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Cover Photo: Xi Jinping, General Secretary of the Central Committee of the Communist Party of China (CPC), at the opening session of the 19th CPC National Congress (XU JINGXING/CHINA DAILY)

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19TH CPC NATIONAL CONGRESS

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北京周报

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New Missions in a New Era

The 19th National Congress of the Communist Party of China (CPC) opened on October 18. Xi Jinping, General Secretary of the Central Committee of the CPC, delivered a report to the congress, concluding the Party's work in the past five years and laying out its vision for the future.

"Socialism with Chinese characteristics has entered a new era" is the strongest message signaled in the report.

"With decades of hard work, socialism with Chinese characteristics has crossed the threshold into a new era," Xi pointed out in the report.

The "new era" is a key reference to understand the direction in which China is heading and thus to seize opportunities that come with China's development.

China has witnessed significant leaps in development since the founding of the People's Republic of China in 1949, when the Chinese people realized national liberation. Since adopting its reform and opening-up policy in 1978, China has made great strides in advancing economic development and improving people's livelihoods. Now, on the basis of these achievements, China is preparing to make another great leap toward national rejuvenation, which is a footnote to the "new era."

In this new period, the principal contradiction facing Chinese society has evolved to be that between unbalanced and inadequate development and the people's ever-growing needs for a better life. This change implies new demands for China's economic and social development and means new missions for the CPC to accomplish.

As for the Party's mission, it has shifted

from toppling the three mountains imposed by imperialism, feudalism and bureaucrat-capitalism and establishing a socialist system to leading the Chinese people to realize the Chinese dream. The CPC, guided by the new missions, will lead the Chinese people toward a brighter future.

The following five years will be a historic juncture for the realization of the Two Centenary Goals, namely, to complete building a moderately prosperous society in all aspects by the time the CPC celebrates its centenary in 2021, and to turn China into a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious by the time the PRC celebrates its centenary in 2049. Xi's report gives a clear blueprint for the Chinese people under the leadership of the CPC to achieve the two goals.

The world is undergoing profound and complex changes. The process of economic globalization faces new challenges. Terrorism and populism are increasingly undermining the world's development, and some regions are slipping into conflict. While striving for its own development, China, as an important member of the international community, is willing to make more contributions to world peace and development.

The CPC always stays true to its missions and maintains vigilance for dangers from inside and outside. The Party is determined to deepen reform comprehensively and overcome all difficulties ahead. As facts in the past have proven, the CPC will surely lead the Chinese nation to reach the goal of great rejuvenation. ■

WRITETOUS



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

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A HUGE HEART

A Hualong One ZH-65 steam generator is loaded onto a freight ship in Guangzhou, capital of south China's Guangdong Province, on October 17.

The cutting-edge steam generator will be installed at the Fuqing Nuclear Plant in southeast China's Fujian Province, the first nuclear power project to use the technology. As China's third-generation nuclear reactor, Hualong One meets higher safety requirements and is competitive with other advanced nuclear power technologies in the world.



National Treasure Babies

Giant panda cubs on display at the Bifengxia Base of the Chinese Giant Panda Conservation and Research Center in Ya'an, southwest China's Sichuan Province, on October 13. The center has celebrated the birth of 42 cubs so far this year.

Lawyer Mediation System

China will pilot a lawyer mediation system in nine provinces and two municipalities in an attempt to better resolve civil and business conflicts.

A new guideline jointly issued by the Supreme People's Court and the Ministry of Justice encourages lawyers to play a more active role as a third party in the mediation process to assist disputing parties to resolve conflicts through negotiation.

Lawyers will be allowed to work as mediators at mediation offices set up at local courts and tribunals, legal service centers, lawyer associations and qualified law firms.

The measure is expected to

improve the efficiency of resolving civil and commercial disputes, save legal resources and reduce litigation costs.

The new measure is the latest addition to China's mediation system. China has been adopting a "people's mediation" method to resolve disputes outside judicial proceedings.

In 2010, the nation's legislative organ promulgated the Law on Mediation.

Under the guidance of the law, China has established people's mediation committees in villages, townships, towns, enterprises and public institutions to handle the mediation process.

Administrative and judicial mediation have also been used in China to handle disputes outside judicial proceedings.

Battling Online Crime

A total of 710 people were charged with online crimes in the first nine months of this year, up 80.7 percent year on year, China's Supreme People's Procuratorate (SPP) said on October 16.

The SPP indicted 334 cases in the same period, an increase of 82.5 percent year on year, according to SPP spokesperson Wang Songmiao.

"Cybercrimes are increasingly organized and operated in groups, especially cyber gambling and fraud," Wang said.

"We have seen more and more forms of cybercrime, including cyber attacks, cyber fraud, cyber pornography and cyber gambling. Also, crimes of infringement of personal information, online rumor-spreading, cyber blackmail, cyber

terrorism and selling drugs online have continued to rise," Wang said.

Wang said the number of cybercrimes, including cross-border cybercrimes, would keep rising in the foreseeable future.

In order to tackle the problem, prosecution authorities will research the new features of online crime and adopt measures to control it.

The SPP will research several areas of cybercrime, including its definition, conviction standards and the verification of digital evidence.

"The SPP will, in a joint effort with the Supreme People's Court and the Ministry of Public Security, formulate legal interpretations and guidelines. Relevant training will be strengthened to cultivate professionals [who tackle cybercrime]," Wang said.

More effort will be made to work with financial and telecommunications enterprises to crack down on online crime.

The SPP will increase international judicial assistance by creating systems to share information and conduct joint training. It will also coordinate with prosecutors in other countries on jurisdiction conflicts, arrests, extradition and transferring evidence.

Overseas Returnees

A recent survey showed overseas-educated Chinese still prefer to work in China's first-tier cities after returning home.

About 18.6 percent of respondents returning from overseas chose to work in Beijing, followed by Shanghai, Guangzhou and Shenzhen with 15.6 percent, 13.4 percent and 12 percent respectively, according to the survey, which was jointly released by China's major job search websites and a study abroad agency.

Emerging cities such as Hangzhou, Wuhan, Nanjing, Chengdu and Suzhou are also popular among returned Chinese looking to find work.

Jobs in finance, IT, telecommunications, electronics, the Internet sector and education are the top

choices for returnees, according to the survey.

Nearly 50 percent of respondents had done some form of career planning either before or during their study abroad, the survey said.

China is currently in the middle of its biggest ever influx of returning overseas-educated graduates.

According to another survey, released on August 30 by the Center for China and Globalization (CCG), a major Chinese think tank, more than 2.65 million Chinese who studied overseas had returned to China by the end of 2016.

In 2016 alone, more than 432,000 foreign-educated Chinese returned to the country, up 58.48 percent from the number in 2012.

College Entrance

Since the 18th Communist Party of China (CPC) National Congress in 2012, the CPC Central Committee has prioritized the development of education and continuously improved public services and governance in the area.

Today, nine-year compulsory education in primary and junior high schools is universally available across the country, and senior high school education is almost universal.

The gross rate of admission to pre-school kindergartens has reached 77.4 percent, while that for higher education has reached 42.7 percent.

As many as 91.5 percent of students at vocational schools are

exempted from tuition fees; subsidies cover over 40 percent of students at such schools, and scholarships cover over a quarter of them.

A total of 30 provinces now allow children of migrant workers to sit the college entrance exam in the area where their parents work, benefiting 150,000 students.

The CPC Central Committee has also decided to comprehensively deepen reform on education, including college recruitment, to improve equality and fairness.

Confidence and satisfaction among college students are strong. A survey completed in 2016 showed 92.7 percent of Chinese college students feel they have a clear idea about their future beyond graduation, and 95.1 percent of the students said they feel prepared for their future.

This confidence is pushing more graduates into entrepreneurship.

According to statistics from the Ministry of Education, in recent years, around 3 percent of Chinese university graduates have chosen to start their own businesses, almost double the figure in developed countries.

Vocational schools in China deliver almost 10 million technicians to various industries each year via integration or cooperation programs between schools and businesses.

In the past five years, almost 20 million students graduated from universities, injecting new talent into China's hi-tech and emerging industries.



King of Rice

China's "Father of Hybrid Rice" Yuan Longping is interviewed in an experimental field of "giant" rice in Jinjing Town of Changsha County, central China's Hunan Province, on October 16. The new kind of rice can grow to a height of 2.2 meters, the Chinese Academy of Sciences Institute of Subtropical Agriculture announced on October 16.

By the end of 2016, China had established educational cooperation and exchange relationships with 188 countries and regions as well as with 46 major international organizations.

It has also signed agreements with 47 countries and regions for the mutual recognition of diplomas and degrees.

China is now the world's largest source of international students and Asia's largest destination for international students.

Cutting Pollution

To cut pollution in the coming

months, Jinan, capital city of east China's Shandong Province, which is also home to more than 7 million people, will close most construction sites until further notice, according to a recent notice from the city's Urban and Rural Construction Committee.

Only a small portion of construction sites will be spared, such as the city's ongoing subway project.

North China is under intense pressure to meet clean air targets, particularly in winter, after residential heating systems are switched on in mid-November.



A Cultural Bridge

Contestants attend the launch ceremony of the 10th Chinese Bridge Chinese Proficiency Competition for Foreign Secondary School Students in Kunming, southwest China's Yunnan Province, on October 17.

GDP Growth

China's GDP expanded 6.9 percent year on year in the first three quarters of this year to 59.33 trillion yuan (\$8.9614 trillion), data from the National Bureau of Statistics (NBS) showed on October 19.

The growth rate held steady from a 6.9-percent increase in the first half of this year and is well above the government's target for the year of 6.5 percent, reflecting a continued firming trend in the nation's economy.

In the third quarter, GDP was up 6.8 percent year on year, compared with 6.9 percent in the second quarter, according to NBS data.

"The Chinese economy has maintained steady growth with a positive outlook in the first three quarters," NBS spokesperson Xing Zhihong told a press conference.

Improvements have been made in both economic structure and growth quality, and new growth engines are gaining steam, he said.

CPI and PPI

China's consumer inflation retreated mildly in September, weighed down by dropping food prices, while growth in factory-gate prices hit a six-month high on strong domestic demand for raw materials.

The consumer price index (CPI) grew 1.6 percent year on year in September, slowing from August's 1.8 percent, but still faster than July's 1.4 percent, the National Bureau of Statistics (NBS) said on October 16. It was the eighth straight month the main gauge stayed beneath the 2-percent mark.

On a monthly basis, the index was up 0.5 percent, slightly higher

than the 0.4 percent seen in the previous month.

NBS statistician Sheng Guoqing attributed the milder inflation to lackluster food prices, which account for a significant part of the CPI calculation. "Food prices declined 1.4 percent from a year ago, contributing 0.28 percentage points to the slowdown," said Sheng.

In contrast with the tame CPI, China's producer inflation, which has been soaring since the end of 2016, registered the fastest growth since April. The producer price index (PPI), which measures costs for goods at the factory gate, was up by a forecast-beating 6.9 percent year on year in September, accelerating from 6.3 percent in August. On a month-on-month basis, the index was up 1 percent in September.

For the January-September

period, the PPI climbed 6.5 percent year on year, an encouraging sign for an economy seeking to renew growth momentum amid lingering downward pressures.

Fiscal Revenue and Spending

China's fiscal revenue and expenditure both registered steady growth in the first three quarters of this year on the back of strong economic growth.

Fiscal revenue rose 9.7 percent year on year to 13.41 trillion yuan (\$2 trillion) in the first nine months, the Ministry of Finance said on October 16 in a report.

In the same period, fiscal expenditure rose 11.4 percent to 15.19 trillion yuan (\$2.29 trillion), with central and local governments implementing the budget expenditure faster than in the same period last year.

"The steady economic growth with sound momentum laid a solid foundation for strong fiscal revenue and expenditure growth," the report said.

China has pledged a more proactive and effective fiscal policy this year, with the fiscal deficit set at 3 percent of GDP, or 2.38 trillion yuan (\$360 billion), up 200 billion yuan (\$30 billion) from 2016.

In September alone, fiscal revenue rose 9.2 percent and expenditure increased 1.7 percent.

Subway Cars Go Overseas

The first China-made subway cars tailored for Boston's orange line rolled off the production line in Changchun, capital of northeast China's Jilin Province, on October 16.

The subway cars, which will be delivered to the United States in December, are among a 284-carriage order signed by CRRC Changchun Railway Vehicles and the Massachusetts Bay Transportation Authority (MBTA) in December 2014.

"With completely independent intellectual property rights, China-



Robust Manufacturing

Staff work in the assembly shop of the Cangzhou factory of Beijing Hyundai Mortor Co. Ltd. on October 16. The factory witnessed its 100,000th car roll off the production line the same day. With a total investment of 12 billion yuan (\$1.81 billion), the factory began production on October 18, 2016.



Great Trade Exhibition

Businessmen examine home appliances at the 122nd Canton Fair, which opened in Guangzhou, south China's Guangdong Province, on October 15.

made subway cars have met U.S. standards in terms of control security, quality management and vehicle strength," said Yu Qingsong, deputy chief engineer of CRRC Changchun.

"These next-generation vehicles will be the backbone of our heavy rail fleet for many years to come," said Jerry Polcari, chief procurement officer of the MBTA.

The U.S. rail transit market has strict requirements in terms of technology, localization and law.

The 2014 deal, intended for the orange and red lines of the Boston subway, was the first time a Chinese train car maker won a bid in the U.S. market.

ODI and FDI

China's non-financial outbound direct investment (ODI) dropped 41.9 percent year on year in the first three quarters, official data showed on October 17.

Chinese companies invested a total of \$78 billion in 5,159 enterprises of 154 countries and regions from January to September, according to the Ministry of Commerce (MOFCOM).

The investment mainly went to the leasing and commercial services, manufacturing, wholesale and retail, and information technology sectors.

Outbound investment to countries involved in the Belt and Road Initiative stood at \$9.6 billion during the period, accounting for 12.3 percent of the total ODI, up 4 percentage points from the same period in 2016.

China's ODI has seen rapid growth in recent years. However, noting an "irrational tendency" in outbound investment, Chinese authorities have since last year set stricter rules and advised companies to make investment decisions more carefully.

On the other side, foreign direct investment (FDI) onto the Chinese mainland rose 17.3 percent year on year to reach 70.63 billion yuan (\$10.7 billion) in September, accelerating from the 9.1-percent rise seen in August, according to data from MOFCOM.

In the first nine months, the FDI inflow totaled 618.57 billion yuan (\$93.33 billion), up 1.6 percent, compared with the 0.2-percent drop during the January-August period.

More U.S. Treasuries

China continued to increase its holdings of U.S. Treasury securities in August and remained the largest holder of such instruments.

