangement (CEPA) between Mainland and Hong Kong, CEPA between Mainland and Macau, and Economic Cooperation Framework Agreement (ECFA) between Mainland and Taiwan. There are 6 FTAs under negotiation, involving 21 countries and regions.

In 2014, China made vigorous efforts in strengthening free trade by accelerating bilateral FTA negotiations, promoting multilateral FTAs and advocating a comprehensive free trade integral structure instead of a fragmented one. On the way from a big trading power to a strong one, China plays an active role in international rule-making with both domestic and international tools, and changes from a "bystander and follower" to a "participant and leader".

### Key word 8:

## **Transnational anti-corruption**

In 2014, China launched "Fox Hunt 2014" campaign to search the corrupt officials and their illicit assets across the globe, finished 10 negotiations on extradition and criminal judicial assistance treaties, proposed international anti-corruption cooperation at the Fourth Plenary Session of the 18th CPC Party Congress, initiated Beijing Declaration on Fighting Corruption which was approved in the 26th APEC Ministerial Meeting, and pushed forward the ratification of G20 Anti-Corruption Action Plan 2015-16. The anti-corruption campaign is not only limited within China and the scope is rarely seen in the history.

According to the statistics, China has ratified as many as 39 extradition treaties and 52 criminal judicial assistance treaties by the end of November; and by early December,

428 economic criminals fleeing in 60 countries and regions have been caught in Fox Hunt 2014.

China is seeking global coordination and building anti-corruption network through international cooperation, which has become "new normal" of China's anti-corruption efforts.

### Key word 9:

## **Aids sent to thousands miles away**

In the end of 2014, two pieces of international news about China attracted the world's attention.

In the evening of December 5, an Ebola treatment center solely operated by China in Liberia started receiving suspected Ebola patients.

On December 4, Chinese commercial planes and military aircrafts arrived in Male, capital of Maldives, carrying drinking water to the drought area after a fire at a desalination plant in Maldives causing equipment damage and water supply suspension. In addition, the Chinese naval rescue ship Changxingdao equipped with desalination units was dispatched to provide emergency water supply there.

China is appreciated by the international community through these emergency aids as a responsible country on the world stage.

### Key word 10:

## **Mutual learning among civilizations**

In President Xi's busy diplomatic activities 2014, mutual respect, harmonious coexistence, and exchanges and mutual learning among different civilizations are important elements as seen on many occasions, including his first visit to UNESCO headquarter where he delivered a speech, the joint statement towards China-EU partnership for peace, growth, reform and civilization, his long speech at the International Conference in Commemorating Anniversary of Confucius' birth, and his support for overseas Chinese culture centers and Confucius institutes.

Civilizations are enriched with exchanges and mutual learning which build a bridge between different peoples, forward the advancement of human society, and safeguard global peace.

"Harmony without uniformity". "It is only natural for things to be different". The Chinese leader called for exchanges and mutual learning among civilizations on many international occasions, which showed self-confidence in the Chinese civilization and respect to other civilizations as well. (Xinhua)



# China-ASEAN cooperation: a win-win scenario

**D**ecember 2014, Fu Ying, Chairperson of the Foreign Affairs Committee of China's National People's Congress, visited Bangladesh, Malaysia and Indonesia. During the trip, Fu received an interview by Indonesian Journalists, in which she answered a series of questions pertaining to China's relations with Indonesia and ASEAN at large. The following are excerpts of the interview.

A grand opening ceremony is held on June 10, 2009 to mark the official completion of the bridge that connects Surabaya and Madura islands in Indonesia. Constructed by a Chinese company, the bridge boasts to be the longest cross-ocean bridge in Southeast Asia. Yue Yuewei



**Question:** How would China materialize Indonesia's wish that the bilateral relationship develops into more concrete outcome that will benefit people of both countries?

**Fu Ying:** China shares the wish of Indonesia that our cooperation should bring about tangible benefits to people. Over the past few years great progress has been made in this respect. Today, Indonesian products can be found everywhere in China, and Indonesia has become the second largest destination of China's foreign investment in ASEAN nations. Suramadu Bridge, the longest cross-ocean bridge in Southeast Asia jointly built by China and Indonesia, has greatly facilitated the livelihood of the people.

The year 2015 marks the 65th anniversary of the establishment of our bilateral ties. Our two governments are stepping up bilateral cooperation in a comprehensive manner. Not long ago, the leaders of our two countries met in Beijing and reached a series of agreements for cooperation in various areas including sea and ocean, infrastructure, agriculture and etc. An important consideration on the Chinese side is to adapt our bilateral cooperation to the needs of Indonesian people. We look forward to seeing the efforts by both sides bearing fruits.

I believe that the legislatures of our two countries shall make joint efforts to ensure a transparent and predictable legal environment for our cooperation.

**Question:** President Joko Widodo has laid out maritime axis policy as one of his top priorities. What could China offer to Indonesia so that it could be in line with China's 21st Century Maritime Silk Road concept? What could China offer in responding to President Joko Widodo's request during a meeting with President Xi Jinping recently that China be more involved in Indonesia's infrastructure development?

**Fu Ying:** President Joko's maritime axis policy and China's 21st Century Maritime Silk Road concept initiated by President Xi Jinping share a lot of commonalities in nature and in purpose. The Chinese initiative has its focus on infrastructure, which offers new space for cooperation between our two countries.

Funding is a key to infrastructure development. Bearing this in mind, China made the initiative to establish the Asian Infrastructure Investment Bank to support connectivity projects in Asia especially in ASEAN countries. China also allocated \$40 billion to set up Silk Road Fund, giving priority to infrastructure projects. In addition, Indonesia can also make use of China's special support to ASEAN countries including the \$10-billion preferential loans, China-ASEAN Investment Cooperation Fund, China-ASEAN Maritime Cooperation Fund, China-Indonesia Maritime Cooperation Fund and etc.

Chinese enterprises have accumulated rich experience, up-to-date technologies and pool of talents in infrastructure construction. The pressing task is to sort out appropriate projects and programs to work on. If we plan early and start early, we will reap harvest early.

**Question:** How would you convince the Southeast Asia that China's development in terms of military, politics and economy doesn't pose threat to peace and security in the region?

**Fu Ying:** The Chinese people are proud of the tremendous progress we have made over the past three decades. However, we are keenly aware that there are still many challenges on the way, including unbalanced economic development, serious

environmental pollution and etc. At the same time, by the UN poverty standard of \$1.25 per day, there are still nearly 200 million Chinese people living below the line.

Therefore, in quite a long time, China will remain focused on development in order to realize "the Chinese dream" put forth by President Xi Jinping. The aim is to have every child educated, every laborer properly paid, every sickened treated, every elderly cared for and each family secured a decent place to live. To achieve that, China needs not only stable domestic environment, but also peaceful international, especially neighborhood environment.

Over the past two decades, Asia has remained peaceful, stable and prosperous on the whole. For this, China has played an important role. China is now the largest trading partner for most of the countries in Asia, contributing more than half of the economic growth in this region, and the investment from China to other countries is increasing year by year.

China was poor and weak in the past and suffered a great deal at the hands of the foreign powers, which also added to the chaos of the region. It's natural that with the growth of the country, China's national defense will be gradually strengthened. But China follows a constitutionally stipulated national defense policy with a defensive nature. At the same time, China's military forces have started to participate in more and more international peace-keeping missions.

China is also trying its best to offer more public goods to the world, especially the surrounding areas, combining the advantage of China and the needs of regional countries for common development. Although the truth best proves itself, China needs to better present its own opinion and idea to clear misunderstandings and make other countries less anxious or even dubious.

**Question:** Indonesia is not a claimant to the South China Sea but has been active to facilitate dialogue and pursuing effort to ease tension over the issue. We would like to see China good intention, in the realization of the SCS conflict resolution, such as in pursuing the completion of Code of Conduct (COC). What is your comment on that?

