

Promise of the Ram

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Anti-graft presses on

After two years, government's anti-corruption effort takes stock

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Wise quackers?

Peking Duck pizza? It's ruffling a few feathers

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SPACE

Rocket launch test of engine

By ZHAO LEI
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China will soon conduct the first flight of the Long March 6 launch vehicle using the country's new-generation rocket engine, according to a senior scientist.

"A launch of the Long March 6 is planned in the middle of the year and it will use the newly developed 120-ton-thrust engine as its main propulsion," said Tan Yonghua, president of the Academy of Aerospace Propulsion Technology and a national lawmaker.

"The Long March 7 and our most powerful rocket, the Long March 5, will make their first flights next year and they will also use the new engine," he said on the sidelines of the annual session of the National People's Congress.

The academy, China's leading developer of the liquid-fueled rocket engine, forms part of China Aerospace Science and Technology Corp, the major contractor for the country's space activities.

The Long March 6 is a high-speed response launch vehicle capable of placing a payload of about 1 metric ton into a sun-synchronous orbit at a height of 700 km.

The new engine, which has been developed by the academy since 2000, will use liquid oxygen and kerosene as its propellants, meaning it is much more eco-friendly than current engines, Tan said.

With the new engine, the Long March 5 will have a payload capacity of 25 metric tons for low Earth orbits, or 14 tons for geostationary transfer orbits.

The latter type of orbit is fixed with respect to a position on Earth.

The Long March 7 will be capable of sending payloads of 13.5 tons into low Earth orbits and of 5.5 tons into sun-synchronous orbits, Tan said.

He added that the new engine has a thrust that is 60 percent greater than current ones and can carry a payload 2.5 times larger than its predecessors.

An astronautical researcher close to the nation's space program said China Aerospace Science and Technology Corp developed the Long March 6 in an attempt to gain more foreign contracts for launching lightweight satellites.

GADGETS



Apple CEO Tim Cook introduces the Apple Watch during an Apple event in San Francisco on Monday. REUTERS

By WILLIAM HENNELLY
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Apple launched its new smartwatch on Monday, with a couple of nods toward China.

CEO Tim Cook opened the presentation discussing the opening of another Apple Store in China. The new watch also will be able to send sketched images, which Forbes.com wrote "will be perfect for Chinese characters to be used as the basis of an IM conversation."

"Apple Watch is the most personal device we have ever created — it's not just with you, it's on you," Cook said. "Since what you wear is an expression of who you are, we designed Apple Watch to appeal to a whole variety of people with different tastes and different preferences."

The watch will be available

for preorder on April 10, and will reach consumers in Australia, Canada, China, France, Germany, Hong Kong, Japan, the UK and US on April 24.

It comes in two sizes, with the Sport model priced at \$349 and \$399 and the mid-range version starting at \$549. The high-end Apple Watch Edition starts at \$10,000.

"The high-end model they should call the 'China' watch as it's clearly targeted at emerging markets, aspirational (see above: China) consumers who are looking to spread their feathers (flaunt their individualism and wealth) with what has become the ultimate self-expressive benefit brand: Apple," Scott Galloway of L2 told Business Insider's Henry Blodget.

L2 is a digital think tank founded by Galloway, who is also a marketing professor at the New York University Stern

School of Business, where he teaches brand strategy and luxury marketing.

China is expected to account for as much as half of global luxury goods sales by 2025, according to The Guardian of London. Apple, which is the top-selling smartphone in China, saw a 70% increase in revenue in the first fiscal quarter from China, more than a fifth of its worldwide revenue.

Apple is China's most coveted luxury brand, according to the Hurun Report's recent Chinese Luxury Consumer Survey 2015. Consumer electronic devices, led by Apple, were the preferred gifts by both men and women, overtaking LV and last year's No 1 Hermes, which dropped to seventh. In that same report, the top gift preferred by men was watches; it was jewelry for women.

The November issue of Vogue China was the platform for the Apple watch's first

magazine cover.

Angelica Cheung, editorial director of Vogue China, said that "as the very first fashion publication to feature the recently launched Apple Watch on its cover, Vogue China is following in the Vogue tradition of moving with the times, giving our readers the first glimpse of a pioneering piece of technology that also doubles as a highly covetable fashion accessory."

In a nod to both fashion and technology, Cook shared the stage model Christy Turlington Burns, who used the watch to train for a marathon, and Apple engineers, who showed how to send drawings, pictures and even heartbeats.

Investors and analysts agreed that Apple would sell millions to fans but questioned whether it had a "killer app" that would engage a broader audience.

SEE "APPLE" PAGE 3

ENTERTAINMENT

Deal reflects new 'superhero' world

By AMY HE
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China's DMG Entertainment's new partnership with American comic book publisher Valiant Entertainment is a global marketing bonanza for the Beijing-based company, its CEO said.

"Global markets, like China, offer the greatest opportunities for monetization from merchandising, licensing, as well as revenues from film and television properties," DMG CEO Dan Mintz said in a statement.

DMG — co-producer of the 2013 blockbuster movie Iron

Man 3 — jointly announced with New York-based Valiant on Monday that DMG is investing a nine-figure sum toward the production of film and television programs based on Valiant's library of superhero characters.

That is in addition to an undisclosed eight-figure sum of equity investment to help the publisher advance its international promotion efforts in film, television and licensing, the companies said in their statement.

"Comic superheroes are the most lucrative and sought-after IP (intellectual property) for movie franchises, so taking a stake in the last

independent massive comic universe is a strategic investment for DMG that will produce movies and TV that are both appealing and relevant to a global audience," Mintz said.

"We are excited by the opportunity to bring these incredibly engaging characters and their stories to the big screen."

The deal also reflects a growing interest in superheroes from diverse backgrounds, said Dinesh Shandani, Valiant CEO and chief creative officer.

"We're able to reference and reflect the world as it stands today, so there's much

more diversity in our characters, in their social and political views," he said.

"With the Valiant characters, there is a specific evolution that happens in comics: It comes from the time period in which the characters are created, and the majority of the DC universe was created in the 1930s, and they represent the sociopolitical climate of the '30s," Shandani said. "The majority of the Marvel characters were created in a nine-year period in the '60s, and again, they represent the sociopolitical views of the '60s."

SEE "SUPER" PAGE 3

TRAVEL

China to give 10-year visas to Canadians

By PAUL WELITZKIN
in New York
and RENA LI
in Toronto

Canadians traveling to China will now be eligible for a 10-year visa from the Chinese government.

Chinese Foreign Minister Wang Yi announced the new visa on Sunday. In addition to being valid for up to 10 years, it will ease travel, reduce costs and cut down on delays and preparation time for trips to China, according to Ed Fast, minister of International Trade for Canada.

"(The) announcement of multiple-entry visas will greatly benefit Canadians, from businesses to tourists to those visiting family members back in China," Fast said in a statement.

"This 10-year visa will be of great convenience to over a million Canadians of mainland Chinese origin in Canada holding Canadian passports and over 300,000 Canadian passport holders residing in Hong Kong who as citizens of Canada require a visa to enter the PRC (under China's Nationality Law, dual citizenship is not recognized, so on acquisition of a foreign citizenship, Chinese citizenship is automatically revoked). Most such people return to China to visit relatives," Charles Burton, a former Canadian diplomat in China who is now a professor of political science at Brock University in St. Catharines, Ontario, said in an e-mail.

"It will simplify the processes involved in travel planning and obtaining visas. It usually takes between two and three days to obtain a visa which includes handing in your passport to a travel agency and or the consulate," said Sarah Kutulakos, executive director of the Canada China Business Council.

"More than 2,000 people now travel back and forth between the two countries every day, which is the number that traveled per year in the 1970s," said Chris Alexander, Canada's Citizenship and Immigration (CIC) minister. "We know the number will go even further as the result of the multiple-entry visa effective today."

CIC adopted the 10-year multiple-entry visa as its standard visa for every country in February 2014. It allows approved travelers to visit Canada as many times as they want, for up to 10 years, without having to re-apply

each time. Chinese Foreign Ministry spokesman Hong Lei said that the latest move will further promote exchanges and benefit people in both countries. Gao Ping, consul general at the Chinese embassy in Canada, said China issued 230,000 visas to Canadians last year, with 80 percent of them traveling to China for business, tourism or family visits.

"It becomes so much easier for us to travel to China without applying for a visa each time. Definitely, it has a lot of economic benefits for Canadian who do business in Canada," said Ken Ng, chairman of the Federation of Chinese Canadians in Markham.