China raised its U.S. treasuries

holdings by \$34.5 billion in August, bringing its total holdings up to \$1.2 trillion, the latest data from the U.S. Treasury Department showed on October 17.

Japan, which overtook China as the largest holder of U.S. treasuries last October, cut its holdings by \$11.4 billion to \$1.1 trillion in August.

China's forex reserves rose

for the eighth month in a row in September, as pressure from capital outflow eased.

In January, China's forex reserves plunged below \$3 trillion, but as the economy now stands on a firmer footing and the Chinese yuan continues to stabilize, the stockpile has increased steadily since February.



Bumper Harvest

Farmers sort apples in a village in Yiyuan County, Shandong Province, on October 14.



SOMALIA

People stand at the site of an explosion near the Safari Hotel in Mogadishu on October 14 which killed at least 276 people and injured about 300 others



THE PHILIPPINES

Philippine President Rodrigo Duterte addresses troops and officials in the southern city of Marawi on October 17 as he declares victory over the Islamic State-linked extremists who took over Marawi in May



AUSTRIA

Sebastian Kurz, leader of the Austrian People's Party, waves to supporters at a celebration event in Vienna on October 15 after the party became the nation's dominant political force by winning the most seats in parliament





UNITED STATES

A scientist of the Laser Interferometer Gravitational-Wave Observatory speaks at a news conference about the observation of gravitational waves in Washington, D.C. on October 16



RUSSIA

Members of a dragon dance team participate in a parade for the 2017 World Festival of Youth and Students in Moscow on October 14



COTE D'IVOIRE

French soldiers work to retrieve wreckage on October 14 after a plane with 10 people on board crashed into the ocean shortly after taking off from an airport in Abidjan



↓ A MOTHER GIVING ORPHANS LOVE

Zhang Yuxiao, 66, is a special mother for orphans at SOS Children's Village in Yantai, east China's Shandong Province. Zhang became well known after a video telling the story of her special family at the welfare institution drew much attention online.

Zhang remained single since she became a caring mother at the SOS Children's Village in 1986. Over the past 31 years, Zhang has nurtured 25 children. The oldest one is now over 40 years old, and the youngest is only 4.

Zhang abandoned the idea of getting married and starting a family after years of working at the institution because she found it hard to part with the orphans there. Without a child of her own, Zhang devoted herself to taking care of orphans from different backgrounds. In 2005, Zhang was voted one of the 10 great mothers in Shandong and later received the honorary designation of one of the 100 great mothers in China.



Disclosing Secret Recipe

Guangming Daily
October 17

Many craft masters of intangible cultural heritage see their recipes as priceless treasure and won't show them to others. But Zhan Xingdi is an exception. The porcelain master from Yixing City, east China's Jiangsu Province, has released details of the materials composition that she has spent 40 years developing. Zhan revealed it to the public in hope of promoting the Yixing celadon glaze, an intangible cultural heritage of Jiangsu.

The making of celadon porcelain has a long history in Yixing. In its heyday in the 1960s-70s, porcelain works of Yixing celadon were chosen by the Chinese Government as gifts for foreign leaders and honored guests on diplomatic occasions. It was

hailed as "oriental sapphire." However, the creation of celadon is on the wane today and inheritance of the craft appears to be a striking problem. Currently, there are only a dozen celadon workshops in Yixing, with no more than 200 craftsmen. By making the glaze composition public, Zhan hopes that this unique craft can be handed down to the next generation.

Donation of the recipe perhaps might not be the best way to save intangible cultural heritage that faces difficulties in promotion. But it will help arouse the interest of the public to take measures to protect traditional culture. More importantly, people should think about how to better convey excellent crafts to new generations and integrate them with modern life.

It is needed to build a mature industrial chain to research and commercialize intangible cultural heritages. Meanwhile, crafts should take advantage of Internet platforms and get adapted their skills to meet people's demands in a fast-changing era.

A City of the Future

China Newsweek
October 16

Xiongan New Area, a newly established administrative region that consists of three counties in north China's Hebei Province, has been in the spotlight since it was announced by the Central Government in April. As more information about planning for the area has been released, Xiongan's future has become clear.

Located around 100 km southwest of Beijing, Xiongan is placed to become a key part of the emerging city cluster based around the capital and to explore a successful development path for Chinese cities in the future. Xiongan will be developed into a city with a livable environment, convenient transportation systems and smart facilities and services. From the beginning of its planning, Xiongan will say no to common problems that have vexed many Chinese cities during their fast expansion in recent years, such as air pollution, traffic jams and deficient public facilities. For this purpose, the city planning will be very prudent. Every move will be made after careful investigation, thorough consideration and broad consultation. As the planning committee has said, every inch of land will be cherished during development.

As a future-oriented city, Xiongan will apply many cutting-edge technologies and innovations to realize harmony between residents and environment. Latest-generation telecom networks will cover every corner. New energy and smart technologies will be fully integrated into

"It will be a great experience for young French artists to communicate with Chinese companies."

Jeanne Gailhoustet, Director of ENSA Limoges, speaking on October 18 when the French art school set up a research center in Jingdezhen, China's "Porcelain Capital" in Jiangxi Province

"Chinese researchers did a remarkable job in the wonderful discovery."

Xue Suijian, professor and Deputy Director of the National Astronomical Observatories of China, speaking on October 16 at a press conference on the observation of the "optical counterpart" of gravitational waves



the city. Artificial intelligence and new information technology, including big data and cloud computing, will become pillar industries of the area.

More importantly, Xiongan will take on the mission of reform. Currently, China is working to deepen reform comprehensively. The realization of innovation-driven growth is of great significance to China's future economic development. On this basis, Xiongan's position will be as important as those of Shenzhen and Pudong in Shanghai.

More Care for ALS Patients

China Youth Daily
October 16

Lou Tao, a doctoral candidate at Peking University, has suffered progressive paralysis since she was diagnosed with amyotrophic lateral sclerosis (ALS) last January. As the incurable disease gradually took over her body, Lou decided to donate her brain to medical research after death. On October 9, Lou's mother finished the organ donation registration at a hospital in Wuhan, Hubei Province, for her daughter.

Donating one's organs is a way to extend others' lives. In China, the donating rate rose from 0.03 per million people in 2010 to 2.98 in 2016. However, the rate still falls far behind actual demand for human organs. Lou's donation undoubtedly delivers a positive message to society. Meanwhile, Lou herself has benefited from the whole nation's care and love, as the public has donated over 1 million yuan (\$151,000) for her medical expenses.

Lou's action not only inspires people to be more generous in organ donation, but also brings more attention to ALS patients and the plight they suffer. To most people, ALS is a strange but fatal disease. About 90 percent of those who contract the disease die within five years after the symptoms appear.

The government and society should take measures to help ALS patients, such as researching affordable medicines and improving hospice care for them. Maybe medical science can't cure the disease yet, but love can relieve the pain.

↓ ACADEMICIAN DONATES LIFE SAVINGS

Lu Yonggen, a rice geneticist and academican of the Chinese Academy of Sciences, has decided to donate all his savings of 8.8 million yuan (\$1.33 million) to South China Agricultural University (SCAU), as his medical condition worsens because of cancer.

The university will use the donation to set up a foundation to help impoverished students and reward teachers for outstanding achievements. As a member of the Communist Party of China, Lu's selfless spirit not only moves society, but also inspires others.

Lu was born in Hong Kong in 1930. After graduating from SCAU in 1953, Lu worked as a lecturer and then a professor at the university. He held the position of president of the university from 1983 to 1995. He became a member of the Chinese Academy of Sciences in 1993.

Lu has devoted his lifetime to rice genetics research and teaching. In the past five years, Lu's research team has nurtured 33 new types of rice.



“The cooperation with UEFA and FIFA has helped us win the 2018 World Cup sponsorship opportunity.”

Huang Xiaojian, Vice President of Hisense International Co. Ltd., interviewed by Xinhua at the 122nd Canton Fair in Guangzhou, Guangdong Province, on October 17

“It is misleading to interpret the China-U.S. relationship through the lens of the power shifting theory.”


Cui Tiankai, Chinese Ambassador to the United States, commenting in an opinion piece published on the *USA Today* website on October 17



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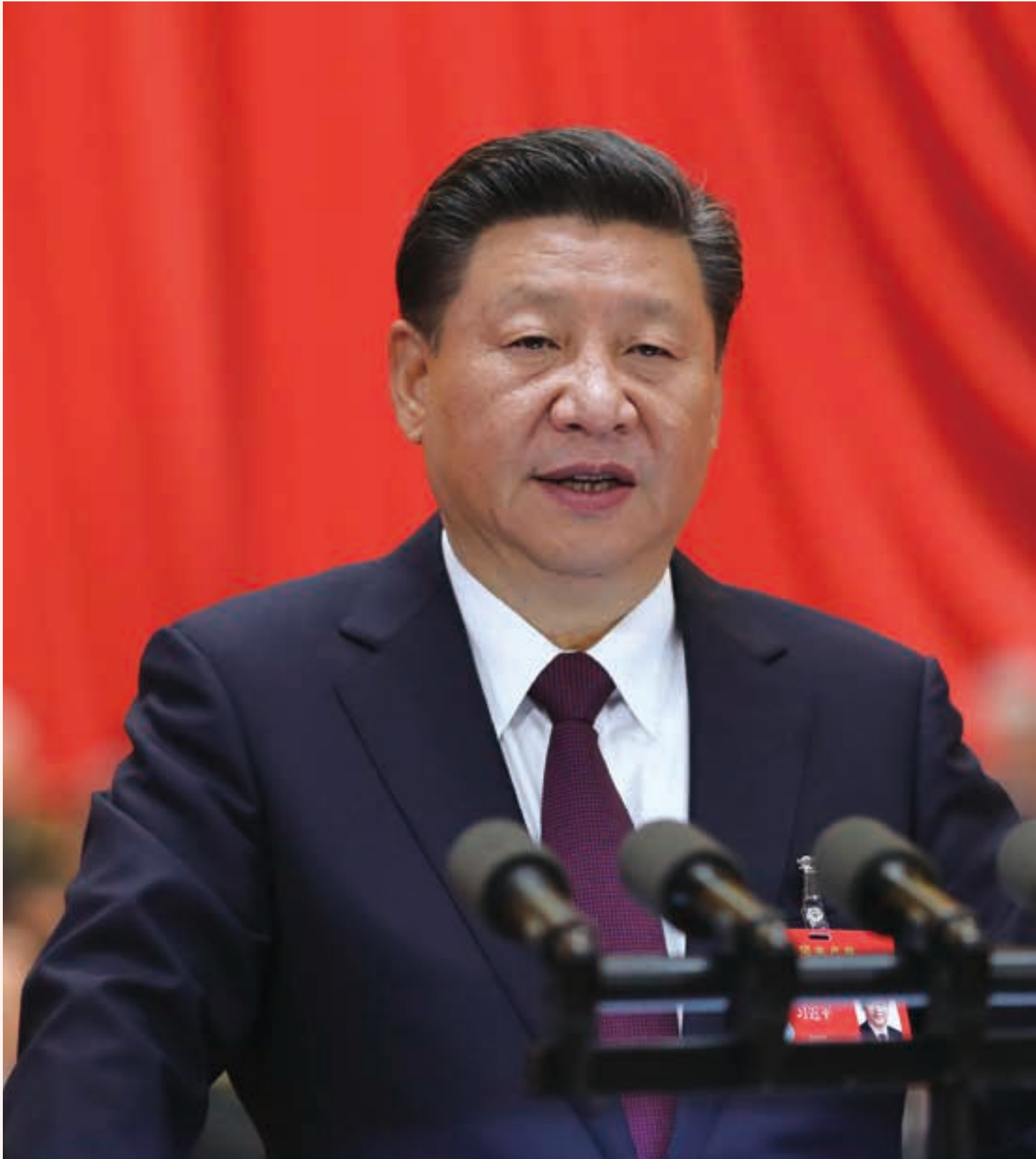
The 19th National Congress of the Communist Party of China opens at the Great Hall of the People in Beijing on October 18

E COURSE

By Lan Xinzheng



19TH CPC NATIONAL CONGRESS





Xi Jinping, General Secretary of the CPC Central Committee, delivers a report at the opening session of the 19th CPC National Congress

China once again came under the global spotlight on October 18, when the 19th National Congress of the Communist Party of China (CPC) opened in Beijing.

In a report delivered at the opening session, Xi Jinping, General Secretary of the 18th CPC Central Committee, painted a promising outlook for the future of the world's second largest economy. He spelled out a two-stage development plan for the country in front of more than 2,300 delegates.

According to Xi, the CPC will basically realize socialist modernization in the first stage from 2020 to 2035 before developing China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful after another 15 years.

"China is now the world's second largest economy with increasing influence on the world stage. Its future development affects not only China itself, but also the world at large, as China is always committed to shared development and the building of a community with a shared future for mankind," said Shi Taifeng, a delegate to the 19th CPC National Congress.

New era thought

Theories come from practice and they, in turn, guide practice. This is a law through the course of the development of Chinese society and humanity as a whole.

A main function of the CPC's national congress is to summarize and advance the Party's theory on development. At this year's congress, the Party's new theories combined are defined as Thought on Socialism with Chinese Characteristics for a New Era.

Xi's report brings clarity to certain issues, including the overall goal and the plan of developing socialism with Chinese characteristics. More importantly, it specified that the leadership of the CPC is the defining feature of socialism with Chinese characteristics and the greatest strength of the system, calling the Party "the highest force for political leadership."

Xi said the thought should act as a guide to action for all Party members and for all Chinese people to achieve national rejuvenation, and should be adhered to and steadily

developed on a long-term basis.

What deeply impressed Shi was Xi's remark that socialism with Chinese characteristics has entered a new era. "This is a new historic juncture in China's development," Xi said.

"The judgment is a historic contribution made by the 19th CPC National Congress, as it is about the direction and path of China's future development," said Shi, who is also secretary of the CPC Ningxia Hui Autonomous Regional Committee. "Based on this, the Thought on Socialism with Chinese Characteristics for a New Era delivers new theories, new thoughts and new strategies for China's development in all aspects. During the process, the strong leadership of the CPC is especially important."

In fact, the content of the thought can be found in previous speeches by Xi. It has already benefited China and beyond.

Xian Hui, a delegate to the 19th CPC National Congress and Chairwoman of Ningxia Hui Autonomous Region, sees the thought as a summary of the governance concepts, thoughts and strategies put forward by Xi in the past five years, as well as a development of the CPC's guiding ideologies of Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the Theory of Three Represents and the Scientific Outlook on Development.

New mission

A correct comprehension of the connotations of the Thought on Socialism with Chinese Characteristics for a New Era is important for China and other members of the international community to understand the direction of China's development and seize opportunities arising from it.