**Fu Ying:** For China, the continued peace and stability of the South China Sea is critical.

China is now working closely with ASEAN countries in moving ahead the Declaration on the Conduct of Parties in the South China Sea (DOC) process and having consultations on how to reach consensus on the core issue of the COC as soon as possible. Premier Li Keqiang, in his speech at the 17th China-ASEAN Leaders Summit in November 2014, clearly expressed China's willingness and commitment in this regard.

China and ASEAN countries have identified "dual track approach" in handling the South China Sea issue, outlining the ideas that specific disputes be addressed by the sovereign countries directly concerned through negotiation and consultation and that peace and stability in the South China Sea be jointly upheld by China and ASEAN countries.

We also actively push forward practical maritime cooperation, accelerating the establishment of cooperation mechanism regarding maritime joint search and rescue, scientific research, environment protection, and fighting against transnational crimes. The idea advocated by China that seeking joint development is also a pragmatic and effective way to manage and control differences. ■

# Combat smog with laws

## —Interview with NPC Vice-Chairwoman Shen Yueyue

**A**ccording to the oversight plan of the NPC Standing Committee, the inspection on the enforcement of the Law on Prevention and Control of Atmospheric Pollution was carried out in 2014. The inspection team was headed by Shen Yueyue, vice-chairwoman of the NPC Standing Committee.

At the 11th meeting of the Standing Committee of the 12th National People's Congress on October 29, 2014, Shen delivered the report on behalf of the inspection team. NPC Magazine did an interview with Shen on the inspection tour.

The Palace Museum (Forbidden City) shrouded by heavy smog (L) and on a sunny day Li Huisi





Shen Yueyue, vice-chairwoman of the NPC Standing Committee

**NPC:** When talking about the highlights of the work done by the NPC Standing Committee, two things may come into people's minds, one is the newly revised Law on Environment Protection, and the other is the inspection on the enforcement of the Law on the Prevention and Control of Atmospheric Pollution which you participated. What's the consideration of picking this law out of so many laws to be inspected?

**Shen:** The NPC Standing Committee attaches great importance to ecological civilization to embrace the spirit of the 18th Party Congress. The reason we chose this law as the target for inspection is to put in place the measure designed by the 18th Party Congress and in response to the concern of the general public. It is of great significance for the ecological civilization to better supervise the implementation of the air-pollution-related laws.

Chairman Zhang Dejiang also cared about this issue very much. He said that atmospheric environment protection bears the fundamental interests of the whole people and the sustainable economic and social development. The inspection would help monitor and push the enforcement of the law, and build the accountability and awareness of concerted efforts among the public to improve the air quality and safeguard our health.

**NPC:** Some holds that the Law on Prevention and Control of Atmospheric Pollution is like a piece of hard bone which is difficult to gnaw. How do you think about this bone and do you feel difficult to do so?

**Shen:** In the past few years, air pollution has become a prominent issue. More places were infected with lingering and highly dense pollutants, which brought about negative impact to the daily life of everybody. There is still quite a long way for us to go before reaching the goal of building a beautiful home with blue sky, green land and clean water as proposed in the report of the 18th Party Congress.

At the same time, people are increasingly concerned about the air quality. There were more and more proposals and suggestions raised by the deputies to the NPC on environ-



ment protection and air pollution prevention and control. Air pollution has become one of the most discussed topics at the NPC sessions.

Environment protection has been a major focus of the public which is also very much looking forward to the work done to combat the air pollution. We are inspired to step up our efforts for the public expectations.

**NPC:** *In what way was this inspection different from the other ones?*

**Shen:** As instructed by Chairman Zhang Dejiang, three Vice-Chairpersons including Chen Changzhi, Arken Imirbaki and me jointly led a team composed of members of Environmental Protection and Resources Conservation Committee and deputies to the NPC. Altogether we had 41 persons in our team which was divided into 5 groups and carried out inspections in 10 provinces and cities.

All through the inspection, we focused on key areas among the most heavily polluted regions, including Beijing, Tian-

jin, Hebei and the surrounding provinces, the Yangtze River Delta, the Pearl River Delta, and Shaanxi Province. We went to those places and also asked the standing committees of provincial people's congresses to conduct inspections in their responsible areas.

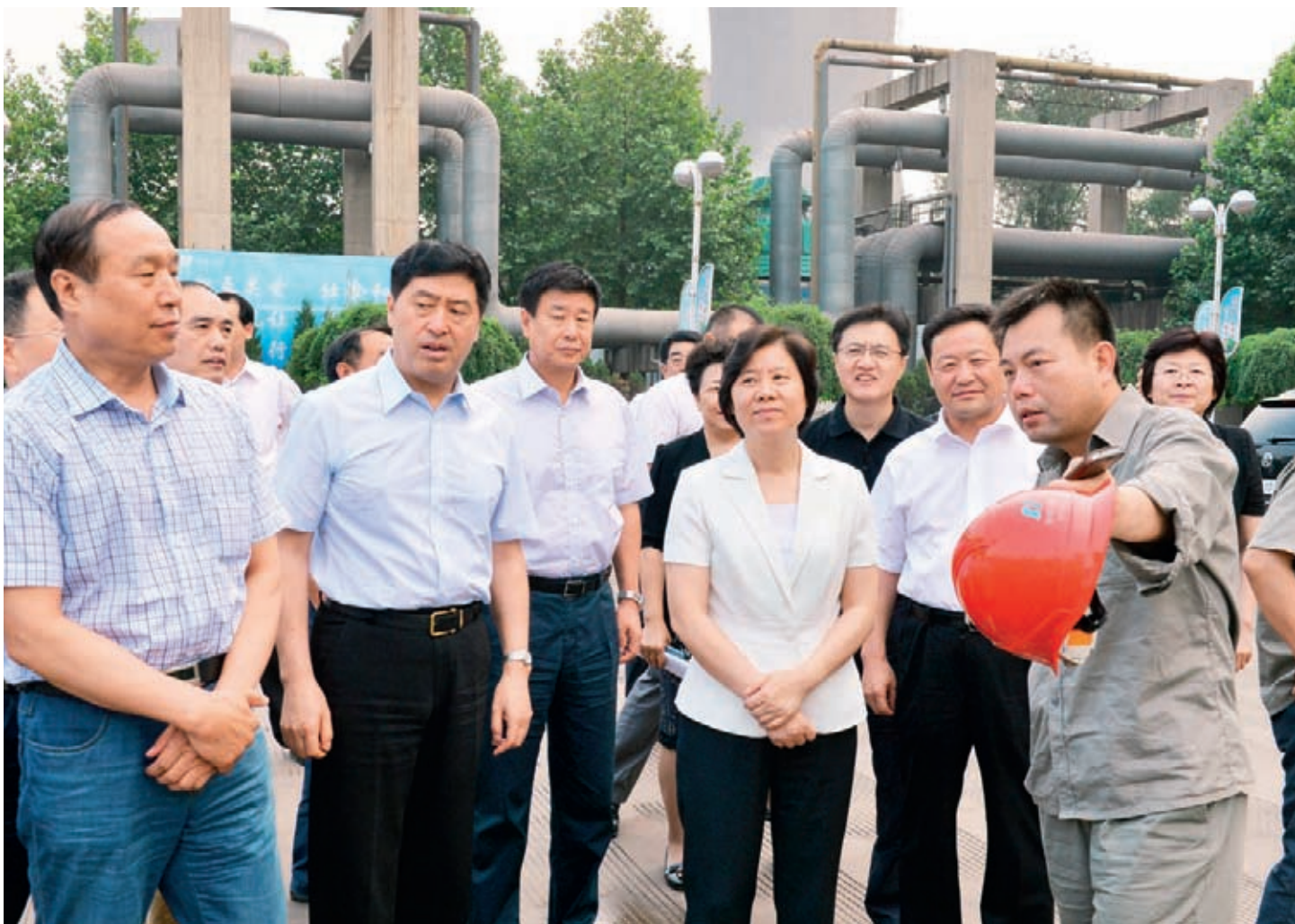
We listened to the voices of different sectors. The group had two plenary sessions, listening to the reports and suggestions from 13 departments including the Ministry of Environmental Protection, the National Development and Reform Commission, and Industry and Information Technology Ministry. Another 19 roundtable discussions were held during the inspection to collect the opinions from local governments, deputies to multi-level people's congresses, specialists and scholars, grassroots law enforcement officers, and also enterprises' representatives.