It becomes so much easier for us to travel to China without applying for a visa each time."

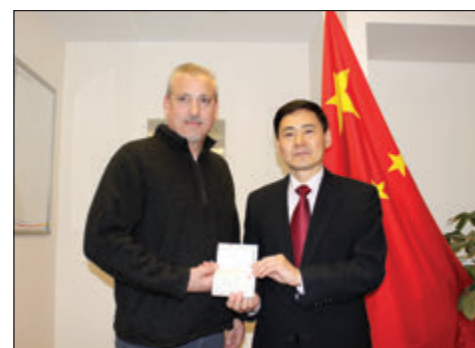
Ken Ng, chairman of the Federation of Chinese Canadians in Markham.

"It's probably one of the best announcements between the two countries on the high level," said Senator Victor Oh, who was one of the delegates on Prime Minister Stephen Harper's third visit to China in November 2014. "I'm sure this announcement is going to make more people on the both sides travel now. We look forward to more exchange, more ties, more business and more direct flights between the two countries."

Effective Monday, Canadians may submit their requests for the new multiple-entry visa to Chinese consulates and authorities. China is a priority market under Canada's Global Markets Action Plan, the government's blueprint for creating jobs and prosperity through exports, as well as Canada's second-largest trading partner.

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Yang Feiyue in Beijing contributed to this report.



Xue Bing (right), the Chinese consul general in Toronto, issues the first long-term, multiple-entry visa to Canadian citizen Timothy Mark Hay at the Chinese visa Application Service Centre in Toronto on Monday. The period of validity of Hay's visa is from March 9, 2015, to March 9, 2024. LI NA / CHINA DAILY

In the news

TWO SESSIONS Toughing it out

As growth slows, advisers urge support for innovation and say the government should not launch monetary stimulus programs. > p 5

CHINA Holiday craze

Visa programs allow Chinese visitors to take part-time jobs in New Zealand and Australia. > p 7

Earning stripes

China is establishing a national office dedicated to the protection of wild tigers, improving on the current fragmented effort. > p 7

LIFE Relic rules

A new set of guidelines is unveiled to regulate China's vast museum sector, but experts say more needs to be done. > p 9

BUSINESS Full steam ahead

The merger between train giants

CSR and CNR was given the green light by shareholders, paving the way for the creation of the largest train maker in the world. > p 13

Rooting out frauds

The Best way of tackling fake goods sold on line is to name them and shame them, a top regulator says. > p 13

Easing the burden

The central government has ordered a 1 trillion yuan swap plan of low-yield municipal notes. > p 14



2 ACROSS AMERICA

INDUSTRY

China wooing talent back home

By **LIA ZHU**
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Chinese high-tech talents living in Silicon Valley are being called back to their homeland to launch their own startups and help boost the country's slowing economic growth.

China has been trying to woo high-tech expatriates back home for decades, and now it's in more urgent need than ever for overseas talent, as massive entrepreneurship and innovation are being encouraged to achieve a medium-to-high level of economic development, according to the National People's Congress of China.

As China's capital, Beijing has been strategically positioned as a science and technology innovation center, along with being a political, cultural and international exchange center as well, said Liu Chunfeng, director of the Overseas Chinese Affairs Office of Beijing, during a visit to Silicon Valley on March 6.

"The overseas Chinese professionals will play a very important role," Liu told the attendees at an event held by US-China Association of High-level Professionals. "We are here to express our sincerity and all of you are welcome to come back."

Among the attendees was Celia Chao, an engineer in laser diagnostics, a technology that can be used to detect air pollutants. She attended the event in the hopes of learning more about policies for overseas Chinese launching startups in China.

She said her husband has already returned to China, preparing for their own start-up and she is leaving to join him soon.

"It's a decision after comprehensive consideration," said Chao, who graduated from Stanford University with a PhD in laser diagnostics after earning a master's degree from China's Tsinghua University in 2007.

"The environment here is

better and the job is stable, but there's not much room for further development," she said.

Air pollution has become a serious public concern in China, but its technologies in this area are not mature and the instruments are mostly purchased from overseas companies, she said.

"Since we have this technology, we hope to bring it back and develop our own sensor instruments," said Chao. Their products are expected to provide advanced measuring methods, so the findings can be used by energy- or environment-related data bases.

To attract more overseas Chinese professionals to return home, major innovation projects are underway in Beijing, such as the 10-square-kilometer Future Science & Technology Park, which is targeted to lead China's applied science and technology and innovative entrepreneurship, as well as Zhongguancun Science & Technology Zone and 16 high-tech parks, covering a total of 488 square kilometers across the city.

Zhongguancun, China's "Silicon Valley," has developed from an electronics products market in the 1980s to a technology hub today. It has witnessed the growth of notable companies such as Stone Group, Founder Group and Lenovo Group.

Zhongguancun has become Beijing and China's "hotspot" for independent innovation and emerging industries. The total revenue of the enterprises in Zhongguancun has steadily increased to more than \$500 billion in 2013 from \$1.4 billion in 1988.

Beijing has become the first choice for overseas Chinese who want to start up their own enterprises in China, according to Liu.

Although Beijing is not a traditional home of overseas Chinese, the number of overseas Chinese enterprises has dramatically increased since China's opening-up policy in 1979, said Liu.



Liu Chunfeng, director of the Overseas Chinese Affairs Office of Beijing, discusses Beijing's policies to overseas Chinese tech professionals in Silicon Valley last week. **LIA ZHU / CHINA DAILY**

MILITARY

China now No. 3 defense importer

By **NIU YUE** in New York

The Chinese mainland was the world's third-largest defense importer in 2014, according to a report by global consultancy IHS.

The Chinese mainland surpassed the Taiwan region and United Arab Emirates last year, moving from fifth place, ranking only behind Saudi Arabia and India. Russia is currently the largest defense exporter to the Chinese mainland.

The Chinese mainland "continues to require military aerospace assistance from Russia, and its total defense procurement budget will continue to rise very quickly," said Paul Burton, director of defense industry and budgets at IHS Aerospace, Defense and Security, in

a statement Sunday.

China is closing a deal to purchase SU-35 fighter jets from Russia, and pilots have arrived in Russia for training, the *Global Times* newspaper quoted Russian media as saying. China is also negotiating with Russia to purchase Russia's S-400 surface-to-air missile system, said the newspaper.

During a conference last November between the two countries' senior military officials, more agreements on military cooperation were reached, according to Xinhua.

"To tell the truth, there is still a gap between China's armed forces (and foreign counterparts) in terms of overall military equipment," said Fu Ying, spokesperson of China's National People's Congress.

China's defense budget will reach \$141.65 billion in 2015, a 10.1 percent increase from last year, but the rate is the slowest in five years.

However, Craig Caffrey, senior defense budget analyst with IHS, in a March 4 report, said the current lower rate of inflation in China puts real growth "around 9 percent, in line with recent years."

"Lagging behind leaves one vulnerable to attacks," said Fu. "That is a lesson we have learned from history."

Seven of the top 10 defense importers are within the Asia-Pacific region. The six others are: India (second), Taiwan province, Australia, Republic of Korea, Indonesia (fifth to eighth) and Pakistan (10th). Among those, India was the

world's largest defense importer and the largest defense market for US exports in 2012 and 2013, until it was replaced by Saudi Arabia last year. The IHS report also projects that South Korea will become a "regional leader" in terms of defense imports.

"I am not sure what level of defense purchase constitutes an arms race," said June Teufel Dreyer, professor of political science at the University of Miami. "However, a number of countries in the region have increased their arms purchases in recent years."

China's defense budget is lower than that of the US, Russia and the United Kingdom as a percentage of GDP. According to the Stockholm International Peace Research Institute,

2 percent of China's GDP went into military spending in 2013, the latest data available. The number for the US was 3.8 percent; Russia was 4.1 percent; and the UK was 2.3 percent.

Part of China's military budget increase was to improve wages and the welfare of the country's 2.3 million military personnel.

The IHS report also said China was the world's eighth-largest defense exporter in 2014. The world's five largest military exporters are the US, Russia, France, the UK and Germany.

In 2014, global defense trade increased for the sixth straight year to \$64.4 billion, up from \$56.8 billion.

Lu Huiquan in New York contributed to this report.

FASHION

Scroll revives cheongsam beauty in New York

By **HONG XIAO**
in New York

In fine make-up and vintage high heels, 11 ladies dressed in cheongsams walk before the audience, demure yet sexy. At the "Cheongsam Culture Salon" held at the City University of New York on March 6, the cheongsam — the quintessential ladies' dress of China popularized in the 1920s — seems ready to re-blossom in New York City after almost a century.