Xi said in his report that this new era will be an era of building on past successes to further advance the cause of the CPC and the country, and of continuing in a new historical context to strive for the success of socialism with Chinese characteristics. "It will be an era of securing a decisive victory in building a moderately prosperous society in all aspects, and of moving on to all-out efforts to build a great modern socialist country. It will be an era for the Chinese people of all ethnic groups to work together



19TH CPC NATIONAL CONGRESS



and work hard to create a better life for themselves and ultimately achieve common prosperity for everyone. It will be an era for all of us, the sons and daughters of the Chinese nation, to strive with one heart to realize the Chinese dream of national rejuvenation. It will be an era that sees China moving closer to center stage and making greater contributions to mankind,” said Xi.

His remarks indicated that China will adhere to the path of socialism with Chinese characteristics under the leadership of the CPC; it will realize the rejuvenation of the Chinese nation; and China’s peaceful development, prosperity and revival are beneficial to humanity.

But the new era also brings challenges. The CPC has clearly realized that, as socialism with Chinese characteristics has entered a new era, the principal contradiction facing Chinese society has evolved to that between unbalanced and inadequate development and the people’s ever-growing needs for a better life, while previously it was the gap between the ever-growing material and cultural needs of the people and underdeveloped social production.

The main reason for the CPC to redefine the principal social contradiction is that science and technology progress is transforming China from a big manufacturing country to a manufacturing power,

whose productivity is no longer “backward,” said Zhou Tianyong, Deputy Director of the Institute for International Strategy at the Party School of the CPC Central Committee.

In his report, Xi explained the change. He said China has seen the basic needs of more than a billion people met, has basically made it possible for people to live decent lives, and will soon bring the building of a moderately prosperous society to successful completion. The needs to be met for the people to live a better life are increasingly broad. Not only have their material and cultural needs grown; their demands for democracy, the rule of law, fairness and justice, security and a better environment are increasing.



Party leaders attend the opening session of the 19th CPC National Congress

The report said all Party members must do more to uphold Party leadership and the Chinese socialist system, and resolutely oppose all statements and actions that undermine, distort or negate them.

More must be done to protect the interests of the people and firmly oppose all moves that damage their interests or create a divide between the Party and the people. The Party must also devote its energies to the contemporary current of reform and innovation, and resolutely address deep-rooted problems, Xi said.

He also called for efforts to safeguard China's sovereignty, security and development interests, and to staunchly oppose all attempts to split China or undermine its ethnic unity, social harmony and stability. This includes guarding against all kinds of risks, and working diligently to prevail over every political, economic, cultural, social and national difficulty and challenge.

The report also stressed that the Party as a whole must continue to uphold and develop socialism with Chinese characteristics.

"The great struggle, great project, great cause and great dream are closely connected and are mutually reinforcing. We must see that as history progresses and the world undergoes profound changes, the Party remains always ahead of the times; that as history progresses and we respond to risks and tests at home and abroad, the Party remains always the backbone of the nation; and that as history progresses and we continue to uphold and develop socialism with Chinese characteristics, the Party remains always a powerful leadership core," said Wang Yongkang, Secretary of the CPC Xi'an Municipal Committee in northwest China's Shaanxi Province.

New plans

China has two Centenary Goals, which are to complete the building of a moderately prosperous society in all aspects by the time the ►►

Xi said while China's overall productive capacity has significantly improved and in many areas leads the world, the problem is that the country's development is unbalanced and inadequate. This has become the main constraining factor in meeting the people's increasing needs for a better life.

In the eyes of some Western media outlets and individuals, the CPC has always restricted the development of democracy, the rule of law, and fairness and justice; yet Xi's report demonstrates that these values are pursued by the CPC.

The Party is aware of the changing social contradiction, and is trying to address it. That is why it was written into the report to be de-

liberated at the Party congress.

As the principal social contradiction has changed, so will the CPC's historical mission. The report noted that realizing the great dream of the rejuvenation of the Chinese nation is the CPC's historical mission in the new era. The mission, according to the report, demands a great struggle with many new historical features, a new great project in Party building, and a great cause of socialism with Chinese characteristics.

To carry out the great struggle is to safeguard the security and interests of the country and the people, maintain social stability and promote economic development.



19TH CPC NATIONAL CONGRESS



Delegates react to General Secretary of the CPC Central Committee Xi Jinping's report at the opening session of the 19th CPC National Congress



Delegates to the 19th CPC National Congress are interviewed by the media at the Great Hall of the People in Beijing on October 19

CPC celebrates its centenary in 2021, and to turn China into a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious by the time the People's Republic of China celebrates its centenary in 2049.

In his report, Xi gave a more detailed roadmap for accomplishing the second goal.

The report noted that in the first stage from 2020 to 2035, China will build on the foundation created by the moderately prosperous society with a further 15 years of hard work to see that socialist modernization is basically realized. After efforts of another 15 years from 2035, the country will be fully modernized.

In the course of realizing the two Centenary Goals, China will further supply-side structural reform, accelerate the building of an innovative country, revitalize the countryside, promote regional economic integration, improve the socialist market economy system, and pursue opening up on all fronts.

"Unleashing and developing the productive force is a fundamental task of socialism. These measures will undoubtedly inspire creativity and vitality throughout society, and bring about more efficient, fairer and more sustainable development of higher quality," Shi said.

The report stressed the very purpose of developing socialist democracy is to give full expression to the will of the people, protect their rights and interests, spark their creativity, and strengthen institutional guarantees to ensure the people run the country.

It detailed the six aspects of China's socialist democracy: upholding the unity of Party leadership, the people running the country, and law-based governance; strengthening institutional guarantees to ensure the people run the country; giving play to the important role of socialist consultative democracy; advancing law-based governance; deepening reform of Party and government institutions and the system of government administration; and consolidating and developing a patriotic united front.

Xi said, "The political system of socialism with Chinese characteristics is a great creation of the CPC and the Chinese people. We have every confidence that we can give full play to the strengths and distinctive features of China's socialist democracy, and make China's contribution to the political advancement of mankind."

On people's livelihood, the report said "to lead the people to a better life is our Party's abiding goal."

It is the CPC's responsibility to make ev-

ery Chinese citizen share the development outcomes after the country made tremendous achievements in the economy. Toward this end, the report proposed measures such as giving priority to developing education, improving the quality of employment and raising incomes, strengthening the social security networks, eliminating poverty, and implementing the Healthy China initiative to improve people's wellbeing.

Also in the report is a decision to promote ecological progress and build a beautiful China. For this purpose, it proposed measures like promoting green development, solving prominent environmental problems, intensifying the protection of ecosystems, and reforming the environmental regulation system.

All these plans, without exception, embody China's new development concepts of innovation, coordination, eco-friendliness, openness and inclusiveness.

Shared future

The Thought on Socialism with Chinese Characteristics for a New Era is not exclusive to China. It can benefit other countries that want to accelerate their own development. In the words of Xi, "The path, the theory, the system, and the culture of socialism with Chinese characteristics have kept developing, blazing a new trail for other developing countries to achieve modernization. It offers a new option for other countries and nations who want to speed up their development while preserving their independence; and it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind."

Over the past few years, Xi has proposed to build a community of shared future for mankind on various international occasions, and it has also been incorporated in a UN resolution.

The world is undergoing profound development, transformation and adjustment, but peace and development remain the call of our day. Meanwhile, the trends of global multipolarity, economic globalization, IT application and cultural diversity are advancing; changes in the global governance system and the international order are speeding up; and international forces are becoming more balanced.

And yet, global economic growth lacks energy, the gap between rich and poor continues to widen, conflicts arise often in some regions, and unconventional security threats like terrorism, lack of cybersecurity and climate change continue to spread.

"We call on the people of all countries to work together to build a community of



The 19th CPC National Congress attracts more than 3,000 journalists from home and abroad

shared future for mankind, to build an open, inclusive, clean and beautiful world that enjoys lasting peace, universal security and common prosperity," Xi said in the report.

He also pointed out that to make new and greater contributions to humanity is the CPC's abiding mission.

Some people regard China's endeavors, like the Belt and Road Initiative and the Asian Infrastructure Investment Bank, as challenges to the current international order. However, it can be seen from the report that the initiatives are consistent with China's adherence to the fundamental national policy of opening up and its commitment to actively promoting international cooperation in a responsible way.

China resolutely opposes trade protectionism, actively supports the multilateral trading system, and promotes the establishment of free trade areas and of an open and

inclusive world economy.

Meanwhile, China will continue to insist on the diplomatic principles of peace, development, cooperation and mutual benefit, and uphold its fundamental foreign policy goals of preserving world peace and promoting common development.

The report said that China will continue to play its part as a major and responsible country, take an active role in reforming and developing the global governance system, and keep contributing Chinese wisdom and a Chinese approach to global governance.

"China's development does not pose a threat to any other country. No matter what stage of development it reaches, China will never seek hegemony or engage in expansion," Xi said. ■

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HIGHLIGHTS OF XI JINPING'S REPORT

Xi Jinping, General Secretary of the Central Committee of the Communist Party of China (CPC), delivered a report to the 19th CPC National Congress on behalf of the 18th CPC Central Committee at the Great Hall of the People in Beijing on October 18. Hailing the historic achievements in reform, opening up and socialist modernization in the past five years, Xi said socialism with Chinese characteristics has crossed the threshold into a new era. Highlights of the report follow:

New Era

Socialism with Chinese characteristics has crossed the threshold into a new era. This is a new historic juncture in China's development.

What the "New Era" Means

Socialism with Chinese characteristics entering a new era means the Chinese nation, which since modern times began has endured so much for so long, has achieved a tremendous transformation—it has stood up, grown rich and become strong, and it now embraces the brilliant prospects of rejuvenation.

It means that scientific socialism is full of vitality in 21st century China, and that the banner of socialism with Chinese characteristics is now flying high and proud for all to see.

It means that the path, the theory, the system, and the culture of socialism with Chinese characteristics have kept developing, blazing a new trail for other developing countries to achieve modernization. It offers a new option for other countries and nations who want to speed up their development while preserving their independence; and it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind.

As socialism with Chinese characteristics has entered a new era, the principal contradiction facing Chinese society has evolved. What we now face is the contradiction between unbalanced and inadequate development and the people's ever-growing needs for a better life.

The Thought on Socialism with Chinese Characteristics for a New Era makes certain things clear:

It makes clear that the overarching goal of upholding and developing socialism with Chinese characteristics is to realize socialist

modernization and national rejuvenation, and, that on the basis of finishing the building of a moderately prosperous society in all aspects, a two-step approach should be taken to build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful by the middle of the century.

It makes clear that the principal contradiction facing Chinese society in the new era is that between unbalanced and inadequate development and the people's ever-growing needs for a better life. We must therefore continue commitment to our people-centered philosophy of development, and work to promote well-rounded human development and common prosperity for everyone.

It makes clear that the overall plan for building socialism with Chinese characteristics is the five-sphere integrated plan, and the overall strategy is the four-pronged comprehensive strategy. It highlights the importance of fostering stronger confidence in the path, theory, system, and culture of socialism with Chinese characteristics.

It makes clear that the overall goal of deepening reform in every field is to improve and develop the system of socialism with Chinese characteristics and modernize China's system and capacity for governance.

It makes clear that the overall goal of comprehensively advancing law-based governance is to establish a system of socialist rule of law with Chinese characteristics and build a country

of socialist rule of law.

It makes clear that the Party's goal of building a strong military in the new era is to build the people's forces into world-class forces that obey the Party's command, can fight and win, and maintain excellent conduct.

It makes clear that major country diplomacy with Chinese characteristics aims to foster a new type of international relations and build a community with a shared future for mankind.

It makes clear that the defining feature of socialism with Chinese characteristics is the leadership of the Communist Party of China; the greatest strength of the system of socialism with Chinese characteristics is the leadership of the Communist Party of China; the Party is the highest force for political leadership. The Thought sets forth the general requirements for Party building in the new era and underlines the importance of political work in Party building.

The Thought on Socialism with Chinese Characteristics for a New Era builds on and further enriches Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the Theory of Three Represents, and the Scientific Outlook on Development. It represents the latest achievement in adapting Marxism to the Chinese context and encapsulates the practical experience and collective wisdom of our Party and the people. It is an important component of the system of theories of socialism with Chinese characteristics, and a guide to action for all our members and all the Chinese people as we strive to achieve national rejuvenation.

New Great Project

Realizing our great dream demands a great project. This project is the great new project of Party building that is just getting into full swing.

This great struggle, great project, great cause, and great dream are closely connected, flow seamlessly into each other, and are mutually reinforcing. Among them, the great new project of Party building plays the decisive role.

Basic Policy to Uphold and Develop Socialism With Chinese Characteristics in the New Era

- Ensuring Party leadership over all work
- Committing to a people-centered approach
- Continuing to comprehensively deepen reform
- Adopting a new vision for development
- Seeing that the people run the country
- Ensuring every dimension of governance is law-based
- Upholding core socialist values
- Ensuring and improving living standards through development
- Ensuring harmony between human and nature
- Pursuing a holistic approach to national security
- Upholding absolute Party leadership over the people's forces
- Upholding the principle of "one country, two systems" and promoting national reunification
- Promoting the building of a community with a shared future for mankind
- Exercising full and rigorous governance over the Party

New Journey

Securing a decisive victory in building a moderately prosperous society in all aspects and embarking on a journey to fully build a modern socialist China.

The period between now and 2020 will be decisive in finishing the building of a moderately prosperous society in all aspects.

The period between the 19th and the 20th National Congress is the period in which the timeframes of the two Centenary Goals converge. In this period, not only must we finish building a moderately prosperous society in all aspects and achieve the first

Centenary Goal; we must also build on this achievement to embark on a new journey toward the second Centenary Goal of fully building a modern socialist country.

Based on a comprehensive analysis of the international and domestic environments and the conditions for China's development, we have drawn up a two-stage development plan for the period from 2020 to the middle of this century.

In the first stage from 2020 to 2035, we will build on the foundation created by the moderately prosperous society in all aspects with a further 15 years of hard work to see that socialist modernization is basically

New Vision of Development

China's economy has been transitioning from a phase of rapid growth to a stage of high-quality development. This is a pivotal stage for transforming our growth model, improving our economic structure, and fostering new drivers of growth. It is imperative that we develop a modernized economy. This is both an urgent requirement for getting us smoothly through this critical transition and a strategic goal for China's development.

- Furthering supply-side structural reform
- Making China a country of innovators
- Pursuing a rural vitalization strategy
- Implementing the coordinated regional development strategy
- Accelerating efforts to improve the socialist market economy
- Making new ground in pursuing opening up on all fronts

realized.