We also took a problem-oriented approach because we were keenly aware that the key to improve the air quality is to address the key issues of air pollution through inspection and supervision.



Posters on smog prevention attract spectators in Beijing on December 16, 2014. Yu Long





Headed by NPC Standing Committee Vice-Chairwoman Shen Yueyue (fifth from right), a law enforcement inspection group conducts an on-the-spot environmental check of a thermal power station in Shijiazhuang, Hebei Province on June 5, 2014.

## The laws and regulations related to air quality have been carried out gradually.

We tried to solicit the ideas extensively during the inspection about how to further improve the law itself, in order to lay a solid foundation for the possible revision of the law in the future.

For the next step, the NPC Standing Committee will supervise the competent departments to implement the suggestions put forward by the inspection team and safeguard effective enforcement of the law.

**NPC:** *Was the inspection team satisfied with the current situation of law enforcement?*

**Shen:** During the inspection, we found that the State Council and its competent departments, and the various-level local governments have put air pollution prevention and con-

trol as one of the priorities of their work, sparing no efforts in implementing the law and combating air pollution.

On September 12, 2013, the State Council released the Plan on Air Pollution Prevention and Control. Within five years, we will see an overall improvement of the air quality nationwide with a steady decrease of heavy pollution days, and Beijing-Tianjin-Hebei Area, the Yangtze River Delta and the Pearl River Delta will register an obvious improvement. And in another five years to be followed heavy pollution days will be gradually done away, and turn-around improvement will be scored nationwide.

In the first half of 2014, we have seen in 74 major cities that the density of PM 2.5 and PM 10 decreased by 7.9 percent and 6.5 percent respectively, while the proportion of the days whose air quality reaching the standards increased 1.6 percentages.

What's assuring was that the laws and regulations related to air quality have been carried out gradually, especially those regarding the control of major pollutants emissions. The central government has taken sulfur dioxide and nitrogen oxide as the binding indicators when evaluating the 12th Five-Year Plan of economic and social development. There is pollution



charge in some areas and the standards for air pollution prevention and control updated.

We are happy to see that more supporting policies were adopted; more law enforcement and supervision work were done in major areas. Apart from the national level measures, various local governments also strengthen their efforts in working out plans to specify the national program, guide the enterprises to treat pollution and cut emission. The competent departments under the State Council intensified the law enforcement in key regions in a joint and coordinated way, making those heavily-polluting enterprises known to the public and effectively preventing them from future emissions.

**NPC:** *The biggest concern of the public is what on earth the fundamental cause of air pollution is. What did the inspection team find?*

**Shen:** Indeed, it is hard for us to feel optimistic about the current air quality. The situation is quite grave and there are still a lot of problems to be addressed in the process of law enforcement.

Among these problems, some are about irrational industrial and energy structure; some others are about ineffective law enforcement and supervision of local governments, neglect of enterprises to bear their responsibilities, incomplete analysis of the complicated reasons for air pollution, etc. In a word, it is an arduous task and we need to do more.

During the inspection, different groups found a same question, which was structural pollution, namely, irrational industrial structure and energy mix. The current industrial structure brought about over-capacity of severe polluting and high energy consuming industries, intensive emissions of pollutants. We saw a large number of heavy polluting enterprises in the urban and suburban areas of some old

**There are still a lot of problems to be addressed in the process of law enforcement.**



NPC Standing Committee Vice-Chairwoman Shen Yueyue (third from right) examines the automotive exhaust emissions in Beijing on July 9, 2014. Carbon monoxide, nitrogen oxide and other pollutants emitted by motor vehicles are among the major contributors to air pollution problems that frequently occur in some Chinese cities.



industrial bases, whose emissions severely destroyed the air quality. The energy structure is mainly about coal-burning in a wide range of areas. In 2013, the coal consumption in China reached 3.61 billion tons, accounting for 65.7 percent of the total energy consumption. In particular, the heating system of Northern China in winter burns huge amount of coal, but the management is lagged behind with the waste of burning coal in suburban and rural regions directly and randomly emitted, causing evident seasonal decline of the air quality.

Ineffective law enforcement and supervision is another problem needs to be solved. Here we have two numbers, in 2013, among all the cases reported to the Ministry of Environmental Protection, 73 percent were about air pollution. However, among all the cases eventually handled by the end of that year, only 12 percent were related to air pollution. Why? One of the reasons may be the severe lack of capacity for grassroots supervision and management, which made it difficult to do the research and get the evidence. The division of responsibility is not clearly defined and there is overlapping functions for different departments. For example,



Wearing masks and anti-pollution T-shirts, college students from China Agricultural University stand outside of the venue of the Beijing International Automobile Exhibition on April, 20, 2014, in order to promote awareness of environmental protection among the public. CFP

automobile management is related to 13 departments, including environmental protection, public security, industry, transportation, quality supervision and so on. The problem is there lacks effective coordination among them. The Law on Atmospheric Pollution Prevention and Control touched upon 52 administrative responsibilities, of which 20 didn't have any corresponding department yet.

Another outstanding issue is that some enterprises don't know the laws and haven't taken the responsibility of treating pollution. For some, the pollution treatment equipments are outdated and hard to reach the standards of pollutant emissions, while for others, they have good equipments, but only make them work when the inspection personnel comes, or emit pollutants only in the evening when people don't notice, or conceal the real data to avoid punishment. The financial penalty is much smaller than the cost for treating pollution, thus enterprises would rather be fined than taking the initiative to deal with the pollution.

**NPC:** *There is definitely some progress achieved in the prevention and control of air pollution. However, the general public hardly feel it from the air they breathe every day. So how to strengthen the implementation of the law, then people can truly feel the improvement?*

**Shen:** To do this, we need first of all to make the respective responsibility of government and enterprises clearly identified and converged. Secondly, industrial restructuring and energy remixing should be considered as priorities, enhancing comprehensive treatment of key industries, for example, prevention and control of automobile pollution which is one of the major sources of air pollution. Thirdly, law enforcement and supervision needs to be intensified through joint prevention and control mechanism, making sure that anyone who violates the related laws should be punished. At the same time, we need to enhance awareness among the



public that clean air is what all of us need and everybody should be involved in the war against air pollution.

We also discovered that there is not enough analysis on the sources, the causes and the transmission of pollution. People didn't well understand how PM 2.5 came into being, and to what extent the meteorological process contributed to pollution. Therefore, we need more science and technology expertise to help us better understand in what way the pollution is caused.

Of course, it is hard to do than to say. Air pollution is not only caused by over emission, but also irrational economic structure and extensive pattern of development over a long time. It doesn't happen overnight, and we are not able to stop it within a short period of time.

**NPC:** *You mentioned previously that the inspection is related with revision of this law. Then in what way does this inspection help you revise the law in the near future?*

**Shen:** We hear a lot of good suggestions about the revision, such as more clearly identify the responsibilities of local governments and take environmental protection into consideration when evaluating their political performance; intensify the role of enterprises as the main body of pollution treatment, and much severer punishment should be given to the enterprises when they violate the law; every citizen should know their responsibility is to protect the environment; build

**It doesn't happen overnight,  
and we are not able to stop  
it within a short period of time.**

joint prevention and control system in key areas, establish early warning and emergency response systems when there is probably going to be heavy pollution days; control the total amount of coal consumption and pollution emission; be more careful in issuing pollution emission permission; update the emission standards as to the ever-changing situations; pay more attention to the sources of pollution, and apply overall control of various pollutants; closely oversee the emission of automobile exhaust, the dust and the volatile organic compounds; make new laws on pollution emission permission, non-point source pollution control and automobile management, etc.

The newly revised Environmental Protection Law which will be put into force in 2015 has incorporated many regulations targeting at addressing the major problems in environmental protection, especially how to cope with the smog. The revision of the Law on Prevention and Control of Atmospheric Pollution should be in accordance to the new Environmental Protection Law and specify the measures regarding air pollution-related problems.