Organizers of the fashion show, presented by the Chinese University Alumni Alliance and the Tianjin Federation of Returned Overseas Chinese, were invited to gather and share the history of the classic garb.

Liu Bing, creator of the "Guohua-Global Chinese Cheongsam Image Giant Scroll", and Meng Qinggang, heir to a time-honored cheongsam name brand, were on hand along with some of the women depicted on the scroll.

The scroll is an ongoing project, initiated by Liu Bing, a cheongsam enthusiast and local TV host from Tianjin, that invites women to dress in cheongsams and pose for photos that will be added to a giant printed scroll in the manner of the classic Chinese painting Scene at the Upper River during Qingming Festival.

Liu said his interest in the cheongsam was inspired at a young age by old photos of women wearing cheongsams in the movie magazines founded by his grandfather, a former newspaper editor.

So far, his camera crews have captured photos of more than 7,000 women in cheongsams, women from many walks of life, including both celebrities and retired workers, ranging in age



The representatives who participated in the "Guohua-Global Chinese Cheongsam Image Giant Scroll" project show the beauty of cheongsam at the Cheongsam Culture Salon at the City University of New York on March 6. **HONG XIAO / CHINA DAILY**

"The cheongsam is to the Chinese what the kimono is to the Japanese and the hanbok to Koreans."

Meng Qinggang, the inheritor of Meng Luochuan

from 4 to 80.

"None of them are professional models," said Liu. "They participate in this project by just signing up."

"Extending the giant scroll is aimed at inspiring more women to experience the cheongsam culture and cheongsam's glamour. We're using the giant scroll as a vehicle not only because of its length, but also because its breadth and depth express the cheongsam culture," Liu added.

Meng Qinggang, the inheritor of Tianjin-based cheongsam brand Meng Luochuan, led listeners back through the evolution of cheongsam by showing dozens of antique cheongsams more than 100 years old.

"The cheongsam is to the Chinese what the kimono is to the Japanese and the hanbok to Koreans. It is a formal dress that can represent our nation. To some degree, the cheongsam does bind the female body with its high collar and body-hugging shape, highlighting feminine beauty," Meng said.

Made of pure silk, which can be preserved up to 1,500 years, according to research, there couldn't be better a more apt carrier of Chinese culture than the cheongsam, Meng said.

Quan Wenhua, a consultant in China, was one of the 11 ladies on the scroll who came to the US at their own expense.

"When I wear a cheongsam,

I feel confident and elegant," Quan said. "I feel proud to bring cheongsam culture to America, especially when we walked into the United Nations wearing cheongsams yesterday, and people who we don't know asked us to take photos since they thought we were very beautiful and traditional in cheongsams. I really enjoyed their appreciation."

The Guohua-Global Chinese Cheongsam Image Giant Scroll is now being shot in New York, and the project's camera crews have received invitations from Chinese communities in Washington, Los Angeles and San Francisco to add to the cheongsam scroll there.

Previous Years of the Ram have been good for US and China

Bombarded with non-stop festivities celebrating the Chinese New Year over the past four weeks, I have come to believe one thing about the Year of the Ram: it will see more Chinese enterprises continuing the trend of investing in the Bay Area.

In K&L Gates' San Francisco office on March 5, where the law firm this year held its annual Spring Festival celebration with the Chinese Enterprise Association, ChinaSF and the Asia Society, partner Howard Chen chronicled some epic events that took place in previous Years of the Ram and helped shaped history.

"We have every reason to believe that miracles will happen in this Year of the Ram," he said.

The late Chinese leader



Chang Jun
SAN FRANCISCO JOURNALIST

Deng Xiaoping paid his historic visit to the US in 1979 to facilitate exchanges across all channels shortly after the official normalization of bilateral relations.

In 1992, Deng went on his landmark "Southern Tour", a trip that still fell under the Year of the Ram based on the lunar calendar, re-emphasizing the importance of continuing the course of reform and opening up and rebuffing any attempts to make a U-turn.

In 2003, Hu Jintao was elected President by the National People's Congress and he fostered more dynamic and

vibrant exchanges and co-operation between China and US.

Last year, Chinese investment in the US reached \$12 billion, topping the \$10 billion mark for the second year in a row. In 2013, China's annual foreign direct investment (FDI) in the US exceeded the FDI of US companies into China.

There might be no better place than San Francisco to illustrate the closeness and co-existence of China and US. There are roughly 200 Chinese enterprises operating in the Bay Area with businesses ranging from real estate, aviation and tourism to high tech and energy.

In the last few years, the number of businesses on the both sides has grown tremendously, particularly the Chinese businesses investing in America and California, State



Luo Linquan, Chinese consul general in San Francisco, shares a lighthearted moment with Bay Area-based representatives of Chinese enterprises on March 5. **CHANG JUN / CHINA DAILY**

Senator Robert Herzberg said. Traveling extensively throughout China as an international

business attorney, Herzberg has noticed purchases by Chinese of real estate in southern

California and wineries in northern California have been strong.

At K&L Gates' celebration, eight Chinese companies were recognized for their sizable contribution to the San Francisco Bay Area:

SuNing Commerce R&D Center USA, an affiliate of China's leading home appliance e-commerce giant, which opened a Palo Office in 2013 and has 60 plus employees; Hanergy America Solar Solutions with a focus on the sale of solar modules and applications products; Oceanwide International Investment Co (USA), the Chinese real estate firm that inked an agreement to buy massive Transbay site for \$296 million; Zarsion America, Inc, which committed \$1.5 billion to building the Oakland-based Brooklyn Basin in 15 years.

Two air carriers — Air China Limited San Francisco, which has been flying passengers across the Pacific for 30 years, and newcomer to the Bay Area China Eastern Airlines San Francisco — were recognized for serving the area.

And two gaming industry players — ForgeGame US Corporation and Perfect World Co — were recognized for robust revenue increases in the US market and playing leading roles in China's gaming industry.

As celebrations of the Chinese New Year are close to wrapping up in the Bay Area, I'm hopeful that the Year of the Ram will bring good luck and prosperity for everyone in China and the US.

Contact the writer at junchang@chinadailyusa.com.

Apple: Time for watch

FROM PAGE 1

Members of the style establishment, in Paris for shows from the likes of Chanel, Givenchy and Hermes, mostly said they saw the watch as a gadget, not this season's must-have accessory.

The Edition price tag, which is inexpensive compared with a Pate Philippe Nautilus at just over \$42,000 on 11main.com, inspired plenty of jibes on social media, including many who questioned whether it would become outdated and compared the price to a car's. "Wonder what kind of gas mileage it gets," asked Twitter user Christopher Caruso.

China actually saw a homegrown smart watch before Apple's debuted.

Huawei Technologies Co. unveiled a 42-millimeter (1.6-inch) diameter luxury watch at an event in Barcelona, Spain, on March 1, before the March 2 opening of the Mobile World Congress.

Agencies contributed to the reporting.

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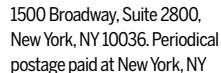
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DIPLOMACY



Germany's Chancellor Angela Merkel (left) and Japan's Prime Minister Shinzo Abe attend their joint news conference after talks at Abe's official residence in Tokyo March 9, 2015. Merkel, referring to Germany's own experience, reminded Japan on Monday of the need to squarely confront its wartime past but also signaled that neighboring countries must do their part to achieve reconciliation. The polite reminder comes as Abe is preparing to issue a statement to mark the 70th anniversary of Japan's defeat in World War II, the legacy of which still plagues Tokyo's ties with China and South Korea. REUTERS / TORU HANA

Merkel tells Japan to face its past 'squarely'

By AGENCIES

German Chancellor Angela Merkel, referring to her own country's experience, reminded Japan on Monday of the need to confront squarely its wartime past.

The polite reminder comes as Japanese Prime Minister Shinzo Abe prepares to issue a statement marking the 70th anniversary of Japan's defeat in World War II.

The statement will be watched closely by Beijing and Seoul, which suffered under Japanese militarism, as well as Tokyo's close ally, Washington.

Abe has said he intends to express remorse over the war and that his Cabinet upholds past apologies. But it is unclear whether he will repeat the

"heartfelt apology" and reference to "colonial rule and aggression" in his statement.

In a speech at the start of her first visit to Japan since 2008, Merkel referred to a 1985 speech by late German president Richard von Weizsaecker in which he called the end of World War II in Europe a "day of liberation" and said those who closed their eyes to the past were "blind to the present."