In the second stage from 2035 to the middle of the 21st century, we will, building on having basically achieved modernization, work hard for a further 15 years and develop China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.

This is our strategic vision for developing socialism with Chinese characteristics in the new era: Finish building a moderately prosperous society in all aspects, proceed to basically realize modernization, and then move on to turn China into a great modern socialist country in every dimension.

The General Requirements for Party Building for the New Era

The general requirements for Party building for the new era are:

Uphold and strengthen overall Party leadership and ensure that the Party exercises effective self-supervision and practices strict self-governance in every respect;

Take strengthening the Party's long-term governance capacity and its advanced nature and purity as the main thrust; take enhancing the Party's political building as the overarching principle; take holding dear the

Party's ideals, convictions, and purpose as the underpinning; and take harnessing the whole Party's enthusiasm, initiative, and creativity as the focus of the efforts;

Make all-round efforts to see the Party's political building enhanced, its theory strengthened, its organizations consolidated, its conduct improved, and its discipline enforced, with institution building incorporated into every aspect of Party building;

Step up efforts to combat corruption and continue to improve the efficacy of Party building; and

Build the Party into a vibrant Marxist governing party that is always at the forefront of the times, enjoys the wholehearted support of the people, has the courage to reform it-

self, and is able to withstand all tests.

- Putting political Party building first
- Arming the whole Party with the Thought on Socialism with Chinese Characteristics for a New Era
- Training a contingent of competent and professional officials
- Strengthening primary-level Party organizations
- Working ceaselessly to improve Party conduct and enforce Party discipline
- Securing a sweeping victory in the fight against corruption
- Improving Party and state oversight systems
- Strengthening every dimension of our ability for governance



NEW VISION

The 19th CPC National Congress steers the country to higher-quality development By Li Nan



Scholars in the fields of economy and diplomatic relations attend a seminar held by the Pangoal Institution to discuss the report to the 19th CPC National Congress on October 18

The eyes of the world are on Beijing, where the 19th National Congress of the Communist Party of China (CPC), one of China's most important political conferences, opened on October 18. The congress, held once every five years, sets the course for the nation.

Xi Jinping, General Secretary of the CPC Central Committee, delivered a report on the first day of the weeklong congress. The report, a development blueprint for the world's

second largest economy, has triggered animated discussions both at home and abroad.

How will China's economy maintain steady growth amidst the sluggish world economic recovery? Will China keep advocating its global governance solutions against the mounting anti-globalization tide?

Answering these questions in his report, Xi said China will continue its reform to promote sustained and sound economic growth and develop a modernized economy. Also,

China will not close its door to the world and will become more and more open.

A modernized economy

"China's economy has been transitioning from a phase of rapid growth to a stage of high-quality development," the report says. The transition led to medium-to-high-speed growth in the past five years.

According to the National Bureau of

Statistics (NBS), the average annual GDP growth rate from 2013 to 2016 was 7.2 percent, higher than the average rate of 2.6 percent of the world economy and that of 4 percent of other developing countries.

"From 2013 to 2016, China's contribution to the world economic growth stood at around 30 percent on average, surpassing the total contribution of the United States, the eurozone and Japan," NBS Commissioner Ning Jizhe said at a press conference held by the State Council Information Office a week ahead of the congress.

He also said China's total GDP of 73.7 trillion yuan (\$11.2 trillion) in 2016 accounted for 14.8 percent of the world economy.

The International Monetary Fund (IMF) in October revised its growth forecast for emerging market and developing economies to 4.6 percent in 2017 and 4.9 percent in 2018, a 0.1-percentage-point increase for both 2017 and 2018 relative to the figures forecast in April.

"The upward revisions to the growth forecast primarily reflect stronger projected activity in China and in emerging Europe for 2017 and 2018," the IMF report said.

"It has been a very successful five years," British academic and China watcher Martin Jacques told *Beijing Review*.

Jacques called China's economic reform since 1978 and the initiatives taken since the 18th CPC National Congress in November 2012 the two drivers for the "formidable" achievements in the last five years. "Think of China in 1978 and think of it today," he said. "The economic transformation of China is the most remarkable transformation in human history."

The initiatives taken since 2012—especially the economic reform, the Chinese dream, the Belt and Road Initiative, and the anti-corruption campaign—account for the rapid development.

"It could not conceivably have happened without the leadership of the CPC. It is quite clear that the governing capacity of the CPC and the government is extremely effective," Jacques told *Beijing Review*.

But hurdles remain ahead. "Some acute problems caused by unbalanced and inadequate development await solutions; and the quality and effect of the development are not what they should be," Xi said at the opening session of the congress.

The disparities between China's urban

and rural areas, between the affluent south-eastern coastal areas and the relatively underdeveloped regions elsewhere, and between state-owned enterprises (SOEs) and small and medium-sized enterprises (SMEs) are three major indicators of unbalanced and inadequate development, said Xiong Yuan, a researcher with the International Monetary Institute of Renmin University of China.

How to address the problem? Xi's report lists six ways. These are: furthering supply-side structural reform, making China a country of innovators, pursuing a rural vitalization strategy, implementing a coordinated regional development strategy, accelerating efforts to improve the socialist market economy, and covering new ground in opening up on all fronts.

"The strategy of pursuing rural vitalization is relatively new," Xiong said. He added that by preserving rural areas and building towns into destinations with featured products or industries, "limpid waters and lush mountains," the characteristics of rural areas, can be turned into invaluable assets.

China has recently rolled out some preferential policies to balance development between SOEs and SMEs, Xiong pointed out. Public-private partnership projects that encourage partnership among SOEs, SMEs and local governments are a good way to support SMEs.

Also, the policy of applying "targeted cutting" to the required reserve ratio of commercial banks that meet certain criteria for lending to rural and micro-enterprises is expected to nurture SMEs. The policy, released on September 30, will go into effect next year.

But Xiong also said that more effective targeted policies are needed to prop up the private sector when carrying out the supply-side reform.

In addition, China aims to cover new ground in opening up further. The private sector and the western region will be opened further and wider. The rights and interests of foreign investors will be better protected. "All businesses registered in China will be treated equally," Xi's report assures.

"It's good news for overseas companies. It shows China's resolve to further open up," Yi Min, chief advisor of Hong Kong-based MTR Corp. Ltd., said at a recent seminar in Beijing. "Equal treatment for companies from home and abroad indicates that China's market is getting mature."

Chinese wisdom, global governance

The world today is full of uncertainties and common challenges such as terrorist threats, cyber insecurity, epidemics and climate change.

"No country alone can address the many challenges facing mankind," Xi said in the report. China is calling on the rest of the world to work together to build a community with a shared future for mankind and usher in better global governance.

The Belt and Road Initiative, proposed by Xi in 2013, is an example of China's effort to promote better global governance. The initiative is promoting international cooperation, aiming to achieve policy, infrastructure, trade, financial and people-to-people connectivity and create new drivers of shared development.

"The Belt and Road Initiative, based on win-win cooperation, shared prosperity, mutual respect and assistance, presents a practical, viable and lasting solution by building new avenues of trade and connectivity through land and sea," Pakistani Ambassador to China Masood Khalid told *Beijing Review*.

But challenges coexist with hope. Jacques noted that the anti-globalization tide is a major test for participants in the Belt and Road Initiative.

"How to turn all countries into beneficiaries of globalization is another aspect for China to consider when promoting globalization," said Jing Hua, a senior researcher with the Pangoal Institution, a Beijing-based think tank.

Also, more concrete proposals are needed to carry out the global governance solutions proposed by China, and more outcomes are needed to show for them, Liu Youfa, a researcher with China Institute of International Studies, said.

Li Wei, an associate professor with Renmin University of China, echoed Liu. "There is a long way to go in China's pursuit of major-country diplomacy with Chinese characteristics," Li said. "Leaders and scholars need to be patient and come up with more practical plans to advance China's diplomatic agenda." ■



PERSPECTIVES ON ACHIEVEMENTS

The 19th National Congress of the Communist Party of China (CPC) got underway on October 18. Four ambassadors to China from Pakistan, Gambia, Armenia and Georgia shared with *Beijing Review* their views on China's achievements in the past five years ahead of the event. Edited excerpts of their opinions follow:



Masood Khalid
Pakistani Ambassador to China

China has undergone an all-round transformation since the 18th CPC National Congress in 2012. During the last five years, China has made great strides in poverty alleviation, scientific development, space exploration, communication and infrastructure advancements, and the military and economic domains. Despite widespread skepticism, China has successfully achieved its economic targets with sustained growth.

On the international stage, China has emerged as the harbinger of global commerce, trade and connectivity. While the world faces

turmoil, economic meltdowns and stagnation, President Xi Jinping has presented a practical solution with the Belt and Road Initiative to promote integration and connectivity. China has been a leading voice on issues of global importance. On terrorism, climate change, UN peacekeeping, global epidemics, trade and commerce, China has increasingly made her voice heard in all international forums, representing the whole world and developing countries in particular.

Since the process of reform and opening up kick-started in 1978, China has achieved a miracle of bringing more than 700 million people out of poverty in a time span of one generation. China's story of success is a story of continuous struggle, vigor and wisdom, and a source of inspiration for the whole world, especially developing countries.

China is poised to carry forward the momentum of reform and opening up to the next stage. Continuity and stability have been the lynchpins in China's journey for historic transformation. I am fully confident that the people of China will realize the dream of an all-around well-off society and eradication of poverty. The breakthroughs in the last five years in scientific research and development, innovation in communication and infrastructure, and progress in national defense and the economy have laid a solid foundation for realizing the rejuvenation of the Chinese nation.

The CPC is the largest political party in the world with around 89 million members. It has on its credit the achievements that are unparalleled in human history. All the accomplishments that we see in China today rest on the dyna-

mism, resilience and vigor of the CPC. Under the spirit of socialism with Chinese characteristics, the CPC has transformed itself in accordance with new situations and conditions. Under the leadership of the CPC Central Committee with Xi at the core, the CPC is striving for more responsive, transparent and clean governance. I have no doubt that with the support of the Chinese people, the CPC will continue to steer China toward the fulfillment of the Chinese dream.



Dembo M. Badjie
Gambian Ambassador to China

China has assumed a larger role in global affairs since the 18th CPC National Congress. China hosted the G20 Summit successfully. China launched the Belt and Road Initiative. In the Forum on China-Africa Cooperation, China gave a big contribution to African development.

China supported the advocacy for reforms in the United Nations.

President Xi Jinping's visionary and dynamic leadership has left me a profound impression. I was also amazed by China's innovation as well as its technological and infrastructural development.

The CPC's governing capacity is good in light of the unprecedented rate of development in China, as I have witnessed in recent years. I expect the 19th CPC National Congress to produce a blueprint for the consolidation of China's achievements.



Sergey Manassarian
Armenian Ambassador to China

It would be easier to take a look at the numbers and compare today's situation with that of five years ago when we speak about China's achievements during the past period after the 18th CPC National Congress.

For all the main economic indicators, sharply positive dynamics have been recorded. In particular, such indicators as GDP, both in general and per capita, have shown growth; poverty levels have been steadily decreasing, especially in rural areas; new openings have appeared in the job market; and the wellbeing of the population is also improving.

As for the international area, it should be noted that in the reporting period, China became the world's largest investor, and that the geography of the implemented investment projects covers practically all continents.

I have been in China for more than a year and a half, and I have been mostly impressed by the tremendous flexibility with which the nation

is governed as well as the quick decision making and positive changes in the development and modernization of the country.

If the country was able to achieve brilliant results and become one of the world's leading nations in a short period of time, obviously the strategic goals were set correctly and the process of the governance was carried out brilliantly.

The CPC is governing China impeccably. I am sure that the 19th CPC National Congress will develop new concepts and approaches which will give a new incentive for moving forward.

Indeed, China's political system is strikingly different from that of many nations in the world. And today's indicators of China have shown the viability of its system.

From the 19th CPC National Congress, I anticipate new conceptual solutions that will not only help the country to further develop, but also raise the level of world stability and security. I am sure that fundamental concepts of new ways of development will be worked out.



Dr. David Aptsiauri
Georgian Ambassador to China

During recent years, China has achieved enormous progress. It has overwhelmingly stepped forward in various directions. China today is one of the most important economic powers in the world. It has performed successfully economic reforms inside the country and has a high reputation in international relations today. The role of China in international affairs is definitely increasing. More and more important international events of global scale have already

taken place in China, which is an indication that alongside economic achievements, China is now becoming a very important partner in international relations, contributing significantly to the stability and prosperity of the world.

It's difficult to make an overall evaluation of all achievements of China in a few words, but in my view, what is most interesting is that China is keeping stability inside and trying to bring the seed of stability to international relations. That is very important.

The world today is full of turbulence. China today is the place that is trying to provide a lesson in stable development and irreversible economic progress based on long-term goals. I think this is the most important condition for successful development.

China is striving to maintain effective domestic policy development based on a reform program and contributes to the stability of its external environment. So that's why in making the country function well, China contributes to the peaceful development of not only itself but also the world at large. Keeping the balance and making it sustainable for a long period of time provide the best advantage and are the most interesting element of China's experience.

China is developing despite the financial crisis in certain regions of the world that impacted world economic development. China still maintains stability despite external risks. I think having kept the balanced, harmonized environment inside the country is the most important achievement of China.

The CPC is the fundamental standpoint for developing the country. It is central and crucial. When we speak about the achievements of recent years and the role of the CPC as a leading motor in the progress, the contribution and the role of the leader of the Party, General Secretary Xi Jinping, are very important. His contribution is definitely enormous. He is esteemed as a party leader and a country leader. We wish President Xi and the CPC success after the congress.

The CPC National Congress is an important event not only for China. It should give us an opportunity to be acquainted with China's development strategy for the next five years. Of course, it is a matter of very important interest. We are very much interested in the successful outcomes of the congress since we are interlinked as friends and partners despite the size difference and distance between China and Georgia. We would like to sincerely wish you success in your work. ■

Comments to linan@bjreview.com



NEW POLICIES, NEW NORMAL

Macroeconomic policy framework orients the course of China's growth

By Li Wei



The author is president of the Development Research Center of the State Council

Profound changes have taken place in terms of China's economic growth, structure and drivers since the start of the new millennium. The country's supply and demand structure has also changed significantly, its industrial restructuring efforts have continued, its growth engines have been switched, and its growth priority has shifted to the improvement of quality and efficiency from quantity, particularly from the 12th Five-Year Plan (2011-15) period onward. As a result, economic growth has slowed down and it has become increasingly difficult for the economy to sustain high-speed growth, creating new challenges for

China's macroeconomic management.