**NPC:** *You led an inspection team to Beijing, Hebei, Tianjin, Shanxi and some other places, how do you think of the air pollution situation there?*

**Shen:** In Beijing, Tianjin, Hebei and their surrounding



An environmental protection official in Xi'an's Chang'an District, Shaanxi Province conducts an on-the-spot air pollution examination on June 4, 2014. The district set up a total of seven observation stations to collect noise and dust pollution statistics. Ding Haitao







Government employees working at a command center in Hexi District, Tianjin Municipality check the data of air-pollution on October 21, 2014. Started from March 1, the city has established integrated platform and standards to supervise the emission of pollutants. Zhang Daozheng



areas, the problem is worrying and very much concerned by the public.

Air pollution in this region may be caused by similar reasons, such as coal burning, automobile and dust. Institutions of higher learning, scientific and technological institutes are now putting their efforts in studying the causes of air pollution, working out different measures according to different situations in different areas. In Beijing, automobile emission accounts for a relatively high proportion in total emission. In the Clean Air Action Plan Beijing 2013-17, there are 84 key targets, of which 22 are about automobiles, the most important part in the plan. At present, situation in Beijing has been much better than before, due to the measures such as increasing the emission standards and oil quality, gradually phasing out yellow plate vehicles and the old ones, and strengthening emission supervision. In Tianjin where dust is the major pollutant, specific measures are introduced to focus more on dust control in the Beautiful Tianjin No.1 Project. In Hebei Province, industry pollution is the biggest problem, so the local government decides to cut capacity of iron and steel, cement and coal as planned in the project called 6643. At the same time, the joint prevention and control among Beijing, Tianjin and Hebei is solidified so as to achieve regional coordinated development.

Progress has been made over the past year. From the data we can see that in the first three quarters of 2014, the average density of four major air pollutants in 13 cities in Beijing, Tianjin and Hebei Province has shown a downward trend.

However, the task is still quite tough and we must do more.

**NPC:** APEC was held in Beijing from November 7 to 12, 2014, six days of “APEC blue”. People would like to have every-day blue rather than only “APEC blue”, and is that achievable?

**Shen:** The “APEC blue” is mainly attributed to comprehensive measures we adopted and the strong force to implement them. We obtained a lot of good experiences on coordinating treatment of smog among various provinces and municipalities. During the meeting in Beijing, traffic was restricted based on even- and odd-numbered license plates, engineering construction was stopped within the 5th ring road, anyone who violated the rules was given the upper limit punishment; in Tianjin, around 50 construction sites were not allowed to work and muck cannot be transported; in Hebei, 200 kilometers around Beijing area was identified as key control areas in which coal-fired boilers with capacity not exceed 10 tons were stopped to use, except those for daily life.

I noticed that some time during the session the meteorological condition was not good for the diffusion of pollutants, but thanks to the emergency response measures and the coordinated efforts within the whole region, the air quality in Beijing was not bad, and this time, it was not because of the wind. The “APEC blue” was there, because we did a lot of things indeed.

Stay focused and not slack off, that’s what we tell ourselves. To keep “APEC blue”, to breathe clean air, to have friendlier environment, we must move on in the way of industrial restructuring and transformation of development pattern, stricter emission reduction measures, and more coordinated joint prevention and control in Beijing, Tianjin, Hebei and the surrounding areas. (NPC) ■

# Spare no efforts on environmental protection and resources conservation

By Lu Hao, Chairman of Environmental Protection and Resources Conservation Committee

Since Reform and Opening up more than 30 years ago, China has maintained stable and rapid economic growth that attracts world's attention. Meanwhile, factors contributing to development have been undergoing profound changes. Problems of unbalanced, uncoordinated, and unsustainable development become outstanding. Economic growth is confronted with new challenges and increased downward pressure. Major factors that hinder social and economic development include growing energy demand, environmental problems caused by unreasonable industrial structure and extensive mode of growth, and grave situation of "resource constraints, environmental pollution, and degradation of ecological system". Under the circumstances, the Environmental Protection and Resources Conservation Committee (EPRCC) of the 12th National People's Congress (NPC) was elected in the First Plenary Session of the 12th NPC. The committee bears great obligation and glorious mission as China is committed to advancing ecological civilization, building a beautiful country, and realizing the Chinese Dream.

Under the leadership of NPC and its Standing Committee, the 12th EPRCC adheres to the decisions and arrangements made by the 18th CPC National Congress and the Third and Fourth Plenary Session of 18th CPC Central Committee, exerting the influence of its functions to the full. Legislation work is strengthened by improving laws concerning environment and resources. The function of supervision is given full play by inspecting law enforcement and safeguarding the authority of law. Proposals and suggestions proposed by deputies are handled properly, people's voice is paid close attention, and the social foundation of our work is consolidated. In accordance with the legislation plan of the 12th NPC, EPRCC makes great efforts to push forward legislation and supervision on environmental protection laws and resources laws.

We always adhere to the principle of scientific and democratic legislation, strive to improve legislative effectiveness, and step up laws on environmental protection and resources conservation. NPC and its Standing Committee attach great importance to legislation in the area of

environment and resources, enacting over 30 laws including Environmental Protection Law, Law on Prevention and Control of Atmospheric Pollution, Law on Prevention and Control of Water Pollution, etc. Those laws play a significant role in protecting and improving our country's ecological system. However, with rapid economic growth, problems of unbalanced, uncoordinated, and unsustainable development become conspicuous. People are especially concerned with air, water and land pollution. Based on national condition and development stage, EPRCC revised Environmental Protection Law which plays a fundamental role in environmental area, targeting problems concerning environmental protection. The revision is of great importance to protecting environment, ensuring public health, advancing ecological civilization, and promoting sustainable social and economic development. Meanwhile, taking the overall ecological, energy, and maritime strategy into consideration, EPRCC proposed a series of legislation projects to revise Law on Prevention and Control of Atmospheric Pollution, Law on Prevention and Control of Water Pollution and Law on Protection of Wildlife, and to stipulate Law on Prevention and Control of Land Pollution, Law on Seabed Resources Exploration and Development and Nuclear Safety Law, all of which have been included in the legislation plan of the 12th NPC. Accordingly, EPRCC makes clear arrangement and timetable on the aforementioned legislative work. Through careful study and examination, Law on Protection of Wildlife (Revised Draft) has been drafted; a framework of the draft on seabed resources exploration and development mapped out; the first draft of Nuclear Safety Law finished while taking a full account on nuclear safety monitoring system, nuclear contingency mechanism, liability of nuclear damage, nuclear safety permit, nuclear safety publicity and education.

Our problem-oriented supervision is strengthened. In the last two years, EPRCC facilitated the Standing Committee's deliberation on the State Council's report on ecological compensation mechanism and work of energy conservation and emission reduction, aiming at improving ecological compensation system and realizing goals set by 12th Five-Year Plan.





At the same time, EPRCC worked with the Standing Committee to conduct law enforcement inspection of Law on Renewable Energy. It is showed that our country's renewable energy including wind power, photovoltaics, photo-electricity and hydropower has developed rapidly in recent years, accounting for 1/4 of world's installed capacity. Great progress has also been made in developing clean energy such as nuclear power. During the inspection, we stressed that the ratio of non-fossil fuel to primary energy consumption should reach 11.4 percent and 15 percent at the end of the 12th Five-Year stage and 2020 respectively, priority be given to the renewable energy development strategy, great efforts be made in energy conservation and emission reduction, and climate change be dealt with actively. Moreover, relevant policies and measures should be improved. Hydropower projects should be built in line with local conditions and in the premise of environmental protection. Wind power should be promoted by making plans of large-scale modern wind power basis and relevant supply project. Photovoltaic basis should be established step by step and development of solar power should be accelerated. Resources survey should be carried out on geothermal energy and marine energy that requires further development and exploration plan. Electric energy and electric grid should be coordinated to improve utilization of renewable energy. Targeted at regional air pollution and frequent occurrence of "haze" that people are mostly concerned, we also worked with the Standing Committee in an inspection effort on the Law on Prevention and Control of Atmospheric Pollution. The inspection focused on major problems affecting air quality, stressed the importance of fulfilling our responsibility of improving relevant policies and measures, and highlighted the effectiveness of the work on air pollution prevention and control. We also combined supervision work with legislation, asked all parties concerned for advice on the Law on Prevention and Control of Atmospheric Pollution, and pushed forward revising procedure of the law according to 2014 legislation plan of NPC Standing Committee. In December 2014, the Law on Prevention and Control of Atmospheric Pollution (Revised Draft) went through first deliberation in the 12th meeting of the 12th NPC Standing Committee. In 2014, we

also carried out special study on land pollution prevention and control, which showed that our country was faced with problems of severe land pollution and the prevention work was still at its preliminary stage. Therefore, governments at all levels and competent authorities should attach great importance to land pollution prevention and control, improve work mechanism and relevant laws and regulations, in a bid to advance comprehensive control of land pollution.