Merkel said Germany was able to return to a respected place in international society because of its efforts to face up squarely to atrocities in the war.

But she said she could not give any specific advice to Japan because lessons should be learned by its own people.

“Germany was lucky to be accepted ... after ... the Holocaust. This was possible ... because Germany did face its past.”

Angela Merkel, German chancellor

“Germany was lucky to be accepted in the community of nations after the horrible

experience that the world had to meet with Germany during the period of National Socialism (Nazism) and the Holocaust,” she said.

“This was possible first because Germany did face its past squarely, but also because the allied powers who controlled Germany after World War II attached great importance to Germany coming to grips with its past.”

Chinese Foreign Minister Wang Yi said on Sunday that Beijing will welcome any leaders who are “sincere about coming” to its military parade and other events marking the 70th anniversary of the end of World War II. He had been asked if Japan was invited.

REUTERS—AP—AFP

INDUSTRY

Xi and Li point way for Northeast

Leaders attend panel discussions, showing Beijing's commitment to rejuvenating the industrial region

By ZHAO SHENGNAN and ZHAO YINAN in Shanghai

Zhang Sheng, a deputy to the National People's Congress who runs a State-owned mining company in Heilongjiang province, has come to Beijing for the NPC's annual session this year with many questions.

How can his company shake off its financial difficulties — the worst since 2011 — when coal, its main product, is being sold at the lowest price for many years?

Will there be a turning point in the continued decline in national coal demand, or have coal's glory days in China been ended by the nation's economic transition?

Zhang shares his deep concerns with many NPC deputies from the resource-rich and heavy industrial provinces of Heilongjiang, Liaoning and Jilin.

The three provinces, which make up the country's northeast, are facing a painful struggle to shed outdated and wasteful old industries to build new growth engines for the local economy.

As a gesture symbolizing the central government's commitment to rebuilding the northeast, President Xi Jinping and Premier Li Keqiang attended panel discussions of the provinces on Monday.

Jilin's GDP growth was 6.5 percent year-on-year in 2014, below the national average of 7.4 percent, while Heilongjiang's growth was only 5.6 percent, 2.9 percentage points below the province's target.

Xi said officials in the northeast should have realized sooner that the local economy's simple and old-fashioned industrial structure was unsustainable.

He said the rejuvenation of China's traditional industrial base requires abandoning old industrial capacity as soon as possible to make way for new industries and services. “Sticking to the old path can only go further astray,” the president added.

Li, speaking to the Heilongjiang delegation, urged the deputies to act more quickly in business restructuring.

He also said the central government may offer financial incentives for the provinces' industrial transition.

Zhang's company, which is barely afloat with State subsidies after registering a 5 billion yuan (\$800 million) loss last year, is planning to reduce its full-employment payroll by as much as 28 percent this year.

Qi Yingfei, a professor of economics at Dongbei University of Finance and Economics, said the difficulties faced by the northeastern economy reflect changing times. The local governments will have to learn to help enterprises grow by producing products and services of a higher quality.

“This year is therefore a critical point. By requiring lower growth targets, the local governments may leave more room for reform and hopefully give more help to businesses seeking a transformation,” Qi said.

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MEDICINE

Organ donations look optimistic

By ZHENG XIN

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937 organs

donated this year between Jan 1 and March 3

Former vice-minister of health Huang Jiefu, a CPPCC member, said China's organ donations won't fall further short of demand after the suspension, which began in January, of using executed prisoners as a source of organs.

In fact, Huang said, the country's organ donation situation in the first two months since the change has given him reason to be optimistic.

About 380 people donated organs between Jan 1 and March 3, with a total of 937 organs donated. Huang said he is confident that there will be more than 10,000 organs donated this year.

Due to insufficient organ donations, executed prisoners had long been the main source of organs to ease the demand, although in recent years they were no longer the major source.

Since the controversial, decades-long practice ended in China on Jan 1, all organs now come solely from voluntary donations from citizens. This has prompted concerns about a greater shortage.

Due to organ scarcity, the organ transplant system has been troubled in the past, with illegal trades frequent in the black market and even in

some hospitals.

Huang said China was one of the countries with the lowest rate of organ donations before 2009. With the launch in 2010 of pilot projects nationwide for organ donations by citizens, the situation has gradually improved.

“The country became the top one in organ donation in Asia in 2014,” he said.

Last year saw about 1,700 cases of organ donation, with more than 5,000 organs donated. About 80 percent were donated by citizens, while 20 percent came from executed prisoners.

“A transparent organ donation system will lead to more qualified doctors and an increasing willingness of donation by citizens,” Huang said.

He said Chinese tradition and the fairness of organ distribution have been two chief concerns leading to low participation.

Compared with other countries, Chinese are less willing to donate their organs after death, Huang said earlier in an interview with China Daily. He said the situation should gradually improve.

Save water, not the bottles that hold it



OP RANA SECOND THOUGHTS

Cliched as it may sound a picture is indeed worth a thousand words. Perfectly fitting this description is a photograph on China Daily's website on March 7. The rows of chairs arranged to seat journalists attending the annual session of the National People's Congress at the Great Hall of the People in Beijing portray order, a trait that has become synonymous with the Chinese government. The objects that complete the photograph are water bottles placed on the vacant chairs in the empty hall — and they tell a story different from order.

When René Magritte painted *The Treachery of Images* (a pipe) and wrote

below it, “This is not a pipe”, he changed forever the way we see a painting: a painting is just the image of an object rather than the object itself. Going by Magritte's logic (rather philosophy), the water bottles in the photograph on China Daily's website just represented water rather than being water. And this is a stark warning.

The NPC deputies at the annual session have discussed (and will continue to discuss) serious issues among which the environment (or the protection of it) has occupied a high place. President Xi Jinping has even declared that those who destroy the environment or ecology will be punished with an iron hand, and none will be spared.

Protecting the overall environment is indeed important. But the focus of the fight to preserve the environment has been more

on reducing air pollution and less on other eco-friendly measures. In the process, water has not received the priority it deserves even though many environmental scientists and activists fear that the next world war will be fought over water.

It is precisely because of this reason that the photograph appeared graphic to me. Magritte has described his works as visible images that conceal nothing — they may evoke mystery, but that does not mean anything, because “mystery means nothing”.

For me, there is a great mystery behind the soft flowing, transparent liquid. It is perhaps the only element that separates Earth from other planets, life from no-life. A greater mystery is how we have managed to endanger almost all the sources of this source of life. The only difference, and a great one

at that, between the mystery that surrounds Magritte's paintings and the one behind water is that of the artistic-aesthetic and the real worlds.

More importantly, unlike the constant play of illusion and reality in Magritte's works, there is no such back-and-forth game associated with water. Our polluted rivers, lakes and oceans are not about any philosophical or aesthetic game, they are about life and death. We know very well this fact, that's why it is a mystery why we have not done enough to right the wrongs committed against water.

Let us be wary of Magritte's philosophy, that no matter how naturalistically we depict an object, we never do catch the item itself, and save water in its natural form rather than in bottles.

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Super: Deal to bring more comic books to film

FROM PAGE 1

“The Valiant characters were created, on the other hand, from 1990 up until the present day,” he said. “We're very different from Marvel and DC in the sense that we are still creating characters that fans have embraced. We have less of the gender issues that Marvel and DC have.”

DMG Entertainment co-produced *Iron Man 3* with

Walt Disney, and the movie grossed \$121 million in China alone, more than a fourth of the film's \$409 global box office revenue.

Audiences in China are “hungry” for superhero stories that they can relate to, and with the international box office making up a substantial part of superhero movies' revenue, “the time is right for a truly international superhero franchise”, DMG President Wu

Bing said.

Shamdasani said that superhero content is considered premier content in terms of how well the stories do at the box office worldwide. Audiences connect with the universal themes of good vs evil and the “pop culture escapism” that superhero movies often provide, he said.

Sony Pictures is currently developing one of Valiant's characters, *Bloodshot*, into

a feature film with Original Film.

Chinese audiences are already reacting well to the Valiant universe, Shamdasani said. The first two issues of *Bloodshot* and *Harbinger* were released by Tencent on Sunday, and both have received thousands of downloads the past day. The issues were translated into Mandarin and available for free, and subsequent issues are available for purchase.

4 TWO SESSIONS

Graft crackdown set to continue and intensify

The government's anti-corruption campaign has been underway for two years now, and while many support the move, others complain that the process has taken too long and hasn't gone far enough, as **Zhang Yan** reports.

The fight against corruption has become a top priority for the central leadership, because it is key to China's future and the legitimacy of the government, according to leading experts.