Since the 18th CPC National Congress, the CPC Central Committee with Xi Jinping at the core has tackled these challenges through innovation in macroeconomic management methods. The central leadership has defined the new growth phase as an economic "new normal" that features a slowing growth rate, an improving economic structure and a shift of growth engines. It has created a macroeconomic policy framework with a new development concept as the guideline, supply-side structural reform as its central theme, and seeking progress while maintaining stability as the methodology.

The framework

Features of the macroeconomic policy framework include:

First of all, the assertion that the economy has entered a state of "new normal" has been made.

The "new normal" demonstrates the following characteristics: The economy is

shifting from high-speed growth to medium- to high-speed growth while maintaining substantial progress in terms of quality; a deeply changed economic structure is still upgrading; and economic growth engines are switched from investment to innovation.

Understanding and guiding the new normal situation will be essential for economic work in the present and future.

Second, a new development concept, centering on innovation,



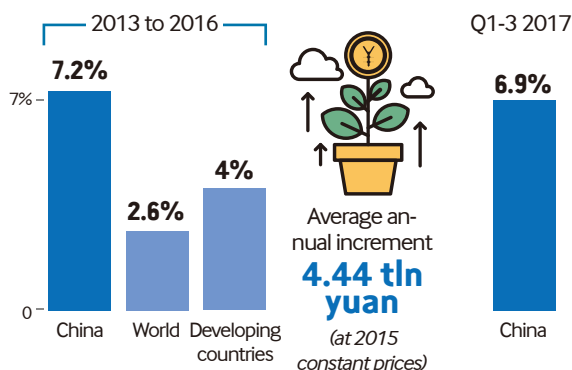
Employees work on the assembly line for high-performance, lightweight aluminum alloy wheels at a plant in Qinhuangdao, north China's Hebei Province, on October 11, the day the assembly line was put into production

coordination, green development, opening up and sharing, has been proposed. This serves as the guidepost for economic and social development during the 13th Five-Year Plan (2016-20) period and beyond.

Third, supply-side structural reform, which is to satisfy demand by improving the quality of supply, has become the central theme.

Fourth, the pursuit of progress while maintaining stability has become the methodology for economic work and an im-

GDP Growth



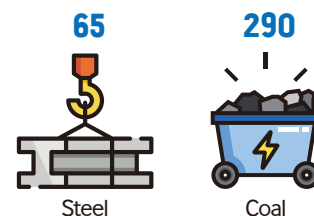
(Source: National Bureau of Statistics of China; designed by Pamela Tobey)



Supply-side Structural Reform

De-capacity

(mln tons, 2016)



The cuts exceeded annual targets.

De-stocking

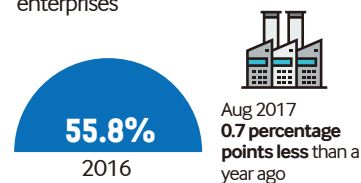
(y.o.y)

Reduction in floor space of commercial buildings for sale



Deleveraging

Average debt-to-asset ratio of industrial enterprises



0.4 percentage points less than 2015

portant principle of governing the economy.

The economic policy framework has withstood the test of time, with macro-control taking effect.

China's GDP growth has been slowing down slightly since 2010, but has maintained stability and avoided sudden and rapid decline. Since the second half of last year, the Chinese economy has resumed steady growth, and in the first three quarters of this year a GDP growth rate of 6.9 percent was realized.

Moreover, economic structure has been optimized. The contribution of consumption to GDP growth has increased from 54.9 percent in 2012 to 64.6 percent in 2016; the services industry has replaced manufacturing to become the biggest driving force for ▶▶

Strengthening weak areas

Increase in investment (Jan-Aug 2017)

Ecological protection and environment governance

28.2%

Management of public facilities

24.3%

Agriculture

16.1%

Lowering costs

Cost per-100-yuan turnover of principal activities of industrial enterprises

85.52 yuan

2016
0.1 yuan less than 2015

Jan-Aug 2017
0.12 yuan less than Jan-Aug 2016

(Source: National Bureau of Statistics of China; designed by Pamela Tobey)



An employee of Hangzhou Hikvision Digital Technology Co. Ltd. shows off a courier robot developed by the company in Hangzhou, Zhejiang Province, on September 2, 2016

growth, with its contribution to GDP growth rising from 44.9 percent in 2012 to 58.4 percent in 2016. New growth drivers have been created, industrial integration has deepened, new technologies, new industries and new industrial forms have developed rapidly, and hi-tech and equipment manufacturing industries have maintained high growth.

In addition, industrial profits have increased remarkably compared to 2014 and 2015. Particularly in the first five months of this year, industrial profits grew by 22.7 percent year on year. Employment has also remained stable. In the first quarter of this year, the registered unemployment rate in urban areas dropped to 3.97 percent, lower than 4 percent for the first time. Fiscal revenue rose rapidly in the first half of this year, with the national general public budget revenue growing by 9.8 percent year on year, which was much higher than the rates in 2014 and 2015.

Furthermore, the drive for innovation has been increasing. In China, the proportion of research and development input in GDP has reached 2.1 percent, higher than the average level of countries in the Organization for Economic Cooperation and Development. For most countries, it usually takes several decades or more to raise that rate from 1 to 2 percent,

but in China it took only 12 years. Corporate input in research and development has accounted for 78 percent of the country's total. In the Global Innovation Index, China's ranking jumped from 35th in 2013 to 22nd in 2017, and China is also the only non-high-income economy among the top 25 on the list. China has entered a period of active innovation.

Key areas

In order to carry out macro-control under the framework, maintain stable economic performance and avoid major fluctuations, we should pay attention to the following aspects.

We should maintain a balance between macro-control and deepening reforms. The only way to eliminate economic risks is by deepening reforms, and the key to doing so is allowing the market to play a decisive role in resource allocation. The government should help individuals and companies become more sensitive to policy signals and allow these policies to be transmitted more smoothly.

Risk control is also an important factor. Various risks may appear during the economic transformation period, so macro-control should also focus on risk control.

Furthermore, market expectations must be adequately managed. The government

should strengthen communication with market players and make policies more transparent, so that there is better understanding between those parties. That would in turn reduce misunderstandings and avoid excessive fluctuations in the market.

More attention should be given to operation and coordination among different government departments. Realizing multiple goals including GDP growth, employment, inflation and risk control requires a high degree of coordination among fiscal, monetary and macro-prudential policies.

A sound support system also needs to be in place to strengthen government decisions. The government should accelerate the improvement of its information sharing systems and make use of the low cost, timeliness and objectivity of big data to set up a support system for macroeconomic policymaking.

Finally, more efforts should be spent on ensuring international collaboration on macroeconomic policies. China should initiate more global discussion, create more platforms and institutions, and gradually improve multilateral and regional macroeconomic policy coordination systems, in order to create a stable economic and trade environment.



Visitors try VR headsets at an exhibition in Beijing on August 24

Future trend

China's growth trajectory must be judged from both historical and international points of view. By taking into account China's long-term trends and short-term fluctuations, we can have a proper understanding of the current macroeconomic conditions and avoid overreaction on short-term fluctuations.

Developing economies often exhibit a marked decline in economic growth after witnessing a period of high-speed growth. After a developing country enters an advanced stage of industrialization and its per-capita GDP reaches 10,000-12,000 international dollars, a development pattern based on huge investment will be hard to continue, and high-speed growth will come to an end. After that, the country will maintain medium- to high-speed growth for quite a long time.

Throughout world history, it is rare to

see a country maintain such long-term high-speed growth as China has done. Around 20 economies have maintained an average growth rate of 5 percent or above for 20 years or more. Of those countries, only five maintained the growth rate for 30 years. Although China's GDP growth is slowing down, the country's contributions to the world economy are not declining, but increasing. Both the World Bank and the International Monetary Fund estimated that China contributed one third to world economic growth last year, which was a great success.

In the short term, economic fluctuations are inevitable regardless of the country or its stage of development. The Chinese economy is starting a new stage of steady and medium- to high-speed growth this year.

Steady growth in the medium and long term will not mean that the economy will

grow at the same rate, but that it is likely to experience fluctuations.

Therefore we should not be so sensitive regarding drops in the growth rate in certain quarters or years.

China has now entered the second half of its economic transformation period, with more favorable conditions being accumulated to improve the quality and efficiency of its economic growth. It should stay committed to the new macroeconomic policy framework and improve macro-control and macro-prudential regulation. It should also intensify the supply-side structural reform, effectively control risks, open its markets further to the outside world, create new growth drivers and promote productivity, with the aim of maintaining steady and sound economic growth. ■

Copiedited by Bryan Michael Galvan
Comments to yushujun@bjreview.com

The 19th National Congress of the Communist Party of China convened in Beijing on October 18. It is expected to set a blueprint for the country to march toward modernization and achieve national revitalization in the 21st century. A recent series of reports by Xinhua News Agency elaborate on China's development path and the CPC's governance theories, practices and efforts. The following are edited versions of the last two reports of the series:

Decoding the DNA of the CPC

By Wang Jianhua, Tan Yixiao & Zhang Bowen

The Communist Party of China (CPC) held its 19th National Congress on October 18-24, during which new guidelines were issued to further develop socialism with Chinese characteristics.

Since its founding in 1921, the CPC has overcome great hardships. However, by remembering its roots and progressing in terms of innovation, the Party has established China firmly on the world stage.

Faith in Marxism

Political parties all over the world have recognized the need for faithfulness to their spiritual foundations. The CPC is no different.

Ever since the Party's founding, Marxism has been its creed, and communism its supreme ideal. Marxism, in particular, is the foundation of theories developed by Chinese communists to guide the cause of the CPC and the nation.

At the rally marking the 95th anniversary of the CPC in 2016, Xi Jinping, General Secretary of the CPC Central Committee, warned against "deviating from or abandoning Marxism," as without such a fundamental guiding theory, the Party would "lose its soul and direction."

It is no surprise then, that a first edition of the Chinese translation of *The Communist Manifesto*, which is now exhibited at the First CPC National Congress Memorial, has been carefully preserved through times of war and revolution.

"The reason why the CPC could lead the nation and the people to historic achievements is that the Party has always been true to its founding mission," said Zhang Liming, head of the memorial.

"The CPC and socialism are becoming more dynamic, which is a result of Marxism's successful practice in China," said Huang

Renwei, a researcher with the Shanghai Academy of Social Sciences (SASS).

People-oriented development

At the China Executive Leadership Academy of Jingtangshan, students get a chance to live in some of the villages that have been lifted out of poverty to experience the firsthand effects of poverty relief efforts.

"The course aims to bring CPC officials closer to the people," said Mei Liming, Executive Vice President of SASS.

As the heartland of the early revolutionary activities of the CPC in east China's Jiangxi Province, it is symbolically important that Jingtangshan has been officially taken off the list of impoverished areas.

The CPC was born from the people, therefore the people are seen as a source of strength and wisdom.

"Meeting the people's desire for a happy life is our mission," said Xi after being elected as general secretary of the 18th CPC Central Committee in 2012.

Xi has repeatedly stressed that the success of the Party hinges on the support of the people.

The CPC and the Chinese Government have been taking heed of the needs of the people and have formulated policies accordingly. This in turn helps promote social stability.

More than 700 million people have been lifted out of poverty since China's reform and opening-up policy was adopted in 1978. Currently, the goal is to eradicate poverty in the country by 2020.

Foreign analysts have pointed out that social problems can sprout from the diverse demands and discontent of a country's population. Therefore China is pushing innovation and entrepreneurship in order to boost employment, invigorate the economy and ensure social stability.

"The CPC and socialism have maintained their vitality mainly because seeking benefit for the people is at the center of the Party's values and motivations," said Professor Dai Yanjun with the CPC Central Committee Party School.

Continued reform and innovation

The reform and opening-up policy has ushered in an era of innovation in ideas, systems and policies in the country.

"The socialist path, theory, system and culture with Chinese characteristics are evidence of the CPC's creativity," said Professor Huang Xianghui with the CPC Central Committee Party School.

Since its 18th National Congress, the CPC has championed the new concepts of innovation, coordination, green development, opening up and sharing, as well as supply-side structural reform to cope with the economic "new normal."

Led by Xi, the Central Leading Group for Deepening Overall Reform has held 38 meetings since its establishment. As a result, more than 1,000 reform measures are being carried out and supervised nationwide.

"The CPC will never lose its vitality as long as it continues to reform and innovate," said Huang Xianghui.

Strict party governance

"One must be strong in order to forge iron." This is the lesson the CPC has taken from the drastic changes which took place in the Soviet Union and Eastern Europe.

The Party proposed the policy of self-discipline in 1962, and "strict governance" in 1985. In 2014, Xi put forward that comprehensively and strictly governing the Party is a necessity.

The CPC Constitution is the basis for intra-Party supervision, and several amendments have been



CPC officials organize training for local villagers from Hutou, Fujian Province, on how to develop modern agriculture and village tourism on October 12

made to ensure that self-discipline and strict governance continue.

In the meantime, regulations and rules were also improved.

For example, the CPC introduced the norms of political life within the Party under the current conditions in November 2016 and amended a regulation on intra-Party supervision.

Since the 18th CPC National Congress, the Political Bureau of the CPC Central Committee has set an example in the Party by implementing the eight-point frugality code. (It requires officials at all levels to take the lead in overcoming formalism, bureaucratism, hedonism and extravagance, and states that efforts should be made to address both symptoms and root causes of unwanted work styles.)

The strict governance and intra-Party democracy have helped the CPC maintain vitality.

Selecting the capable

The CPC has always regarded selecting and em-

ploying the right and capable people as an integral part of its mission.

Since the 18th CPC National Congress, the Party has deepened reforms on how officials are appointed, making sure that the selection is based on wider criteria than just an official's votes, scores, age or GDP achievements in his or her region.

Xi said that it is important to recruit Party members from diverse backgrounds in order to better fulfill the Party's tasks.

Xi knows the importance of such diversity, as he has been promoted through the Party from an official in a village of a poverty-stricken area to the general secretary of the CPC Central Committee.

International development

In January, Xi proposed building "a community of shared future for mankind" in Geneva. One month later, the concept, together with the China-proposed Belt and Road Initiative, was incorporated into a UN resolution.

With China's involvement, international gover-

nance mechanisms like the Shanghai Cooperation Organization, BRICS Summit, Asia-Pacific Economic Cooperation and the G20 Summit have become increasingly effective. China's contributions to international governance have won recognition worldwide.

In the 21st century, especially since the 2008 financial crisis, some Western countries have seen the rise of populism and isolationism.

The CPC, however, has sought to engage with rather than withdraw from economic globalization and interconnectivity. It has been able to simultaneously practice good governance domestically and work toward solution to international issues.