Here are some examples on our arduous work in recent two years. First, great efforts were made in study and research based on reality. With truth-seeking work style, we kept close ties with the masses and paid attention to situation at the grassroot level, from which we collected first-hand information, drew useful experience, analyzed conflicts, and finally proposed feasible suggestions and measures. Second, we stressed the importance of learning and absorbing new information. Our work is both extensive and professional. Therefore, we invited experts to attend meetings and give lectures, enriching the knowledge of members of our committee as well as improving their work capability. Third, we emphasized coordination with relevant parties. We strengthened communication and cooperation with NPC deputies, local people's congresses, relevant departments of the State Council, experts and scholars to learn from their experience, generating great achievements in our legislation and supervision work. Moreover, we make sure our work is problem orientated. In general, environmental pollution is caused over a long period of time and cannot be solved overnight. With regard to the rule of environmental laws, there are still problems of inadequate laws and regulations, imperfect law enforcement, slack judicial procedure, etc. We need to be fully aware of the difficulty and complexity of environmental issues while speeding up environmental protection. We've always focused on major issues that both the CPC Central Committee value and the NPC deputies and the masses are deeply concerned, exerting all efforts to make a breakthrough at major problems. Besides, we've broadened our vision by promoting international exchanges and cooperation. We've carried out exchanges with foreign parliaments and relevant agencies in environmental protection, energy conservation and emission reduction, climate change, etc. While introducing our efforts in environmental pollution control and emission reduction, we learn from their advanced experience to create a low-carbon and green development path.

Looking into the future, EPRCC is faced with grave situation and arduous tasks. We will work with passion and a positive attitude as always to learn and implement important remarks of Party general secretary Xi Jinping, to follow closely the objective proposed by the Third Plenary Session of the 18th CPC Central Committee to comprehensively deepen reform, to carry out the major decision made by the Fourth Plenary Session of the 18th CPC Central Committee to comprehensively advance the rule of law, and to fulfill the responsibility stipulated by the Constitution and laws. We will spare no efforts in improving environmental protection and resources conservation, promoting ecological civilization, and building a beautiful China, so as to make new contribution to realizing the Chinese Dream of great rejuvenation of the Chinese nation. ■



Balancing allocation between rural and urban resources. CFP

# Cabinet officials grilled for divided pension programs, depreciating funds



The 12th National People's Congress (NPC) Standing Committee holds a joint group session during its 12th meeting to inquire the State Council about the report on promoting social security system construction in urban and rural areas in Beijing on December 28, 2014. Du Yang





Zhang Dejiang (3rd R), chairman of the Standing Committee of the National People's Congress (NPC), presides over a joint group session during the 12th meeting of the 12th Standing Committee of the NPC to inquire the State Council about the report on promoting social security system construction in urban and rural areas in Beijing, capital of China, December 28, 2014. *Ding Lin*



**D**ifferentiated pension policies across regions, divided programs and depreciating social security funds have caught the eye of China's lawmakers as they questioned cabinet members in Beijing on December 28, 2014.

Vice Premier Ma Kai and several cabinet ministers joined lawmakers to review the country's social security programs at a bi-monthly legislative session of the Standing Committee of the National People's Congress (NPC).

In response to lawmakers' questions on the financial situation of pension programs, Ma assured them the programs have received more than they expended.

By the end of November 2014, about 837 million Chinese joined pension programs, including 338 million employed

**It is estimated that by 2053, about 487 million Chinese will be older than 60, accounting for one-fourth of the world's senior citizens.**

urban residents, while about 226 million received pensions from the programs. However, the future situation is not very optimistic as the growth of revenue has been slower than that of expenses, Ma said.

China is an aging society, with people above 60 numbering more than 200 million in 2013 and accounting for 14.8 percent of the whole population. It is estimated that by 2053, about 487 million Chinese will be older than 60, accounting for one-fourth of the world's senior citizens.

To cope with increasing pressure from a graying population, the government will need a policy package to boost the



Two senior people play the diabolo in Qionghai, Hainan Province on December 16, 2014. Meng Zhongde

## **"The central government is working to inject more profits from State-owned enterprises into public services including pension programs," said Lou Jiwei.**

revenue and streamline the management of pension programs, he said.

It might consider postponing the retirement age, channeling more dividends of State-owned enterprises to social security funds and encouraging citizens to try different pension plans, he said.

Several lawmakers pointed out that, although China has included a large part of its population in pension programs, policies vary according to their identities and where they live.

Currently, China has different social security programs, including pension programs, for rural residents, urban residents who do not work for certain employers, and employed urban residents. Civil servants and staff of some public institutions are not included in social security programs but come under old State policies. The costs and benefits vary widely among different programs.

Also, policies in different provinces vary a lot and there is a huge gap between rich eastern regions and less developed western ones.

Due to these differences, it is very difficult for people to transfer their pension program from one province to another when they move, said Prof. Zheng Gongcheng, with Renmin University of China and an NPC Standing Committee member, at the review.

Yin Weimin, human resources and social security minis-

ter, told lawmakers that unifying these pension programs is a priority and the government will work out a plan in 2015.

How to divide the power and liability between the central and local governments as well as among different local ones is the most difficult part, Yin said.

The plan, still being drafted, will unify the rules across the country on how to set the cost and benefits of pension programs but also allow provincial governments to adjust according to local situations, he said.

In the year of 2015, the government will also start to include the 40 million civil servants, Party officials and public institution staff in the social security programs.

Hao Ruyu, an NPC Standing Committee member, noted that the money in people's social security accounts has depreciated due to its limited investment options.

The funds, mostly in the hands of provincial governments, can only be saved in banks or used to buy treasury bonds, which are safe but have low returns.

Yin confirmed that the money in the social security accounts in 2013 totaled 3 trillion yuan (\$489 billion) but its annual interest rate was only about 2 percent, lower than CPI growth.

The government plans to diversify the investment but has yet decided how to do it, he said, adding that since the money is huge and scattered among different local governments, the central government has to be very cautious.

Finance Minister Lou Jiwei told lawmakers that the central government is working to inject more profits from State-owned enterprises into public services including pension programs.

So far only about 10 percent of profits from the state companies, roughly 100 billion yuan, has been handed to the treasury and the rate will increase to 30 percent in 2020, Lou said.

During the three-hour review, ministers of health and civil affairs also answered lawmakers' questions about medical insurance programs and assistance to needy people.

The review was presided over by Zhang Dejiang, chairman of the NPC Standing Committee. He stressed principles of fairness, sustainability and adaptability to a migrating population in developing a social security system covering both urban and rural residents.

In recent years, the top legislature has often invited cabinet officials to attend inquiry meetings during its bi-monthly sessions, as an important way for the legislature to supervise the government.

Zhang Dejiang said at the end of the inquiry meeting held on December 28, 2014 that the NPC Standing Committee will continue improving the mechanism, so that such meetings will be regular, more pragmatic and solution-oriented. (Xinhua) ■





Shizhong District People's Court in Zaozhuang, Shandong Province hears a cross-region administrative case for the first time on June 3, 2013. Ji Zhe

## China amends law to support citizens suing government

**C**hina's top legislature adopted an amendment to the Administrative Procedure Law on November 1, 2014, aiming to expand the people's right to sue the government.