At the ongoing two sessions, the annual meetings of the National People's Congress and the Chinese People's Political Consultative Committee, many delegates have spoken warmly of the achievements of the anti-corruption drive and the determination to build a clean government, but others admitted that they harbor reservations about the duration and efficacy of the campaign.

"After an anti-graft campaign lasting two years, I expect the Party to strengthen its efforts and conduct a persistent campaign to crack down on corruption," said Du Mei, a CPPCC member and deputy director of the Television Artists Association in the Inner Mongolia autonomous region. Du urged the government to strike a balance between fighting corruption and encouraging honest officials to perform their duties without fear of falling foul of the investigative teams.

"Given the intensity of the anti-graft campaign, some officials in my hometown are wary of discharging their responsibilities because they are afraid they may become targets too," she said.

Xiong Daijun, an NPC deputy and vice-president of the North University of China in Taiyuan, Shanxi province, was also skeptical: "Although some effective measures have been taken, I still doubt the government will establish a comprehensive mechanism — information gathering, supervision, and prevention — that will eradicate the problem of corruption."

Niu Dun, a CPPCC member and vice-minister at the Ministry of Agriculture, said, "The priority is to speed up the legislative process and run the county in accordance with the laws to eliminate corruption at the roots."

After taking office at the 18th Party Congress in November 2012, President Xi Jinping initiated a wide-ranging drive against graft that targeted both high-ranking "tigers" and lowly "flies."

Statistics from the CPC Central Commission for Discipline Inspection show that by January, as many as 63 officials at the ministerial or provincial level and higher were being investigated over allegations of "serious violations of discipline," a common euphemism for corruption.

Those under investigation include four powerful "tigers": Zhou Yongkang, the country's former chief of security; Xu Caihou, a PLA general and former vice-chairman of the Central Military Commission; Su Rong, former vice-chairman of the CPPCC's National Committee; and Ling Jihua, former minister of the United

Front Work Department of the CPC Central Committee.

Some foreign media have also questioned the campaign, saying it has resulted in Party officials becoming reluctant to perform their duties and has led to a downturn in economic development. Some observers have said the campaign is nothing more than a purge of Xi's political rivals.

Chen Yong, an NPC deputy from Hong Kong who works in the financial sector, said: "Those (media) organizations have ulterior motives, and have deliberately distorted the truth. If China doesn't boost efforts to combat corruption, they will ask the government why it ignored serious graft and didn't take effective measures to cope with it." He added that the claims are politically driven, because the commentators are interfering in China's internal affairs and blame all failings on the country's political system.

Zhao Hongzhu, deputy head of the Central Commission for Discipline Inspection, the country's main corruption watchdog, said: "It's wrong for some people, overseas commentators in particular, to interpret China's anti-corruption campaign as an internal power struggle."

Widening the scope

Insiders said the commission will redouble its efforts this year and will widen the scope of its investigations to include all government offices and major State-owned enterprises.

Li Xiaohong, a senior CCDI official, said new guidelines would be issued by the end of June to standardize discipline inspection and better connect with the regulations to punish officials who break Party rules.

In addition, the scope of inspections will be expanded and accelerated to include as many as 2,100 cities and counties, and more than 4,700 government offices and departments, Li said.

According to the CCDI, local teams have conducted several rounds of inspections in more than 1,200 cities and counties since 2013. Meanwhile, 700 local governments and institutions were probed between 2013 and last year.

Li said the teams face heavy workloads, but the CCDI is ready to "improve its investigative capabilities and speed up its actions."

The commission unveiled the plans in response to President Xi Jinping's recent call for comprehensive rule of law and strict adherence to Party regulations.

Xi made the remarks at a recent CCDI meeting in Beijing, saying that last year's anti-graft campaign had been effective and the fight is "a matter of life and death" for the Party and the country. "All Party members should make compliance with the law and Party discipline their top priorities, so they will behave appropriately and build a clean government," he said.



Police from Huaibei, Anhui province, stand in front of a bell, a traditional symbol of impending danger in China, to swear an oath as part of the anti-corruption campaign, which will focus on government offices and major State-owned enterprises this year. PROVIDED TO CHINA DAILY



A paper-cut made by an elementary school student from Jiangsu province shows the character "Lian", which means 'free from corruption'. SI WEI / FOR CHINA DAILY



Volunteers from Liaocheng University use performance art to raise public awareness to combat corruption and ensure clean governance. ZHAO YUGUO / FOR CHINA DAILY

Spotlight on SOEs

At the end of the Chinese New Year holiday, the anti-corruption watchdog launched a round of inspections of State-owned enterprises. So far, CCDI inspection teams have visited 26 large SOEs, including State Grid Corp, China Shipbuilding Industry Corp, China Huaneng Group and China National Petroleum Corp.

A senior CCDI official, who declined to be identified, said, "We will accept complaints about misconduct involving SOEs' directors in their work and personal capacities via phone calls, e-mail and personal meetings."

At a meeting in January, the commission decided to redouble its inspections of SOEs, especially of directors in key positions.

Hao Mingjin, vice-minister of supervision at the CCDI, said: "The operations of some SOEs are closely related to national economic security. Corruption can result in huge losses and seriously compromise economic security. Some SOE directors have colluded with foreign forces to trade national assets in return for huge sums of money. We will resolutely fight abuses such as these."

In recent years, SOEs have been at the center of a number

Outdated laws must be replaced, say experts

Deputies of the National People's Congress and members of the Chinese People's Political Consultative Conference have called for the faster introduction of anti-corruption legislation to tackle the problem at the roots.

Chen Xu, an NPC deputy and prosecutor-general at the Shanghai Municipal People's Procuratorate, said the laws covering corruption and bribery are outdated and ineffective. "It's essential that legislators draw up specific laws to combat this problem," he said.

According to Niu Dun, a CPPCC member and former vice-minister of agriculture, new laws are needed to regulate officials and provide a legal basis for the eradication of corruption: "The premise behind the fight is the correct supervision of officials via guidelines that will prevent the abuse of power."

President Xi Jinping has also proposed tough measures, warning that victory in the fight against graft is essential for the

survival of the Chinese Communist Party.

In recent years, acceleration of the legislative process has become a hot topic among delegates at the annual two sessions, and a large number submit motions proposing laws aimed at specific forms of corruption every year.

At a key meeting of the CPC Central Committee in October, the central leadership decided to support the acceleration of legislation and improve the mechanisms to eliminate corruption.

In February, the Supreme People's Procuratorate announced that it would actively promote anti-corruption legislation.

"To restrict the power of officials, the priority must be to enact specific laws that offer a 'protective legal umbrella' for counter-corruption measures," said Wang Rulin, an NPC deputy and Party chief of Shanxi province.

ZHANG YAN

of cases of graft, mainly related to management issues, personal arrangements or audits that resulted in huge losses and posed potential threats to the country's economic security.

Dong Dasheng, a CPPCC member and former national deputy auditor-in-chief, said the overseas assets of SOEs under the direct supervision of the central government are valued at about 4 trillion yuan (\$637 billion), but despite the huge amounts involved a formal audit has never been undertaken.

Moreover, some SOEs' directors are alleged to have bought and sold positions, embezzled

public funds, or abused their power by arranging for their spouses and children to live overseas and run businesses, according to the CCDI.

Some officials bent the rules when awarding contracts, while others appointed family members to posts for which they were unqualified, or formed intra-party factions, according to the commission.

Since the Party Congress in 2012, CCDI teams have probed 14 major SOEs — in all, 118 central SOEs have been investigated — and more than 70 executives have been dismissed.

"It's essential that the over-

seas assets of central SOEs are audited to ensure that they are transparent, well-managed and not vulnerable to corrupt elements," said Dong, who added that a regular auditing mechanism for SOEs is urgently needed.

According to Xiong, from the North University of China, most of the SOE directors being investigated controlled valuable national resources, including petroleum, gas, coal and electricity. "To curb rampant corruption in SOEs, we need to break the monopolies and allow the market to determine the allocation of resources," he said.

Gao Bo, deputy secretary of the China Anti-Corruption Research Center of the Chinese Academy of Social Sciences, said: "SOE directors should be made more aware of their responsibilities so they will raise standards and encourage clean governance. We also need to establish a permanent supervision mechanism to oversee the use of power and to punish corrupt officials."

President Xi told the January meeting of the CCDI that the complexity and intractability of corruption means China still faces tough challenges, and warned that the battle is far from over. Anti-corruption mechanisms have been put in place but they aren't perfect, so corruption still exists and temptations remain, he said.