The CPC, adopting socialism with Chinese characteristics, has broadened the space for the modernization of developing countries and brought Chinese wisdom and Chinese solutions to worldwide problems. ■

A Unique Path

How China's development model is leading to national rejuvenation

By Li Laifang & Zhang Zhengfu

Three years ahead of the due date for China's plan to achieve a moderately prosperous society, the Communist Party of China (CPC) drew a new strategic blueprint for the nation at its 19th National Congress held on October 18-24.

China has created something of a miracle with the rapid and sustained rise of its economic might over nearly 40 years of reform and opening up. Its overall national strength and people's standards of living have improved substantially. The nation is getting ever closer to the center of the world stage.

The successes of the populous country have come with the failure of such predictions as the "end of history" put forward by Francis Fukuyama, who argued for the inevitable triumph of Western liberal democracy, and the "collapse of China" trumpeted by various observers from time to time. Such predictions appeared after the dissolution of the Soviet Union and the changes in Eastern European countries in the late 1980s and early 1990s.

What reasons lie behind China's successful path of development?

People-centered mode

In Xilingol League, north China's Inner Mongolia Autonomous Region, life is easier for herder Yu Lianhai. Though he and his wife still live in their decades-old clay house, they will move to a newly-built brick house provided by the local government soon.

Three years ago, Yu received a low-interest loan and bought cattle to breed. Three cows, provided by the village committee's poverty reduction program last year, produced calves this year. Yu sold them for a total of 15,000 yuan (\$2,263). His household income is set to increase by 30 percent to reach 30,000 yuan (\$4,552) this year.

"I believe our life will get better year by year," said the 48-year-old herder, who also tries to find part-time jobs to increase his income. For one month during the summer, he worked as a cook at a nearby scenic area.

Poverty remains a challenge in the building of a moderately prosperous society in all aspects. China is continuing a large-scale program to eradicate poverty with precise measures in areas such as finance, industry and tourism.

Over the past 30-plus years, the country has lifted 700 million people out of poverty, a figure that represents more than 70 percent of the global reduction in poverty. This achievement has won worldwide praise.

"To meet the people's desire for a happy life is our mission," Chinese President Xi Jinping, also General Secretary of the CPC Central Committee, has said, stressing adherence to people-centered development and putting forward the concept of innovative, coordinated, green, open and shared development.

Hu Angang, Director of the Center for China Studies at Tsinghua University in Beijing, said people-centered development is the "soul" of Xi's thought on governance. The development concept is also aimed at realizing the overall development of the people, he said.

With a history of 96 years and 89 million members, the CPC—the world's largest ruling party—is leading the nation to common prosperity and achieving the Chinese dream of national rejuvenation.

"The core of the Chinese model is the leadership of the CPC, which carries on the people-oriented thinking of ancient Chinese culture," said Pan Wei, Director of the Center for Chinese and Global Affairs at Peking University.

Innovation, reform and opening up

On September 21, trains on the Beijing-Shanghai high-speed railway ran at a maximum speed of 350 km/h, becoming the world's fastest train service.

Besides high-speed trains, China's nuclear power, smartphone and e-commerce sectors, among others, have built up their cutting-edge competitiveness through years of hefty investment in research. The country has made significant progress in a number of frontier fields such as space technology, quantum communication and large jets.

In July, Chinese firms filled an unprecedented 115 places on the Fortune Global 500 list for 2017, the 14th straight year that the country's firms have increased their presence on the list. E-commerce and Internet service giants Alibaba and Tencent joined the list for the first time.

As a participant, propellant and beneficiary of globalization, China is moving closer to the center of the world economic arena and remains the largest engine of world economic growth, said Hu.

"Judged by current indices, China is sure to be victorious in achieving a moderately prosperous society by 2020," said the professor, noting

IMPROVEMENTS IN PEOPLE'S LIVES

Since the 18th CPC National Congress

Per-capita disposable income of all residents



2012



2016

Number of rural people living in poverty



2012



2016

The per-capita disposable income of rural residents in poor areas rose 10.7 percent on average in 2013-16.

(Source: National Bureau of Statistics of China; designed by Pamela Tobey)



An aerial view of Xiamen, southeast China's Fujian Province, where the Ninth BRICS Summit was held on September 3-5

that he was more interested in the development after 2020.

"As an innovative party, the CPC leads and advances the people's innovation. China's pursuit of its own development path is itself a large innovation," he said.

The CPC's economic system reform has been evolving, changing the role of the market from a basic to a decisive one. Social and ecological progress has been gradually added to the overall structure of socialist construction, which originally covered political, economic and cultural aspects.

China is building a socialist market economy through progressive reforms, according to

Justin Yifu Lin, a professor at Peking University and former World Bank chief economist.

There is not just one model in the world. China has its own distinctive economic, political and social models, which contribute to its success, said Pan.

Since the 2008 financial crisis, China has contributed more than 30 percent of global economic growth annually on average, and its growth rate is still high among major economies.

"China's contribution to the world has been its rapid growth, especially since the global financial crisis. Sustaining this contribution will require further reform, not only of state-owned

enterprises, but also of the state-dominated financial system," said Nicholas Lardy, senior fellow at the Peterson Institute for International Economics.

Inspiration to the world

Taking its own path, China has made a historic leap from standing up to becoming better off to getting stronger. Chinese leaders say the Chinese people today are closer, more confident and more able to achieve national rejuvenation than ever before.

With the Belt and Road Initiative, or the "project of the century" as Xi has put it, and Chinese concepts such as the building of a shared future for mankind, China has offered the world inspiration in development.

It is a fact that China achieved leapfrog development without copying the Western model. Few countries have succeeded in sustained development by copying the Western model. The turmoil which has hit some countries in the Middle East since 2011 is proof of that.

China's governance model offers a reference for improving global governance. The Chinese Government has a management mode with clear goals, a solid foundation and tangible results, said Ronnie Lins, a Brazilian expert on China studies.

"The Chinese model is our own. With its own advantages of focusing efforts on important projects and long-term strategic plans, China's achievements are by no means inferior to those of any other country, and the Chinese model could be a key inspiration for other developing nations," said Pan. ■

Copiedited by Chris Surtees
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ACHIEVEMENTS IN ENVIRONMENTAL PROTECTION

Since the 18th CPC National Congress

From 2012 to 2016



**Down
17.9%**

Energy use per unit of GDP



**Down
25.3%**

Water use per unit of GDP

At the end of 2016



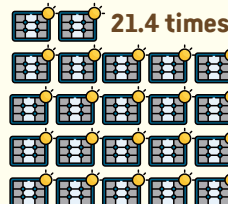
Up 167.6%

Installed nuclear power capacity (change from 2012)



Up 140.1%

In-grid wind power capacity



Increase in in-grid solar power capacity (from 2012)



**Down 6%
y.o.y.**

PM2.5 density in 338 cities (change from 2012)

**7.2 mln
hectares total in 2016**



Up 28.7%

Increase in total area of new forests (change from 2012)

(Source: National Bureau of Statistics of China; designed by Pamela Tobey)

A Time-Honored and Booming Relationship

China and Sri Lanka together revive their ancient glory By Patrick Mendis



The author is an associate in research at the Fairbank Center for Chinese Studies at Harvard University

Earlier this year, President Xi Jinping of China welcomed Prime Minister Ranil Wickremesinghe of Sri Lanka and another 28 foreign leaders at the Belt and Road Forum for International Cooperation in Beijing. In the meantime, Sri Lanka is quietly becoming the “crown pearl” in the Indian Ocean of the China-proposed Belt and Road Initiative, which connects the Pearl River in south China’s Guangdong Province and the Pearl Square of Bahrain in the Persian Gulf. The two countries will soon celebrate the \$100-million-plus, all-encompassing Colombo Lotus Tower in the heart of the island nation’s commercial city.

The tower, named in deference to the Buddha’s *Lotus Sutra*, represents historical ties and reaffirms the Buddhist bonds between China and Sri Lanka. In fact, the highly-sophisticated telecommunication tower is a physical manifestation of China’s foreign policy proclamation of a peaceful rise, and it will be the tallest structure in South Asia and the 19th tallest building in the world. The 350-meter-high Lotus Tower cleverly embodies a Buddhist emblem of peace that harkens back to the ancient power that once radiated from China.

Today, Sri Lanka is a multi-religious, multi-ethnic and multilingual nation. The island—with such diversity within a highly-educated and entrepreneurial population—remains a locus of travel and commerce in the Indian Ocean. It is now modernized by the multibillion-dollar Chinese investment in

the newly built deep-sea Hambantota Port, Mattala International Airport and Colombo Port City, among other development projects. In recent years, Sri Lanka has received ever-increasing numbers of Chinese tourists, who have become frequent and repeat visitors enjoying the island’s sandy beaches and natural wonders. But more importantly, they are calling on places of religious worship and other ancient sites of cultural and historical importance for good reason.

Ancient bonds

As a trading and religious nation for millennia, the Buddhist kingdom of Sri Lanka has always acted as a magnifying conduit to diffuse Buddha’s noble Dharmic teachings around the world. It also attracted Buddhist scholars like the famous Chinese monk Fa-Hsien, who later adopted the spiritual name Faxian, during the Eastern Jin Dynasty (317-420). Another legendary Chinese monk-scholar Xuanzang in the Buddhist golden age of the Tang Dynasty (618-907) was inspired by Fa-Hsien’s travel, but the Tang envoy was not able to visit Sri Lanka. Nevertheless, Xuanzang profiled in detail the Buddhist affairs of Sri Lanka from the various documents and numerous eyewitness accounts of other travelers and pilgrims.

Over the years, Arab traders introduced Islam; Indian rulers promoted Hinduism; European colonists familiarized the indigenous Buddhist people with Christianity. Long before that, the island nation warmly welcomed the Buddhist emissaries of Emperor Ashoka of India whose reign lasted from 268-232 B.C. and introduced Buddhism. Since then, Sri Lanka has remained predominantly a Buddhist country of teaching and learning.

Kublai Khan, founder of the Yuan Dynasty (1271-1368), believed in Buddhist treasures as a magnet for unifying the culturally, religiously and linguistically diverse Chinese nation. Knowing the faith’s practical value in governance, Kublai

Khan sent Marco Polo twice in 1284 and 1293 to Sri Lanka with the intent of taking the sacred tooth relics of Buddha back to China. The two-year travelogue of Fa-Hsien—written in the fifth century—described the Buddhist treasures in Sri Lanka, and his Chinese translation of Pali and Sanskrit Buddhist texts was widely known from the beginning of the Yuan Dynasty.

Almost 100 years before Christopher Columbus discovered the Americas, Admiral Zheng He, the envoy of the Ming Dynasty’s (1368-1644) Emperor Yongle, made his maiden visit to Sri Lanka in 1405.

Apart from their religious and political objectives in Sri Lanka, all seven Ming voyages to the region between 1405 and 1433 in general were commercially motivated. An archaeological tablet, found at the southern port city of Galle, dated February 15, 1409, has a trilingual inscription—in Chinese, Persian and Tamil—indicating that the purpose of Zheng’s visit was to announce the mandate of the Ming emperor and make known his legitimacy among foreign rulers. According to the inscription on the stele, the Ming diplomat offered valuable gifts like gold, silver and silk to a local Buddhist temple on Sri Pada Mountain. The Tamil script praises the god Vishnu; the Persian text invokes Allah; and the inscription also bears a message to the world invoking “the blessings of the Hindu deities for a peaceful world built on trade.” Above all, commercial and cultural diplomacy was the most vital aspect of the Chinese expeditions.

Various pieces of archaeological and ancestral evidence show the existence of Chinese descendants of a Sri Lankan prince in Quanzhou in Fujian Province. The 53-year-old Xushi Yine, known as Kumarikawa in Sinhalese, meaning princess, is a 19th generation descendant of the Sri Lankan prince, who was known in China as Ba Laina.

The ancient Kotte Kingdom is currently



Sri Lankan President Maithripala Sirisena (third right, front) and Chinese Ambassador to Sri Lanka Yi Xianliang (fourth right, front) attend the inauguration ceremony of the Moragahakanda Reservoir, constructed by Sinohydro Corp. Ltd. of China, in central Sri Lanka on January 11

called Sri Jayawardenepura-Kotte, the new capital of Sri Lanka. Like the island nation, Quanzhou attracted monks, merchants and explorers, including Persians, Arabs, and Europeans. This maritime city in Fujian, which Zheng used as his primary home port, resembles a collection of Buddhist pagodas, Muslim mosques, Hindu kovils and Christian churches in Sri Lanka. Both places symbolize classic examples of the metropolitan mindset of the Chinese and Sri Lankan peoples.

New impetus

In the midst of Western colonialism, the historical episodes of the Sri Lanka-China relationship were dormant for almost 500 years until Sri Lanka gained its independence from the Portuguese, the Dutch and lastly the British in 1948. The newly independent island nation established its first bilateral trade agreement with China in 1952 after the founding of the People's Republic of China in 1949. Since 1957, formal diplomatic relations have expanded, as

several heads of state visits have taken place between the two nations. The completion of the massive Bandaranaike Memorial International Conference Hall in 1973, among other projects, was a landmark of friendship.

More recently, close bilateral ties have been fostered as China and Sri Lanka seek common ground for development. The new Sri Lanka-China relationship could be heralded as momentous given the two governments' cultural and economic collaboration, which is viewed as mutually beneficial and a win-win formula for the two nations.

During his visit to Sri Lanka in September 2014, President Xi described the island as a "splendid pearl," and the two countries signed over 20 bilateral agreements in Colombo. The defense and maritime security cooperation agreement, which assigned to China rights to explore Sri Lanka's waters for wreckage of Ming treasure fleets, raised alarms in Washington and New Delhi. For the United States and India, the strategically

brilliant Belt and Road Initiative is viewed as having a doubling effect along with the Lotus Tower which includes the most advanced telecommunication and information-gathering center in South Asia. Together, these developments will essentially give China a most-needed competitive advantage in freedom of navigation and other affairs throughout the Indian Ocean, from East Africa to west Australia.

Symbolized by the Buddhist-inspired Lotus Tower on the waterfront of picturesque Beira Lake in the commercial harbor city of Colombo, the globalizing Belt and Road Initiative is reviving the ancient glory of "trade-for-peace" to bring about a more harmonious and prosperous Asia-Pacific region. In this respect, Sri Lanka has never been an island; it has always been engaged in world affairs. ■

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Welcome Changes Underway

As the yuan gradually wins trust from global investors, it's more widely reserved, used and invested **By Deng Yaqing**

One year has elapsed since China's currency, the yuan or renminbi, was officially included into the International Monetary Fund's (IMF) Special Drawing Rights (SDR) basket of currencies. Gaining the IMF reserve status marked a significant step in the internationalization of the yuan.