Members of the Standing Committee of the National People's Congress (NPC) passed the amendment through a vote at the week-long, bi-monthly legislative session, saying it is in line with the reality of administrative litigation and makes it easier for citizens to take the government to court.

Courts will launch administrative proceedings if the government is sued for violating contracts on land and housing compensation and commercial operations franchised by the government, according to the amendment, which was deliberated on three times by national legislators.

The amendment says the courts should order authorities to follow contracts or give compensation for the breach if they are confirmed to have violated a contract.

Even if authorities have legitimate reasons to terminate contracts, they should offer compensation, according to the revision, without detailing how to determine the amount of compensation.

The revision compels defendants – representatives of the administrations concerned – to personally appear before the

court. Those who refuse to appear without legitimate reasons or leave the court during the trial without approval may face additional punishment. Currently most defendants ask their lawyers or other staff to represent them in court.

"Having them appear in court will also effectively promote the officials' awareness of the rule of law," said Prof. Jiang Ming'an of the Peking University.

Participants in lawsuits, including government staff, will be fined or detained if they "force" a plaintiff to withdraw the suit through illegal means such as threats or fraud, it says.

The revision also stipulates that more rights infringement cases are to be accepted by courts and actionable cases will no longer be confined to "specific administrative acts" – in practice, an excuse for courts to throw out cases.

The 1990 Administrative Procedure Law is a major guarantee for the citizens' right to pursue the government through the courts. Lawmakers said the amendment would provide a more solid legal foundation for administrative and judicial reform.

Bai Zhijian, an NPC Standing Committee member, said the revised law would better protect the rights and interests of citizens and other organizations and ensure administration by law. (Xinhua) ■



# Adjusting to the 'New Normal'

## China's top leadership convenes to map out economic and reform plans for 2015

By Zhou Xiaoyan

The Central Economic Work Conference, a much-watched annual economic meeting in China, was held in Beijing from December 9 to 11, 2014 to focus on lowering the risks of a downturn and speeding up reforms in key areas with a focus on adjusting to the "New Normal" in 2015.

China's central authorities decided at the meeting that the country will stick to its prudent monetary policy and proactive fiscal policy. Fiscal policy will be more forceful in 2015 and monetary policy will strike a balance between tight and loose. Emphasis was put on economic progress while maintaining stability and great significance was attached to structural rebalancing, improving the quality and efficiency of growth.

China has now entered the period of a new normal, demonstrating resilience, massive economic potential and plenty of room for the government to maneuver. According to opinions voiced at the conference, the nation should adapt macroeconomic policies to the new normal and keep growth rate within an acceptable range in 2015.

During APEC meeting in mid-November of 2014, Chinese President Xi Jinping defined the economic new normal as follows: shifting from breakneck economic expansion to moderate to high-speed growth, continuous improvement in the country's economic structure and moving away from factor- and investment-driven growth to innovation-driven growth.

"China's top leadership frequently mentions the 'New Normal' because they think structural rebalancing is more important than GDP growth," said Li Yining, a renowned economist and professor at Peking University. "Now is the time for structural adjustment. Missing out on such an opportunity would be a huge loss for China."







The closure works for the Zhongjian River Bridge mark the completion of the first phase of the Enshi-Laifeng Expressway in Hubei Province on July 26, 2014. There are a total of 133 bridges and tunnels along the highway. *Song Wen*



## Slower, yet steady

China's reform-minded leaders are now showing a greater level of tolerance for slower growth, and they have reiterated on many occasions that the country is capable of maintaining growth "within a proper range."

China's GDP growth slowed to 7.3 percent in the third quarter, the weakest since the global financial crisis, weighed down by a flagging housing market and tighter credit conditions.

Against this backdrop, economists and major financial institutions said the government may lower its GDP target from 7.5 percent to 7 percent. A decision to cut the whole-year growth target for 2015 may have been made during the Central Economic Work Conference, although detailed targets are unlikely to be confirmed and announced until the National People's Congress session in early March in 2015.

JP Morgan has forecast in a report that China will lower its growth target for 2015 to 7.2 percent while UBS, Bank of China, the Chinese Academy of Social Sciences (CASS) and the State Information Center all have predicted that the target will be lowered to 7 percent.

"It's very much likely that the GDP growth target for 2015 will be lowered to 7 percent," said Zhang Guobao, former Vice Minister of the National Development and Reform Commission (NDRC), China's top economic planner.

Zhang Zhuoyuan, a senior researcher with the CASS, said 7 percent is a more practical target for 2015 and this target will remain the standard for quite some time.

Song Qinghui, a financial commentator, said the growth target shouldn't be set too high so that there could be more room for structural rebalancing and reforms.

"It can't go too low either; otherwise it would cause a spike

in bad loans, job losses and business failures. The most important thing to watch out for is employment conditions. Central authorities should keep a close eye on the job market," he suggested.

To prevent further slowdown, China's central bank cut the benchmark one-year lending rate by 0.4 percentage points to 5.6 percent and the one-year deposit rate by 0.25 percentage points to 2.75 percent on November 22, 2014.

The long-anticipated rate cut came at a time when the country's economic growth slipped to the lowest in months. "The purpose of the cuts is to bring actual interest rates back to a proper level and lower the financing costs facing many enterprises," the central bank said in a statement.

However, arguments are prevalent in the market that one rate cut alone is far from enough. Other means, such as reducing the reserve requirement ratio (RRR), should be given full play to add liquidity to the market.

A combination of proactive fiscal policy and prudent monetary policy has been in place in China since 2010.

"In 2015, the tone won't be changed, but the monetary policy will be fine-tuned toward being looser. There will be at least one interest rate cut and one reduction of RRR," said Li Huiyong, chief analyst with Shenyin and Wanguo Securities Co. Ltd.

A record-low inflation level also raises the probability of more easing measures by the central bank as it offers more room for monetary loosening.

**A combination of proactive fiscal policy and prudent monetary policy has been in place in China since 2010.**



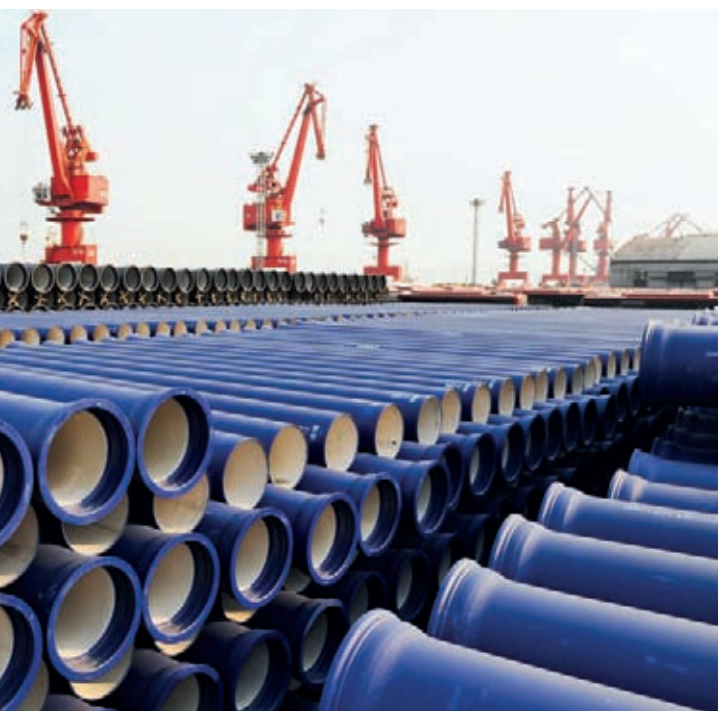
Divided by the Haihe River, both the Yujiapu financial District (left) and Xiangluowan Business District in Tianjin Municipality have gained momentum in their construction on November 7, 2014. Yue Yuewei







A yellow engineering vehicle is seen on the Lan-Xin Railway in Menyuan County, Qinghai Province, in July 2014. Constructors of the railway were enchanted by the beautiful scenery loomed by rape flowers. *Wang Song*



Piles of cast iron pipes are seen in Lianyungang Port, Jiangsu Province on December 8, 2014. *Geng Yuhe*

China's consumer price index (CPI), the main gauge of inflation, rose by 1.4 percent year on year in November, the slowest increase since November 2009, said the National Bureau of Statistics (NBS) on December 10, 2014. The producer price index (PPI), dropped 2.7 percent year on year in November, its largest fall in 18 months.