According to Zhao Hongzhu, deputy head of the CCDI, some officials still abuse their power and accept huge bribes because they can quickly line their pockets with millions, or even hundreds of millions, of yuan.

Others use their powers to establish close political or economic interests with other officials and company directors. Many secretly form factions, he said. The central leadership is fully aware that, historically, corruption was at the heart of several dynastic collapses and the failures of established political parties.

The CCDI said it would attach great importance to investigating officials who continue to act corruptly or display low moral standards even in the face of the anti-graft campaign.

Other targets will include officials involved with political and economic cliques, and those with poor public reputations. The probity of officials likely to win promotion to key positions will also be investigated to ensure smooth progress.

"Efforts to rectify the four undesirable work styles — formalism, bureaucratism, hedonism and extravagance — should continue," President Xi said. "Our determination to use strong medicine to cure illness will not falter, and our strength to rid our bones of poison will not diminish," he added.

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Sun Ruisheng contributed to this story.

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Voices from two sessions

Many officials in Sichuan were arrested on corruption charges in 2014. As a businessman in Sichuan, I know them, of course, but I didn't do anything I shouldn't have, and neither did my colleagues. Since the start of the anti-graft crackdown, I have been invited to far fewer banquets, so I drink much less than before and feel much better physically.

Liu Yonghao, NPC deputy and chairman of the New Hope Group

The anti-graft movement has been very profound, and I could feel its power even in my remote mountain village. Even village heads are careful to obey the laws and regulations now, because they know the watchdog is not only watching the "tigers" but also the "flies". As a grassroots deputy, I am very happy to see that change.

Li Xu, an NPC deputy and agriculture expert from Sichuan province

The government has taken strong measures to combat crime, and the number of corrupt officials has declined sharply. In Xinjiang, a multi-ethnic region, people from all the ethnic groups have welcomed the strong measures, and they hope the country will quickly enact laws to curb corruption at the roots.

Adil Hoshur, a famous tightrope walker and an NPC deputy from the Xinjiang Uygur autonomous region

As the saying goes, "If you go to the battlefield to fight, you must ask your father to come with you so the deep love between you and your father will overcome all odds", meaning that when people encounter difficulties and challenges, they should unite and trust each other to cope. It's totally wrong for some officials to accept huge bribes to use their connections to help businesses and other concerns.

Liu Jian, a CPPCC member and former vice-president of the Equipment Academy of the People's Liberation Army

ECONOMY

We'll tough it out as growth slows

Advisers urge support for innovation and say government should not launch stimulus policy

By CHEN JIA and DU JUAN

The economy is tough enough to adapt to a lower growth rate without suffering a sharp slowdown provided there is sufficient support for innovative industries, some of the country's policy advisers said on Monday.

"The government and enterprises have the ability to transform the development model in line with market changes, but the government should leave room for the market to self-adjust," said Qian Yingyi, dean of the School of Economics and Management at Tsinghua University and a member of the Chinese People's Political Consultative Conference.

The last thing the government should do is launch an aggressive stimulus policy that would only distort the economic balance by temporarily boosting demand, he said.

"We should not overwhelmingly rely on monetary policy," Qian added. "The government can play a new role by reducing the need for administrative approvals and support the development of innovative industries, such as electric automobile manufacturing. Not by directly investing money, but by improving infrastructure construction."

China's economic growth rate slowed to a 24-year low

“We should not overwhelmingly rely on monetary policy.”

Qian Yingyi, dean of the School of Economics and Management at Tsinghua University

of 7.4 percent last year, below the 7.5 percent target.

Premier Li Keqiang announced on Thursday that the 2015 GDP growth target is being lowered to 7 percent in order to adapt to the "new normal" rate of expansion. The property sector is experiencing a slowdown, and deflation has intensified in the manufacturing industry.

Li Daokui, an economics professor at Tsinghua University, suggested introducing deeper financial reforms to cut funding costs.

"The government should build a special fund for infrastructure project investment, and separate this money from commercial banks and trust companies," he said.

"Local government debt needs to increase properly, and local governments can directly raise funds from the bond market for long-term construction."

China's mobile energy and thin-film solar power generation industry will become a new driver of the country's economic growth with a predicted market value of eight trillion yuan (\$1.28 trillion) within three to five years, said CPPCC member Li Hejun.

Li uses the phrase "mobile energy" to refer to the fitting of a power source such as solar panels to cars, clothing and objects that are carried, for example backpacks and mobile phones.

He is chairman of the China New Energy Commerce Chamber and president of Hanergy Holding Group, a Beijing-based energy company focusing on solar and hydropower.

He said mobile energy, as a green industry, is related to five of the nation's new strategic industries — new energy, electric cars, new materials, high-end equipment manufacturing and environmental protection. Its development will transform the logistics and distribution methods of the traditional energy sector.

"The conversion rate of thin-film solar power generation has reached as high as 30 percent, which means the cost will fall as the usage scale grows in the coming years," he said.

"Thin-film technology and mobile energy are not a concept, but a reality that is happening."

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Well said

Xu Xiaolan, secretary-general of the Chinese Institute of Electronics, and Li Yanhong, CEO and chairman of Baidu, chat with other members of the CPPCC after delivering speeches at the Great Hall of the People on Monday. ZOU HONG / CHINA DAILY

EDUCATION

Yao's views on sport win backing

By SUN XIAOCHEN
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Basketball legend Yao Ming is arguably both the tallest and the highest-profile political adviser in the country, and his views on sports development always attract attention.

Yao has become a focal point at the annual session of the Chinese People's Political Consultative Conference since being elected to its National Committee in 2013.

Whenever he appears during the session, he stands out among fellow members with his towering 2.26-meter frame, and reporters mob him with questions and ask to take selfies with him.

However, the former National Basketball Association All-Star center says the attention makes him uncomfortable.

"This is a serious occasion, and our proposals and social issues should matter more than who is the star," Yao told China Daily on Sunday.

"It's natural that members from sports and entertainment circles attract more



Yao Ming, former basketball player. WEI XIAOHAO / CHINA DAILY

headlines than others, but it's important as well to pay equal attention to their suggestions, rather than taking photos and ignoring what they say."

Since retiring from basketball in 2011 because of a foot injury, Yao has become a university student and set up a wine business to go with owning the Chinese Basketball Association's Shanghai Sharks franchise.

The Shanghai native became involved in political affairs after joining the local advisory body to Shanghai's legislature

in late 2011, and was then recommended for the CPPCC's National Committee.

"We have come here to make suggestions about important issues to the government," he said. "It's important to prepare yourself through investigation and study, and to dare to speak your mind even if you sometimes go against the consensus."

As "Member Yao" instead of "Boss Yao" at his club, the 34-year-old has set an example by the way he performs his duties as a political adviser,

and his views have won government support.

At last year's session, Yao submitted a proposal calling for the scrapping of the requirement to obtain administrative approval for sports events as a way of boosting the market. In October, the State Council issued a regulation that ended the need to obtain approval for events and loosened State control of the sports market.

Lyu Xinhua, a spokesman for the CPPCC National Committee, said: "Yao's proposal was adopted by the government very quickly. It's a typical example of how a member of the CPPCC participates in discussions over State affairs and functions."

However, Yao downplayed the part he played in drawing attention to the issue.

"It was beyond my imagination that it (the proposal) would be introduced so quickly," he said. "But I think it had little to do with who I am, as there had been growing demand for this action to be taken. I just gave it a final push."

PROFILE

Deputy guards the interests of nation's security workers

By CAO YIN
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Zhu Liangyu

Large numbers of security guards quit their jobs every year because of low pay and a lack of training that restricts their chances of gaining promotion. Others suffer abuse and even violence from the public.

In an effort to reduce the number who leave, National People's Congress deputy Zhu Liangyu is calling for measures to improve their lives.

"My efforts are aimed at ensuring security guards get sufficient rewards and more protection, in the hope that the number leaving can be reduced," said Zhu, 42.

He has put forward a number of proposals concerning security guards since becoming an NPC deputy in 2013. He has devoted more than 20 years to the security industry, and says he has a "great affection for the job".

This affection dates back to 1993, when Zhu arrived in Beijing from his hometown,

Heze in Shandong province. His ambition was to become a policeman and earn money for his family, but instead he became a security guard at a community in the capital's Haidian district.

"I never thought I would stay in the industry for so long," he said with pride.

Zhu understands how the guards who leave the industry feel as he decided to quit on his first working day after a visitor without identity papers insulted him when he refused him entry.