The SDR is a synthetic reserve currency created by the IMF in 1969 to supplement its member countries' official reserves, and the value of the SDR is based on a basket of major currencies. SDRs are allocated to IMF members from time to time, based on each country's quota in the IMF, and the basket's composition is reviewed every five years.

"The yuan's inclusion in the SDR currency basket signifies that the yuan has been formally recognized as an international currency that can be used freely, which has greatly shored up its credit ranking and facilitated its extensive use," said Xu Hongcai, Deputy Chief Economist of the China Center for International Economic Exchanges, in an interview with *Beijing Review*.

According to statistics from the Society for Worldwide Interbank Financial Telecommunication, by the end of June 2017, the yuan ranked sixth, third and fifth in payments, trade financing and foreign exchange transactions in the world, and

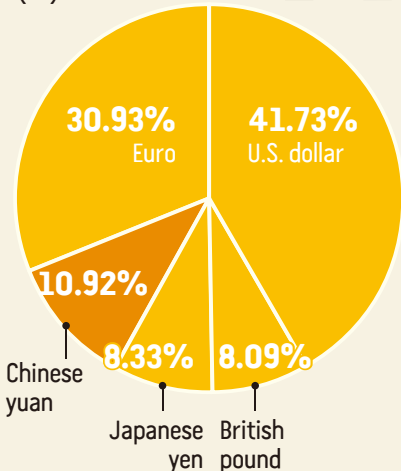
roughly 56 overseas central banks and monetary authorities held yuan-denominated financial assets and had taken it as a reserve currency.

However, Xu noted that the yuan is now primarily used in trade and only accounts for slightly over 1 percent of the world's total international reserves. "The yuan's internationalization lags behind the elevation of China's economic status and falls short of the international community's expectations. Therefore, further efforts should be made to advance the internationalization process," said Xu.

"As long as China's economic funda-

The SDR Currency Basket

Weight of different currencies in the SDR basket after the renminbi's inclusion (%)



(Source: IMF; designed by Pamela Tobey)



The opening ceremony of the Mainland-Hong Kong Bond Connect scheme takes place at Hong Kong Exchanges and Clearing Ltd. on July 3

mentals are favorable, foreign trade keeps growing steadily, and offshore yuan usage is on the increase, the internationalization of the yuan will carry on unremittably,” Sun Jie, a research fellow with the Institute of World Economics and Politics under the Chinese Academy of Social Sciences, told *Beijing Review*.

Steady progress

In the past year, China’s capital market opened wider to the outside world by kicking off the Shenzhen-Hong Kong Stock Connect and Bond Connect schemes. According to the China Foreign Exchange Trade System, net northbound capital flow through the Shanghai- and Shenzhen-Hong Kong stock trading links, which were started in November 2014 and December 2016 respectively, totaled 25.48 billion yuan (\$3.85 billion) in September. Moreover, the volume of yuan-denominated bonds held by foreign institutions increased 96.1 billion yuan (\$14.52 billion) to 1.06 trillion yuan (\$160.12 billion), with the single monthly increment hitting a record high.

“Overseas investors are seeking channels

to invest in the mainland, which in turn pushes forward the internationalization of the yuan,” said Sun, who believes that as long as the yuan becomes increasingly internationalized and recognized by other countries, the flow of offshore yuan will continue going up and restrictions will be reduced.

Aside from that, due to factors such as the increase of outbound direct investment in the past year, uncertain foreign expectations about China’s economic growth and the U.S. Federal Reserve raising its interest rates, the exchange rates of the yuan and many other currencies have experienced ups and downs in the past year, said Sun.

Statistics show that since the beginning of the year, the yuan has appreciated by over 4 percent against the U.S. dollar, the same as other currencies in the SDR basket.

Sun claimed that, “in order to curb speculation, Chinese authorities have unveiled countercyclical regulations. As the yuan’s internationalization keeps moving forward, its transaction volume should become larger, and speculation less likely.” Sun suggested that joining the SDR basket made China’s central bank and the State Administration of Foreign Exchange (SAFE) release policies and

measures facilitating the healthy development of the foreign exchange market.

In the future, the exchange rate of the yuan will be more elastic, said Lu Lei, Deputy Director of SAFE, at a forum on the yuan and foreign exchange market in Beijing on September 13. Lu also noted that the yuan exchange rate formation mechanism will be based on market supply and demand.

Future direction

More and more countries, especially those along the Belt and Road, have shown a willingness to use the yuan as a reserve currency or in transactions, said Laura M Cha, Chairwoman of the Hong Kong Financial Services Development Council, at a forum held in Hong Kong on September 11. She noted that these efforts are at a nascent stage and that analysts still need to wait and see the results of the yuan’s internationalization.

To advance the process, China has to boost the opening up of capital accounts and increase the elasticity of the yuan exchange rate. However, the more volatile the yuan, the greater the risk, said Xu, who suggested that domestic industrial and commercial companies, as well as the country’s financial system, are not strong enough to bear radical reform of the yuan exchange rate formation mechanism.

Xu said that in order to further open up the channel between domestic and foreign capital markets, more Panda bonds—yuan-denominated bonds from non-Chinese issuers—should be circulated, and the listing of foreign-funded companies on the Shanghai Stock Exchange should be promoted.

“Chinese authorities should consider accelerating the release of crude oil and iron ore futures that allow foreign investors to trade, because the country needs to have a larger say in the transactions of those imports,” said Xu.

Nonetheless, there are still challenges ahead. In the near term, Chinese financial institutions should increase their overseas business offices and expand the network of offshore yuan centers, not just in traditional financial hubs like London, Paris, New York, Singapore and Toronto, but also in emerging financial markets such as Sao Paulo, Moscow, Bombay and Johannesburg, said Xu. ■



Opening-up milestones in mainland’s capital market since the yuan’s joining the SDR basket

- **December 5, 2016** Shenzhen-Hong Kong Stock Connect was launched.
- **June 21, 2017** Morgan Stanley’s Capital Index (MSCI) announced that from the start of June 2018, it will include China’s A shares in the MSCI Emerging Markets Index and the MSCI All Country World Index
- **July 3, 2017** Mainland-Hong Kong Bond Connect was launched.
- **July 3, 2017** Foreign credit ratings agencies were allowed to rank the creditworthiness of onshore Chinese interbank bonds.

Copiedited by Bryan Michael Galvan
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OPINION

Credit Expansion Buoyed by Real Economy



A loan officer from a local bank introduces micro-credit options to a tea farmer in Wuyishan, southeast China's Fujian Province

Chinese banks extended a forecast-beating amount of new loans in September, while growth of broad money supply (M2) also accelerated, buoyed by credit demand from the real economy.

New yuan-denominated lending in September hit 1.27 trillion yuan (\$192.8 billion), up from 1.09 trillion yuan (\$165.77 billion) in August, well above market expectations, according to data released by the People's Bank of China (PBC), the central bank, on October 14. M2, a broad measure of money supply that covers cash in circulation and all deposits, at the end of September rose 9.2 percent from a year earlier, accelerating from the 8.9-percent growth recorded the previous month, the PBC said in a statement on its website.

It marked the first time M2 growth has picked up in eight months, but the rate was

still 2.3 percentage points lower than that one year earlier.

Newly added total social financing, a broader measure of new credit in the economy, reached 1.82 trillion yuan (\$276.79 billion) in September, up from 1.48 trillion yuan (\$225.08 billion) in August.

The combined data reflect the sharp drop in loans from banks to other financial firms, which are considered a key channel for financing shadow banking transactions, Bloomberg chief Asia economist Tom Orlik said in a research note.

The PBC has been trying to strike a balance between defusing risks arising from shadow banking activities and guiding funds into the real economy to shore up growth.

"The government is aiming to deleverage without moving any great distance from its commitment to 6.5-percent annual GDP

growth out to 2020. That implies credit to the real economy will have to stay on a rapid growth path," Orlik said.

In a bid to improve credit support for small and micro-sized enterprises, startups and agricultural production, the PBC recently announced a targeted reserve requirement ratio (RRR) cut.

The new policy, which goes into effect in 2018, offers commercial banks a cut of 0.5-1.5 percentage points in the RRR if their annual outstanding or new loans in inclusive financing reach certain requirements.

China International Capital Corp. Ltd. had previously estimated that the cut may release more than 800 billion yuan (\$122 billion) of liquidity into the economy after implementation.

According to Jiang Chao, chief economist at Haitong Securities Co. Ltd., the announcement, together with the September M2 data, did not indicate that the central bank is loosening its stance on financial deleveraging.

"Taking into account the high leverage in the domestic real estate market and potential interest rate hike by the U.S. Federal Reserve, it's unlikely the PBC will loosen its monetary policy," Jiang said.

PBC data also showed that in the first three quarters, Chinese banks extended 11.16 trillion yuan (\$1.7 trillion) in new loans, 998 billion yuan (\$152 billion) more than that in the same period last year.

New loans made to non-financial enterprises and government institutions hit 5.73 trillion yuan (\$871.43 billion) in the first nine months, indicating credit demand from the real economy.

Medium- to long-term loans made to home buyers, mainly consisting of personal housing mortgages, increased by 4.2 trillion yuan (\$638.74 billion) during the period.

By the end of September, outstanding yuan loans had grown 13.1 percent from a year earlier to 117.76 trillion yuan (\$17.91 trillion).

The narrow measure of money supply (M1), which covers cash in circulation plus demand deposits, rose 14 percent year on year in September, on par with the rate at the end of August. ■

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

NUMBERS

(\$1=6.61 yuan)

600 mln tons

China's grain output this year, estimated by the Ministry of Agriculture

236,300

The number of trucks sold by FAW Jiefang Automotive Co. Ltd. in the first three quarters, a truck subsidiary of China's leading automaker, FAW Group

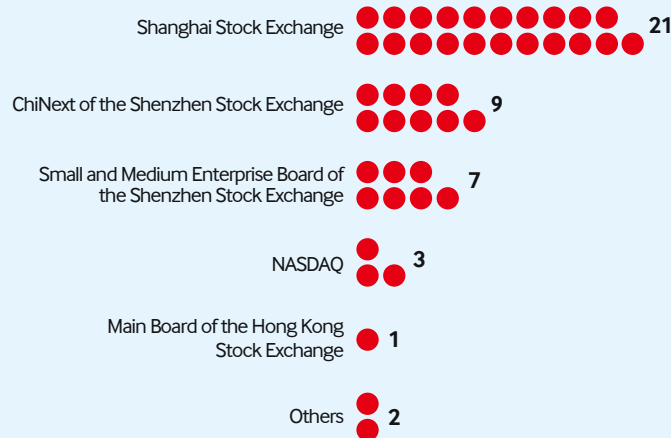
2.17%

Year-on-year growth of the Tourist Price Index of China's Macao Special Administrative Region for the third quarter, attributable to higher local food prices, taxi fares and charges for accommodation and restaurant services

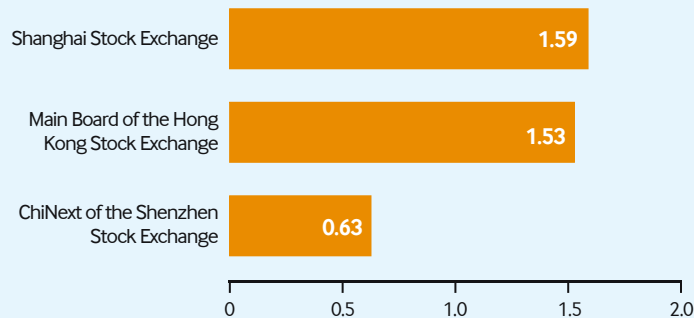
15.49%

Year-on-year growth in number of tourists from the Chinese mainland visiting Thailand in September

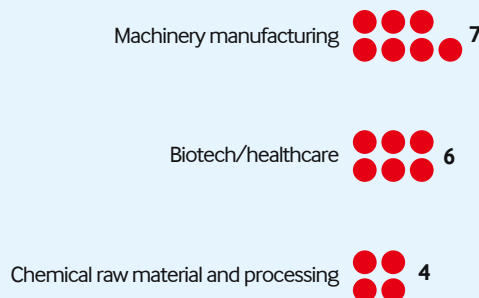
Cases of Chinese Companies' IPOs by Market September



Top Three Markets in Financing Amount September (\$bln)



Top Three Sectors in IPO Cases September



(Source: Zero2IPO)

11.2%

Average annual growth of flight hours witnessed by China's civil aviation industry over the past five years

3.69 tln yuan

Total sales from all cooperatives nationwide in the first three quarters, up 15.3 percent year on year, 4.4 percentage points faster than the corresponding rate for the same period last year

21 mln

Number of people who drive for on-demand mobility company Didi

14.6%

Year-on-year growth of China's rail freight volume, an indicator of economic activity, in the first three quarters this year

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

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



New Lease of Life

A university professor seeks to save the endangered cultural heritage of the Miao ethnic minority By Ma Li

Zhang Xiaosong is Dean of the School of International Tourism and Culture at Guizhou Normal University in Guiyang, capital city of southwest China's Guizhou Province. But her work is not limited to teaching at university. Zhang is also a village researcher.

Over the past 26 years, Zhang has visited more than 700 villages in 89 counties across Guizhou, a multi-ethnic province which is home to time-honored traditions and customs with distinctive ethnic minority characteristics. With her endeavor, Zhang has established close ties with many intangible culture handicraftsmen living in villages.

"We are a family. They give strength and motivation to my work," Zhang told *Beijing Review* during a design competition for cultural and creative tourist commodities held in Qingzhen County, Guiyang, on August 20.

As one of its organizers, Zhang said the event, the first of its kind, was intended to help Guizhou's local distinctive handicrafts and tourist goods gain recognition outside the province.

"Such products that combine the traditional culture and fresh creativity together are very popular in market," Zhang said.

With inspiration gained from a multi-day tour of several Guizhou villages arranged by the event organizers, participants, most of whom were academics and students from Guizhou and Taiwan, created a total of 66 artworks for the competition.

"The trip to Guizhou Province was short but fruitful. It serves as a bridge of cultural communication across the Taiwan Straits," said Hong Quanhu, a professor at Yuan Ze University in Taoyuan City, Taiwan.

"Now I have a better understanding of the culture of Guizhou," Hong said.

A master of traditional arts

Guizhou's 49 ethnic minorities make the province China's fourth largest ethnic minority region and a place where long-standing skills and techniques in the textile arts are well preserved and promoted.

Yang'er Yeniu is a woman of the Miao. The Miao group is Guizhou's largest ethnic minority. The 39-year-old Yang'er is also an inheritor and



Yang'er Yeniu works on a design in her studio in Guiyang City

promoter of the traditional craft of batik. Widely practiced for centuries throughout South Asia and South East Asia, most notably in Indonesia, the art also has a long history among southwest China's ethnic minorities and is one of Guizhou's 85 designated items of national intangible heritage. The production of traditional Miao costumes involves weaving patterns into fabrics, typically cotton and hemp, applying hot wax and then dyeing the cloth with indigo. Traditional designs include flowers and mythical fantastic creatures such as dragons and phoenixes.