Wang Jun, a senior economist with the China Center for International Economic Exchanges, said China is now facing mounting deflationary pressure.

"This tendency will continue into 2015 and it requires immediate responses from the Central Government in monetary policy. Combating deflation means China's prudent monetary policy should be fine-tuned to 'prudent' and yet lean toward 'loose'," Wang suggested.

"Cutting rates and lowering RRR should be alternately used in 2015 to lift market sentiment," Wang suggested.

A recent report from Goldman Sachs also said although the basic tone for 2015 is still proactive fiscal policy and prudent monetary policy, the government stance won't be confined by those expressions, as evidenced by the recent interest rate cut in November.

### Quicker pace of reform

One of the most fruitful outcomes of the Central Economic Work Conference in 2013 was the decision to establish a central leading team for "comprehensively deepening reform" to





An employee from a township enterprise in Yiwu, Zhejiang Province puts in order the red lanterns they have produced on January 7, one month ahead of the traditional Chinese Spring Festival. Xu Yu

spearhead reforms across all areas of society.

The team convened eight times in 2014, resulting in concrete progress in the areas of fiscal policy, the *hukou* (household registration) system, rural land transfers, the Shanghai free trade zone, anti-corruption efforts and judicial reform, etc.

According to a statement released after the Central Economic Work Conference in 2014, China will accelerate reform in nine areas in 2015 including the capital market and market access for private banks.

Reform will ideally speed up through administrative approval, investment, pricing, monopolies, franchising, government-purchased services and outbound investment. This takes into consideration both the needs and long-term interests in the year of 2015.

More efforts will be made to transform the reform into growth. The evaluation system for reform and general public access to the reform work will also be improved.

"The fact that China has entered an economic new normal indicates the country should boldly roll out reforms in key areas so as to release the dividend of reforms and to unleash market vitality to shore up growth," said Liu Yuanchun, Vice Dean of the School of Economics at the Beijing-based Renmin University of China.

On November 30, 2014, China started soliciting public opinions on a draft regulation regarding the establishment of a deposit insurance program, which will be in full operation in six months or a year. The deposit insurance program is one

## Major tasks for 2015

- Maintaining steady economic growth
- Fostering new growth points
- Upgrading agricultural production
- Coordinating regional development
- Strengthening social security network and improving people's quality of life

## Eight emphases for 2015

- Fulfilling people's demand
- Analyzing the consumption market and consumer psychology
- Guiding societal expectations
- Strengthening protection of property and intellectual property
- Fully tapping into entrepreneurial talent
- Improving education and increasing human resource competence
- Improving the ecological environment
- Advancing technology and innovation

## What does 'New Normal' mean?

**Consumption:** Mass featureless consumption has come to an end and customized consumption is becoming mainstream.

**Export and international balance:** China still has competitive edge in exports; high-level imports and large-scale exports coexist.

**Market competition:** Quality-based differentiated competition has replaced quantity-based price competition.

**Environment:** Plans for green, low-carbon production and recycling will be adopted in the face of global climate change.

**Investment:** Infrastructure interconnection, new technology, new products and new business models have enabled massive investment opportunities.

**Production:** Smarter, smaller-scale professional production will gain more popularity.

**Risk control:** Economic risks are controllable in China, though it may take time to defuse risks caused by high leverage and asset bubbles.

**Macro-regulation:** The effects of massive stimulus measures are decreasing. China should digest the excess capacity while using market mechanism to explore industrial development in the future.

**Production factors:** Cheap labor force used to be China's biggest comparative advantage, but China's economic growth is currently more dependent on the quality of human resources and technological progress.

(Source:Xinhua)



## The initiatives aim at enhancing connectivity and trade ties with Central Asia and South Asia by building roads, railways, ports and airports across the two land masses.

important component of a safety net that protects financial stability. China has extensively discussed the setting up of such a program for years.

Guo Tianyong, a professor of banking at the Central University of Finance and Economics, said such a scheme is badly needed in China's market-oriented financial reform.

Zhu Ning, a professor of finance in Shanghai Jiao Tong University, said the implementation of deposit insurance will greatly expedite market-based interest rate reform in China.

"The lack of deposit insurance system has severely held back other financial reforms. After interest rates are fully liberalized in China, the country's banking sector will witness real changes."

Another task high on China's economic agenda is to strengthen regional integration and promote trade by resurrecting an ancient trade route.

In a speech at Kazakhstan's Nazarbayev University in Sep-

tember 2013, President Xi proposed establishing a Silk Road Economic Belt, similar to the Silk Road of more than 2,000 years ago, to boost political and economic ties between China and Eurasian countries.

China has also been trying to revitalize an ancient seaway to promote economic ties with the ASEAN nations since October 2013 when Xi proposed the 21st Century Maritime Silk Road during a visit to Indonesia.

The initiatives aim at enhancing connectivity and trade ties with Central Asia and South Asia by building roads, railways, ports and airports across the two land masses. On November 8, 2014, China announced it would contribute \$40 billion to set up a Silk Road infrastructure fund to boost connectivity across Asia.

"The two initiatives will be the most important mid- and long-term national strategies for China, in terms of China's major-country diplomacy, regional integration and industrial upgrade," said Guan Qingyou, Assistant Dean of Minsheng Securities Research Institute.

Zhang Yansheng, Secretary General of the Academic Committee of the NDRC, said China's labor- and resource-intensive industries can profoundly benefit from the construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road.

"It will help increase exports of products, equipment and laborers from China to countries along the proposed trade routes," Zhang said. (Beijing Review) ■

## The Central Economic Work Conference

An annual meeting of China's top leadership where they map out the country's macroeconomic policies for the next year. It has been held at the end of each year since 1994 and lasts for two to four days. Participants of the conference include members of the Central Committee of the Communist Party of China and the State Council, provincial leaders, heads of financial regulators and executives from centrally administered state-owned enterprises.

## Central Economic Work Conference themes

- 2014 Adapting to the "New Normal" and keeping economic growth within a proper range
- 2013 Seeking steady economic progress by making more reforms in all areas
- 2012 Enhancing the quality of economic growth
- 2011 Making progress while maintaining stability
- 2010 Ensuring stable and relatively fast economic development while maintaining social stability
- 2009 Promoting the transformation of economic development pattern while maintaining stable and comparatively fast economic growth
- 2008 Maintaining stable and relatively fast economic growth
- 2007 Shifting monetary policy from "prudent" to "tight"
- 2006 Realizing sound and fast economic growth
- 2005 Maintaining the continuity and stability of macroeconomic policy and improving the quality of economic growth
- 2004 Improving macro-regulation, promoting reform and opening-up and pushing forward economic structural adjustment

## Fiscal and monetary policies

A prudent fiscal policy means balanced fiscal revenue and fiscal spending.

A proactive fiscal policy means increasing fiscal spending to stimulate domestic consumption, to spur private investment and to expand exports.

A prudent monetary policy means adjusting the policy according to economic fluctuations. When there is any sign of economic recession, the monetary policy will be fine-tuned toward loose; when there is any sign of overheated economic development, the policy will be fine-tuned toward tight.

A moderately loose monetary policy means increasing money supply by printing money, buying bonds in open markets, cutting reserve requirement ratio for commercial banks and lowering loan rates.

A tight monetary policy means expanding the money supply more slowly than usual or even shrinking it. (Compiled by Beijing Review)

# China to speed up construction of new Silk Road

By Yang Buyue and Chen Zewei



Tourists who ride camels enjoy the grand desert landscape near the Yueya Spring (Crescent Spring) in Dunhuang, Gansu Province, October 15, 2014. Zhang Xiaoliang





Chinese President Xi Jinping (C) visits Port of Duisburg of Germany on March 29, 2014. Rao Aimin

China will accelerate the construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, and strengthen cooperation with the countries involved, Chinese President Xi Jinping announced.