"I was in rage when the visitor shouted at me and looked down at me. I did not argue, I decided to change my job," he said.

On the way home, he

noticed that a woman was following him.

"I felt uncomfortable and stopped. But then I realized she was following me because I was wearing a security guard's uniform, and this made her feel safe on the dark road. I was so moved and excited.

"At the same time, I held my head high and realized the job is important. I was determined to achieve something in the industry instead of quitting."

Zhu keeps a lookout for security problems when he visits shopping malls. He feels a sense of achievement when he helps victims of theft, and advises people to be careful in crowded places, such as around the doors of elevators.

"I like to remind women to take care of their bags when they are waiting in a line outside fitting rooms. I cannot bear it when someone is bullied and always want to help if people are in danger," he said.

Basketball star aims to bring fun to PE classes

By SUN XIAOCHEN

Physical education has traditionally involved students wearily running laps on campus, but Yao Ming's new proposal to introduce specialized PE courses is intended to make it fun.

Basketball great Yao, a member of the National Committee of the Chinese People's Political Consultative Conference, told its annual session that courses focusing on individual sports selected by students should be introduced in high schools to improve teenagers' declining fitness levels.

"Interest is always the best teacher. If students can learn and practice what they are interested in during PE classes, instead of being forced to take the same monotonous exercise

everyone does, they will be more willing to train," Yao told China Daily on Sunday.

Under the current high school curriculum, students take two 45-minute PE classes per week involving basic exercises such as running and jumping, and spend a limited amount of time playing ball games without professional guidance.

The emphasis on academic study has seen extracurricular sports activities replaced by extra tutoring in many schools, resulting in a decline in students' average fitness levels, according to a survey released by the Education Ministry last year.

Under Yao's proposal, a specialized PE course would teach a single sport selected by students with the same interest

during a 90-minute session. The idea has been tested in schools in Shanghai.

Theoretical teaching, intensive training and practice games would be run by qualified instructors to help students progress in their chosen sport.

"Normally, students don't have time to become really involved in one sport," said the 34-year-old former National Basketball Association All-Star center.

"Without enough time to train at a high level of intensity, their interest in sport cannot grow. Once they can do this, they will develop the habit of playing a sport and their fitness will take care of itself."

More than 13,000 students have taken part in this type of course at 17 high schools in

Shanghai since 2012, and have been able to choose from nine sports including basketball, soccer and table tennis.

According to a survey conducted by the Shanghai Sports Bureau last year, 81.5 percent of participating students said they had fallen in love with at least one sport because of the course.

Hu Jia, principal of Shanghai Jinhui High School, said: "Students do love sports, but not the stereotyped approach to PE classes. By offering customized instruction, they can now have fun while getting enough exercise."



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INDUSTRY

Hebei urges cement and steel firms to invest in plants abroad and in other provinces

By ZHENG JINRAN
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Hebei will encourage steel, cement and other heavy industry companies to invest in production capacity abroad and in other part of the country in response to the huge pressure to reduce output in the province.

Many plants in Hebei are operating at reduced capacity because of the need to cut air pollution, and factories elsewhere could make up the shortfall.

However, the production capacity that is transferred should be of good quality, and the initiative should not simply move pollution elsewhere,

Jiang Deguo, deputy governor of Hebei, said on Monday.

"We will pursue cooperation in technology and industrial development with other countries," he added. "The provincial government will implement preferential policies to encourage companies to invest in other countries."

Premier Li Keqiang sup-

ported the transfer of production capacity abroad and to western parts of China when he met the Hebei NPC deputies on Saturday.

Such a move will promote industrial development, increase employment in the countries involved and optimize Hebei's industrial structure, a win-win result, the

premier said. However, he said it should not move pollution to the regions.

Jiang added, "We have found a new and promising way to optimize industry and support the economy."

Hebei's heavy industries are a major economic pillar in North China and the province is the country's largest iron

and steel production area, accounting for around 25 percent of total output since 2013.

The production of glass in Hebei accounted for 17 percent of the national total, and 5 percent of cement production takes place in the province, said Jiang.

These industries has been criticized as a major source of

air pollution in a province that contains six of the 10 cities in the country with the worst air quality.

The province has shut thousands of outdated and polluting plants since 2013.

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6 TWO SESSIONS

JUDICIARY

Rule of law finds public backing

By CAO YIN

Being a legal reporter for about five years, I find it exciting when deputies in various industries are eager to share their views on judicial issues during the annual legislative and consultative meetings.

"I am glad to see our country improving the quality of lawmaking and accelerating judicial reform in the past few years, especially after the leadership raised the importance of the rule of law in October," said Ke Jun, Party chief of Tianmen, Hebei province and an NPC deputy.

He said he has often heard people complain about the difficulty in dealing with government departments as the officials sometimes do not handle administrative affairs in accordance with law.

Judicial reform is a social issue that requires effort from every walk of life, he said.

"The rule of law is not only work for our legislators and judicial experts, but also for the public. The improvement of law requires contributions from more people, though some of us are not professionals," he said.

"In the past, I often thought laws were none of my business, but now I've realized they are helpful to my work, so I started to learn about them. The more people enhance their legal awareness, the faster, I think, a society based on rule of law can be created," he added.

Zhang Qiong, another deputy from Hubei, said the problem of handling matters through "connections" will be alleviated if more people abide by rules.

Although the deputy specializes in health, she said that she also takes notice of legal news, especially after the leadership started judicial reform in 2013 and highlighted the role of the rule of law last year.

"Obeying rules of our own industries is an embodiment of the rule of law. When each



Cao Yin
REPORTER'S
LOG



The rule of law is not only work for our legislators and judicial experts, but also for the public."

Ke Jun, NPC deputy and Party chief of Tianmen in Hubei province

industry, which can be taken as a single cell of the country, is ruled by law, the nation will be gradually regulated," she added.

Tian Rubin, a deputy and an entrepreneur from Hunan province, makes the law a priority in his agricultural businesses, saying a better legal environment is important for an enterprise to compete in the market.

"It could be a hassle when I registered a business license or applied for an investment project in some administrations before, because their review process cost too much time and often charged ridiculous fees," Tian said.

The administrators did not think their behaviors had disobeyed laws, even though they hindered the development of companies and caused disorder in the market, he added.

Sun Yuqiu, a college principal from Hubei, said that the rule of law has also been highlighted in education. "Teachers who make use of their posts to 'help' others with enrollment will be punished under our rules," she added.

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Spiritual guidance

The 11th Panchen Lama Bainqen Erdini Qoigyijabu (center), a spiritual leader of Tibetan Buddhism and a member of the Standing Committee of the Chinese People's Political Consultative Conference, attends a meeting for religious political advisers of the two sessions in Beijing on Monday. ZOU HONG / CHINA DAILY

ECONOMY

Chinese companies like UK approach to business

Traditional trading nation can use experience to assist China in opening up its investment

By CECILY LIU in London
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The UK's open-for-business attitude is proving to be particularly attractive to Chinese businesses, and the UK's experience in creating this open environment can greatly help China liberalize its economy, said Dominic Jermy, chief executive of UK Trade and Investment.

"What the Chinese companies tell us is that they appreciate our transparency, our low corporate tax rates and the ease with which companies can access talent in the UK," Jermy said.

He said the UK and China have many areas of great potential cooperation, and a

further opening-up of China's investment environment will allow these opportunities to flourish. The creation of the Shanghai Free Trade Zone, for example, is already a big step in this direction.

"I'd like to see that kind of development grow and broaden to other parts of the Chinese economy," said Jermy.

In addition, Jermy said, his team welcomes the Chinese government's efforts to strengthen intellectual property rights in China, creating "a freedom for businesses to be entrepreneurial, and stability of investment and rule of law".

Jermy said there is no restriction on Chinese investment in the UK, and all Chinese companies in the UK are



Dominic Jermy,
chief executive of
UK Trade and
Investment

strength of the UK economy that can help China to achieve its desired structural shift to high value-added growth.

"The roots of the UK's creative industries go back centuries, to the development of the film and TV industries in London in particular. Global hits like *Sherlock Holmes*, *Downton Abbey* and *Shaun the Sheep* are all projects that Chinese businesses want to see and want to participate in," he said.

"My judgment is that China is developing its service industry now in the way it's done outstandingly with its manufacturing industry over many decades. As there are so many innovative businesses in the UK, that allows opportunities for new trading partnerships. Chinese companies want to be cutting edge, and that's where UK businesses can help," Jermy said.

on a level playing field with all other firms, due to the UK's historical attitude to welcome foreign businesses.