Yang'er has never received formal education, but her batik and embroidery work is of great artistic value in Zhang's eyes. She is especially good at embroidering butterflies, which in Miao myth are the earliest ancestor of all creatures in the world. She creates them in different poses and at different stages of their development.

"She is really talented. She doesn't make a rough draft; just draws whatever pops into her

mind, and they come out smoothly," Zhang said.

Yang'er mostly uses uncolored burlap cloth, giving her batik a mysterious and natural feel and a unique style that sets it apart from ordinary Miao batik.

Zhang first met Yang'er during one of her field trips and was impressed by Yang'er's handwork. In 2012, the two met again when Zhang visited an embroidery factory where Yang'er worked.

At that time, Zhang was a culture consultant for Guizhou Time, a tourist development project in Guiyang. The property developer provided Zhang with a rent-free facility and Zhang made it a center for cultural exchange and traditional craft display. Zhang invited folk artists from Guizhou to set up workshops in the center. Yang'er is one of them.

Yang'er now has her own office in the studio building. She has garnered a reputation for her batik and embroidery skills, acquiring a broad



Zhang Xiaosong (right, front) and a group of visitors look at Miao villagers' traditional clothing



Batik cloth made by handicraftsmen of the Miao ethnic group



Embroidered clothing created by Yang'er Yeniu

popularity, and enjoys a decent stable income by selling her designs. Many people have been attracted to the center by its reputation. They learn the traditional craft from Yang'er and other handicrafts masters. Every day, Yang'er would create artworks together with her students.

"Real art is born among folk. The key is how to discover and promote it," Zhang said.

The journey of rediscovery

In 2000, Zhang travelled to Jidao, a historical village nestled in mountains in Guizhou. She was doing research on the tourism resources of the village. There she met an old lady surnamed Yang. Yang and her family subsisted on corns and they had slender income. In Jidao, there were many elderly people like Yang living in poverty and most of the village's young people had moved to cities for making a living.

Zhang decided to lend them a hand. While

talking with Yang, she learned about a particular local custom. The wedding dresses of local women were handmade by the brides' mothers. In Zhang's eyes, the dresses are excellent handmade artworks. But, only a small number of people in Jidao knew how to make them. What's more, local people had not found the value of these rare heirlooms in their hand. Local families had sold the wedding dresses simply for helping out with the family expenses in the past, leaving just 19 integral wedding gowns in the village inherited from their great grandmothers long time ago.

To continue and develop the unique Miao embroidery craft, Zhang began encouraging villagers to learn how to make the dresses like the existing gowns. They soon formed a group to practice together. Half a year later, Yang was delighted to inform Zhang that the villagers had managed to master the skill. Zhang and her colleagues then helped them to promote their embroidery outside the village, and they soon

received buy orders from people who are interested in traditional Miao handicrafts.

The recovered traditional embroidery skills have been promoted among young people and are generating stable income for the artisans. Local villagers have begun to develop other tourism-related business such as homestay and agritainment. The over 100-years-old Jidao village has now become a well-known tourist destination in Guizhou Province.

"I would be gratified every time when I see them embroidering locally featured dresses and singing folk songs," Zhang said.

"Preserving traditional culture and handicrafts not only increases incomes for them, but also continues a nation's memory and intangible heritage," Zhang said. ■

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Development in All Aspects

Finding clues to understand China's progress and expectations

By Kou Liyan

Every five years, foreign expats who work and live in Beijing—from executives of multinational companies to journalists and teachers—take time out from their daily business to see what's going on in China's politics, a topic also kindled by local taxi drivers. The National Congress of the Communist Party of China (CPC) is held every five years.

On the occasion of the 19th CPC National Congress, convened in Beijing on October 18, many foreign friends are taking it as a way of getting a handle on the Party's actions over the past five years and catching a glimpse of the course the country will take in the next five years and how it will affect them. I recommend that they should read two books. The first one is *Seven Years as an Educated Youth*, which tells readers stories of Xi Jinping, General Secretary of the CPC Central Committee, in a poor village from 1969 to 1975. The other one is *Up and*

Out of Poverty written by Xi. Both books can give some insight into the logic behind all the domestic and foreign policies that China has introduced in the last five years.

A basic logic of poverty alleviation

The CPC holds that all national policies must be based on the reality that China is still in the primary stage of socialism. The country needs to make great efforts to improve people's livelihoods. Poverty alleviation, therefore, is a basic element of government policies. However, poverty is not confined to the economic sphere. As President Xi Jinping wrote in the book *Up and Out of Poverty*, published in 1992, "to shake off poverty we must first of all shake off poverty of mind."

President Xi has a deep understanding of

poverty. He was sent to an impoverished village in arid northwest China in 1969, at the age of 15, and lived there for seven years. Under dire food shortages, Xi and local villagers subsisted on grain chaff for most of the year. Meat was absent from the local diet, and even vegetables were scarce. There was no electricity, and fuels were hard to come by. To collect wood for heating and cooking, villagers risked their lives fishing logs from torrential flood waters. And as there was no means of transportation, they had to walk for miles carrying 200 or more pounds of grain on their backs.

The seven years in the village of Liangjiahe exposed young Xi to the fact that many of his countrymen had to struggle to feed and clothe themselves. After being elected as village head, Xi explored the use of methane for fuel, set up a blacksmith shop and a sales agency, and established literacy classes. By the time he left the



A bird's-eye view of the newly-built resettlement houses of Tanping Village in a mountainous area of Xingshan County, central China's Hubei Province, on March 25

village to study at a university in Beijing, local life had significantly improved.

After reading about Xi's seven years in the countryside, one can easily understand why China adopted the policy of reform and opening up. When Xi was elected as the leader of the Party in November 2012 and then President of China in March 2013, most Chinese were living a well-off life, but poverty was yet to be eradicated.

This problem can be perceived in two ways. First, economically, more than 100 million Chinese still live beneath the poverty line; second, those who have been lifted out of poverty expect continuing improvement. They yearn for a life of abundance in all aspects, which is what the CPC has been working toward and will continue to pursue over the next five years and beyond.

A comprehensive strategy

Poverty alleviation calls for extensive and coordinated efforts. This is why China put forward the Four-Pronged Comprehensive Strategy, which is to complete building a moderately prosperous society in all aspects, deepen reform, advance law-based governance of China, and strengthen Party self-discipline.

Building a moderately prosperous society in all aspects means leaving no people behind and equally advancing economic, political, cultural, social and ecological progress. This boils down to the goal of common prosperity and all-round development for the people.

Over the past five years, China's average per capita disposable income has risen by 7.4 percent annually, and the number of impoverished people has plummeted 55.64 million. Today, 99.7 percent of rural residents have access to paved roads and electricity. The CPC has promised to eradicate poverty in China by 2020.

Meanwhile Chinese people also enjoy a richer cultural life. Internet users now stand at 1.1 billion, and last year, cinema visits reached 1.37 billion. Online social networking, shared bike service and mobile payments, among other innovations, are profoundly changing people's lives. China is now indeed on the path toward prosperity in all aspects.

Deepening reform provides the sustained drive towards all-round development. China has witnessed tremendous changes since the country started reform and opening up in 1978. This is why the current Chinese leadership resolutely adheres to the reform and opening-up policy.

In the past five years, the Central Government has introduced 330-plus reform measures in 15 realms, delegated power or

cancelled the requirement for government reviews on 618 items, and abolished the practice of non-administrative review. Through these reforms, the sphere of government control is shrinking, government review and approval procedures have been simplified, and the government's function as provider of public services has been reinforced. In the process the Chinese economy has become more integrated with the world economy, more open, and more market-based.

The rule of law provides institutional support for national development. By the time the 18th National Congress of the CPC convened in 2012, China's legal system had been much improved, but not yet to the point where it was commensurate with the level of national development; it was still marred by many flaws. China, therefore, has continued to advance the rule of law over the past five years, making or revising 48 laws, 42 administrative rules, 2,926 local decrees, and 3,162 regulations; it has also amended 57 laws and 130 administrative rules, as revision of one clause in a law usually necessitates revision of other related laws and administrative rules. In addition, nearly 80 Party regulations have been formulated or revised.

Meanwhile, a number of cases of wrongful conviction have been reheard. Since July 2016, all Supreme Court sessions open to the public have been broadcast live on the Internet, and lower-level courts have followed suit on 600,000 occasions.

Strengthening Party self-discipline is the political precondition for national development. Being the ruling party for nearly 70 years, the CPC faces the question and mission of how best to govern itself, both of which are also part of the discussion on the Chinese path and Chinese democracy. Xi has felt a strong bond with the Party since his youth. When in Liangjiahe, he wrote 10 applications to join the Party. After being admitted, he devoted himself to Party work, both as a student and later as a local magistrate.

Since its 18th National Congress, the CPC has placed greater emphasis on self-purification, self-perfection, self-renewal and self-progression, which decide not only the vitality of the Party itself, but also the success of its mission to lead the Chinese nation's great rejuvenation.

Over the past five years, the CPC has strengthened discipline among its members by improving ideological and ethical education and Party organizations and institutions and by combating corruption. More than 50 Party regulations have been formulated to institutionalize and standardize the political life of Party members. A number of corrupt senior officials, commonly known as "tigers," have been snared, and 240 centrally administered officials

have been investigated, 223 of whom received punishments. Meanwhile, 1.14 million Party members in the position of section chief or the equivalent and below, often referred to as "flies," have been punished for discipline violations. A new inspection system has been instituted at all levels of government. And reform of the Party's disciplinary inspection system is under way.

An alternative for the world

Another new development over the past five years is the closer alignment of domestic and foreign policies. The expression, "consider the overall domestic and international situations" has been recurrent in the Party's policy papers. The Four-Pronged Comprehensive Strategy itself reflects the CPC's global thinking.

Party work and the socio-economic development of China should both be placed in the context of the nation's opening up, which exposes them to extensive exchanges with the rest of the world that benefit both sides. The development of China and its thoughts on state governance can inspire the international community to look at more options when trying to resolve the problems in development. For instance, certain regions mired in economic imbalance and social disorder can borrow from China's experience in overall planning; regions where economic growth has lost steam, and where society is static and divided may follow China's example of deepening reforms; and for the nations faltering under political instability and feeble government, whose elected leaders fail to represent the people or turn around difficult situations, China offers relevant references for the ruling party's institutional design and capacity building.

China's experience and practices are not the sole answer to these problems; they instead represent alternatives for the world. Even when handling domestic issues, the CPC never regards any of its policies or measures as a panacea. One catchphrase frequently heard in recent years is, "always on the road," meaning pressing on continuously with both reforms and Party discipline. It is in this spirit that the CPC is advancing development of the nation in all aspects, and seeking solutions to problems that crop up in the process. Overcoming these problems will lead China to greater development, thus creating a benign spiral. ■

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China-U.S. Dialogues Bolster Mutual Trust

By Lan Xinzhen



China and the United States held their first law enforcement and cybersecurity dialogue (LECD) in Washington D.C. on October 4. The dialogue is one of the four high-level communication mechanisms established during the Mar-a-Lago meeting between President Xi Jinping and U.S. President Donald Trump in April. The other three—the diplomatic and security cooperation, comprehensive economic, and social and people-to-people dialogues—had already got underway.

With regard to cooperation on law enforcement and cybersecurity, China and the United States have much work to do. The absence of an extradition treaty between the two nations makes them ideal destinations for each other's fugitives looking for foreign refuge. The lack of bilateral legal support hinders their cooperation in cracking down on crime. In June 2000, the two governments signed a treaty to strengthen cooperation on criminal judicial assistance. Great achievements have been made in terms of investigations and evidence collection, criminal intelligence sharing and supervising and hunting fugitives. However, barriers and difficulties in criminal and judicial cooperation between China and the United States have hindered their cooperation in combating crimes and pursuing judicial justice. In order to make up for this deficiency, relevant authorities in both countries have been working hard to look for alternative measures to make fugitive repatriation possible. Obviously, it's necessary for the LECD to carry out in-depth communication and reach consensus in this regard.

Rifts have appeared in the two countries' cybersecurity cooperation, particularly when the U.S. Government availed its "concern" over cybersecurity to pressure China, regardless of the fact that China is also a victim of cybersecurity breaches. It was not until September 2015, when China and the United States reached a consensus on cracking down on cybercrimes and protecting cybersecurity, that the two sides began to conduct effective cooperation on cybersecurity. The cooperation has helped reduce misjudgments and divergences, increase communication and enhance the two nations' consensus on cyberspace governance. Through in-depth exchanges and communication, the LECD will boost mutual trust in cyber security cooperation.

The LECD has reached the goal of its establishment. In the spirit of mutual respect, equivalence and frankness, and with a pragmatic attitude, the two sides have reached an extensive consensus on counter-terrorism,

Maintaining candid and friendly dialogues has been a striking feature of the China-U.S. relationship

counter-narcotics, combating cybercrimes, recovering embezzlement, repatriation of illegal immigrants, etc.

China and the United States have shown stronger willingness to conduct exchanges and communication than ever before.

Dialogues between China and the United States cover a wide range of topics from diplomacy to economy and culture. Through dialogues, the two sides can not only pursue cooperation, but also manage their disputes over a number of issues.

On the basis of respecting each other's core interests and major concerns, dialogues help the two governments better understand each other's strategic intentions. Maintaining candid and friendly dialogues has been a striking feature of the China-U.S. relationship.

Held before U.S. President Trump's state visit to China in November, the LECD symbolizes the full establishment of the four high-level communication mechanisms between China and the United States. During a short period of four months, the four dialogues have gradually moved from proposal to reality. These dialogues are conducive to the upcoming meeting between Xi and Trump.

China and the United States differ from each other in history, culture, social system, ideology and economic development level. It is natural that there are differences and frictions between the two nations in some areas. Frictions or cooperation between the two stir up international interest more than ever before. In this context, strengthening bilateral dialogue and cooperation is becoming increasingly important. Building mutual trust will help to defuse suspicions and misunderstandings. It's expected that the dialogue mechanisms will become a pillar in the China-U.S. relationship.

Actually, the two sides have already taken actions. Chinese police handed over an American "Red Notice" fugitive to U.S. law enforcement officers on October 16 at Shanghai Pudong International Airport, Xinhua News Agency reported. The repatriation, requested by U.S. authorities, was the latest result of China-U.S. cooperation in chasing fugitives and illicit money. In future, such cooperation will produce greater benefit for both nations. ■

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