“We should prepare timetables and road maps for the coming years for the ‘One Belt and One Road’ project,” Xi said when presiding over the eighth meeting of the Central Leading Group on Financial and Economic Affairs on November 4, 2014.

“We will focus on some significant projects and let the construction of ‘One Belt and One Road’ commence as soon as possible,” said the president, adding that the cooperation between China and the countries involved would be mutually beneficial.

Xi, who also heads the central leading group, said China would help partner countries with infrastructure projects, including transportation, electricity and telecommunications.

China will launch projects that improve the countries involved and boost cultural and people-to-people exchanges, the president said.

“‘One Belt and One Road’ is a huge and inclusive platform, which aims to combine the rapidly expanding Chinese economy with the benefits of all parties involved,” Xi said.

In addition, China will provide more foreign aid and encourage private capital to participate in the construction of “One Belt and One Road”.

A total of 21 Asian countries willing to join the Asian In-



An exhibition of maritime Silk Road attracts the attention of spectators who attend the Fourth China-Eurasia Expo in Urumqi, Xinjiang Uygur Autonomous Region on August 31, 2014. *Liu Xin*

## The Silk Road Economic Belt and the 21st Century Maritime Silk Road were initiated by Xi Jinping in 2013.

Workers in Yiwu, Zhejiang Province load containers to the first freight train bound for Central Europe on November 18, 2014. Anxious for a safe, fast and convenient export channel for its small commodities, Yiwu is the first county-level city in China that opened a freight train to Central Europe. *Xu Yu*



infrastructure Investment Bank (AIIB) as founding members signed a memorandum of understanding in Beijing on October 24, 2014. The authorized capital of the bank, with headquarters in Beijing, is \$100 billion.

The AIIB was established to finance infrastructure constructions along the belt and road, said the president.

Later, Xi announced on November 8 that China would contribute \$40 billion to set up a Silk Road infrastructure fund to break the bottleneck in Asian connectivity by building a financing platform.

The new Silk Road Fund will be used to provide investment and financing support to carry out infrastructure, resources, industrial cooperation, financial cooperation and other projects related to connectivity for countries along the “One Belt and One Road,” Xi said, referring to China’s Silk Road Economic Belt and the 21st Century Maritime Silk Road initiatives.

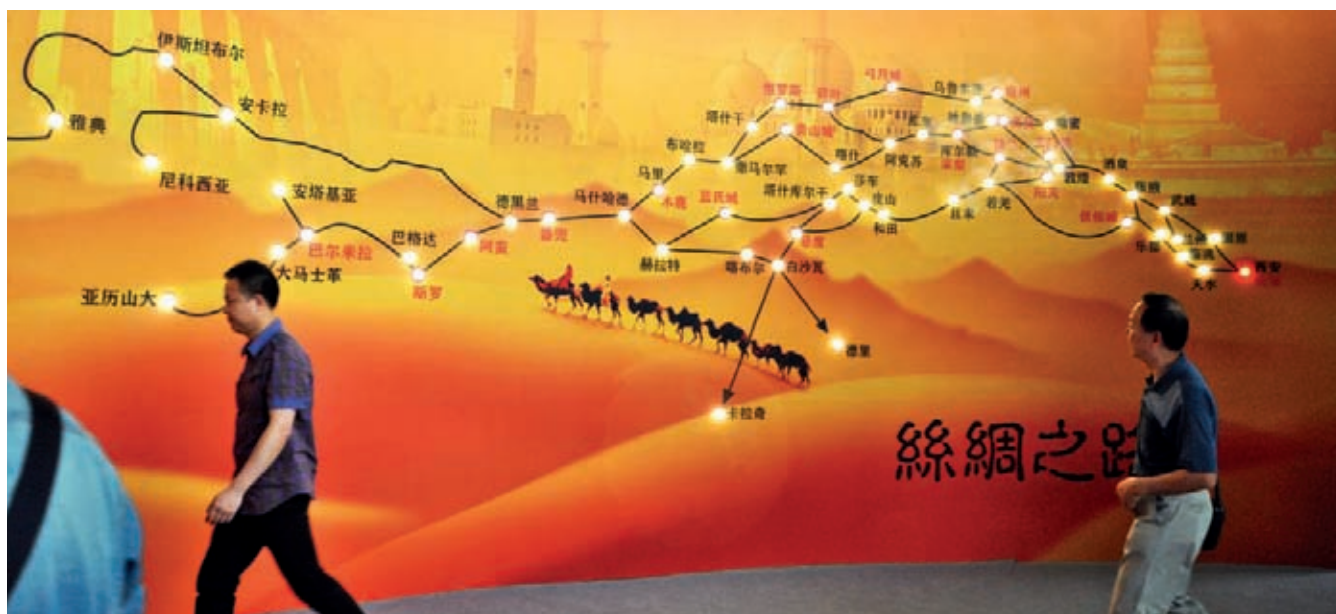
“The AIIB and the Silk Road Fund are complementary rather than substitutive to global- and regional-development banks,” said the president, adding that both the bank and the fund would work transparently and in accordance with international conventions.

The Silk Road Economic Belt and the 21st Century Maritime Silk Road were initiated by Xi in 2013.

“One Belt and One Road” connects economies in Asia Pacific and Europe. China and the countries along the belt and road will share the benefits of the project such as bolstering the economy, improving people’s livelihood and tackling crisis, according to Xi.

China said earlier that “One Belt and One Road” was open to all parties and many have registered their interest. (Xinhua) ■





Spectators pass by the huge exhibition board of Silk Road in Xi'an, Shaanxi Province on May 23, 2014. An exposition was held in the city to promote the cooperation between western and eastern China and to attract investment. CFP

## Ancient Silk Road

The Silk Road, or Silk Route, is a series of trade and cultural transmission routes that were central to economic and cultural interaction throughout regions of the Asian continent. It connected the West and East by linking traders, merchants, pilgrims, monks and soldiers from China to the Mediterranean Sea during various periods of time.

Extending 7,000 km, the Silk Road gets its name from the lucrative trade of Chinese silk which was carried out along its length, and began during the Han Dynasty (202 B.C.- 220 A.D.).

Over 2,100 years ago, Zhang Qian (about 164-114 B.C.), the Han Dynasty envoy, expanded the trade routes to central Asia. Since then, commodities including silk, tea and chinaware have been transported from Chang'an (today's Xi'an, capital of Shaanxi Province) to central Asia, west Asia and even Europe via the trade route and commodities from these destinations also found their way back to China.

Trade on the Silk Road was a significant factor in the development of the civilizations of China, the Indian subcontinent, Persia, Europe and Arabia. It opened long-distance political and economic interactions between the civilizations. Though silk was certainly the major trade item from China, many other goods were traded, and various technologies, religions and philosophies were shared. In addition to economic trade, the Silk Road served as a means of cultural trade between the networking civilizations.

After the Tang Dynasty (618-907 A.D.), China's political center was shifted to the northern part and its economic center was shifted to the eastern coast and southern areas. Shipping became the top choice for commodity transport and the Silk Road was later gradually abandoned. (Beijing Review)



A painted Buddha statue of Tang Dynasty is seen in the National Museum of China as part of the exhibition of the Silk Road cultural heritage, which opened on November 6, 2014. Shen Bohan



A visitor takes the picture of the model of the sunken Huaguangjiao No. 1 ship in Hangzhou, Zhejiang Province on June 3, 2014. Studies from archaeologists proved the ship sank in the South China Sea in the Southern Song Dynasty (1127-1279). CFP



# Hangzhou of China

*A beautiful and vibrant city*



HANGZHOU  
杭州

江南好，  
风景旧曾谙。  
日出江花红似火，  
春来江水绿如蓝。  
能不忆江南。

江南忆，  
最忆是杭州。  
山寺月中寻桂子，  
郡亭枕上看潮头。  
何日更重游。

杭州