"I think it's instinctive. The UK is a trading nation, which has traditionally welcomed people to do business there and celebrate their success," he said.

Jermy said there are many areas of great complementarity between the UK and China's economies, including education, financial services, the medical industry and the creative industries, which is a key

Issues and viewpoints

The central government has pledged to streamline government functions and improve administrative effectiveness since the country's leadership took office in November 2012. Since 2013, the central government has canceled more than 500 administrative examination and approval items and promised to do more in the future. Premier Li Keqiang said in his Government Work Report that the government will continue to streamline administrative procedures and delegate powers to allow the market to play a more decisive role. **Comments:**

I have been calling for delegation of government powers to lower levels, but it should be carried out under the premise that governments of lower levels are capable of handling things well. Sometimes powers are delegated from provinces to cities and even counties, but counties have no professional teams of civil servants who understand how to use the powers to better serve the people. The efficiency and effect of delegating powers, under such circumstances, is not good.

Tang Yilin, NPC deputy and chairman of Jinan Shengquan Group

As the State Council delegates more powers to the lower levels, I think a key mission is to "look back" — to check which powers have been delegated, to delegate the real and core powers and to avoid some departments from making no progress in delegating powers. We can organize an investigation into enterprises, to check whether powers have been genuinely delegated. After all, enterprises have the final say about whether the delegation work is satisfactory or not.

Zhu Lieyu, NPC deputy and lawyer

China has a tradition of "department legislation", which means some departments legitimize their own interest through legislation. We all know that administrative examination and approval has its legal basis. However, if we only stress the importance of a reform on administrative examination and approval while ignoring the necessity to make a change in its legal basis, the reform will not work.

Qian Xueming, member of the CPPCC National Committee and a political adviser from the China Democratic National Construction Association

One of the key issues for China's economic reform is to balance the relationship between the government and the market. We will consolidate different redundant government agencies and combine regulators' power in the areas of commerce, food and medicine safety and quality control to create a unified system to regulate the market. The purpose is to simplify the process and improve administrative efficiency.

Huang Xingguo, NPC deputy and mayor of Tianjin

What they say



I fully support the central government's decision to reduce senior executives' salary. I used to earn 1.2 to 1.3 million yuan (\$192,000 to \$208,000) before tax a year, and now my salary dropped the most in my company. I don't have a problem about it. I have had a high salary for many years. I have a house and a car. I could survive even if I was not paid for two years.

Liu Zhenya, CPPCC National Committee member and chairman of State Grid Corporation of China



If the wife of a leader chases after vanity and often says to her husband, "why do other leaders have houses and cars while we have nothing?", the leader may take risks to accept bribes to satisfy his wife out of shame. Conversely, if the wife refuses to take any gifts even when someone sends a gift to their house, the leader will be

immune (from duty crimes).

Lin Zhimei, NPC deputy and director of the duty crime prevention department of the Nanjing People's Procuratorate



The proportion of flights being punctual in our country dropped from 72 percent in 2013 to 68 percent last year, which indicates that the traditional airspace management system has hindered the development of the civil aviation industry and has to be reformed as soon as possible.

Li Jun, CPPCC National Committee member and chairman of China Air Transport Association



Establishing free education in high schools is helpful for the adjustment and transformation of the economic structure, and is particularly beneficial for attracting investment. It will be good for economic growth and will ease employment pressure if the

government invests 300 billion yuan (\$48 billion) in the initiative.

Li Yuanyuan, NPC deputy and president of Jiilin University



It is a must to pay attention to the increasingly serious problem of abandoned infants. About 100,000 babies are abandoned every year, and 99 percent of them are disabled or have diseases. I suggested providing free physical checks for pregnant women and building a national registration system for children with disabilities or disease.

Ma Xu, NPC deputy and official from the National Health and Family Planning Commission



Innovation will not be a problem if students start attending innovation courses and receive training on imagination and independent thinking starting in primary school. The reason why

innovation seems so hard is that people's thinking is confined while receiving education. Children in China lag behind in the ability to find breakthroughs in thinking and imagination compared with their foreign counterparts.

Yu Minhong, CPPCC National Committee member and president of New Oriental Education & Technology Group



In recent years, there have been a series of public protests in China against paraxylene projects, citing concerns that the petrochemical is toxic. Although there is great demand in the country for the product and it must be imported to meet the demand, lots of legitimate projects were shut down, causing great loss of State funds just because of the false beliefs. These incidents reflect that popularization of scientific knowledge among the public should be further strengthened.

Qin Dahe, member of CPPCC National Committee and an academic with the Chinese Academy of Sciences

IMMIGRATION

Working holiday craze grows bigger

Visa programs for New Zealand, Australia allow Chinese visitors to take part-time jobs

By XU JINGXI
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New Zealand is expecting strong demand for its 2015-16 Working Holiday Scheme for Chinese citizens, which opens for application on May 19, according to the country's immigration office.

Last year, the Immigration New Zealand website crashed due to the volume of traffic when working holiday visa applications for Chinese opened, and the quota of 1,000 visas was filled within nine hours.

The program was launched in 2008 as part of the free trade agreement signed by New Zealand and China. An annual quota of 1,000 working holiday visas is allocated to Chinese aged from 18 to 30, allowing them to travel in the country for up to 12 months and work part time.

"To grab a working holiday visa to New Zealand is like scrambling for a train ticket during the travel rush at Spring Festival," said Wang Lan, chief director of the Australia and New Zealand department at New Oriental Vision Overseas Consulting.

"The craze for a working holiday in New Zealand will continue and become even bigger, as the concept of a gap year is gaining popularity in China. People eligible for the program are those born after 1985 who grew up in an opening-up period and have a sense of adventure," Wang said.

“The diversity of lifestyles in New Zealand was a shock for me.”

Sun Xiangfeng, gap year visitor in 2011

Australia has become the second country after New Zealand to grant visas to Chinese for working holidays.

When the China-Australia Free Trade Agreement was signed in November, the two countries also completed negotiations on a Work and Holiday Arrangement under which Australia will offer 5,000 work and holiday visas annually to Chinese.

"It may seem easier to apply for the Australian program with the quota of 5,000 visas, but the application is more complicated. For example, it requires a letter of support from the applicant's government, but we need further clarification from the Australian authorities," said Wang.

Eliza Chui, education commissioner for North Asia at the Australian Consulate-General in Shanghai, told People.com.cn that the details of Australian Work and Holiday Arrangement will be released in May.

Alan Barry, a counselor at

the New Zealand Immigration Office in Beijing, said that the recent introduction of the Australian Work and Holiday Arrangement to Chinese citizens is expected to complement his country's working holiday program rather than be considered as competition.

But New Zealand made a change last year to strengthen the attraction of its program. Applicants approved from Dec 8, 2014, onward, can now work for the same employer for a period not exceeding six months instead of the previous three months.

"This change was made to provide greater flexibility to New Zealand employers and to Working Holiday Scheme participants," said Barry.

Sun Xiangfeng, who visited New Zealand from November 2011 to February 2013 with a working holiday visa that was extended by three months, welcomed the change.

"Participants can now apply for a greater variety of jobs. Three months are enough for farming jobs, but technical and office employees expect a longer period," Sun said.

The 28-year-old quit his banking job for a gap year in New Zealand to "open his eyes to different values and ways of thinking about life."

"The diversity of lifestyles in New Zealand was a shock for me. People live whatever kind of lives they want to. In contrast, buying houses and cars seems to be the unitary goal for many people in China," Sun said.



Spring blossom

Tourists enjoy the blossoming cherry and crabapple trees at Yuantong Mountain Park in Kunming, Yunnan province, on Sunday. The tourist venue attracted 200,000 visitors at the weekend.

WANG YUHENG / FOR CHINA DAILY

WILDLIFE

Office to guide protection of tigers

By LI WENFANG
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China is establishing a national office dedicated to the protection of wild tigers.

Preparations are being made for the office, which will be an improvement on the currently fragmented tiger preservation efforts, said Hu Huijian, a researcher of the South China Institute of Endangered Animals.

Dozens of wild Siberian tigers live in northeast China and a similar number of wild Indochinese and Bengal tigers live in the southwest.

Researchers are uncertain whether South China tigers still live in the wild, but there are more than 100 in captivity, Hu said.

The management of the wild tiger species is not unified, with little coordination and exchanges, he said.

The national-level office for

13 Siberian tigers

sighted at most in Changbai-shan Mountain forest area in recent years

tiger protection is expected to facilitate planning for the protection.

Since Siberian, Indochinese and Bengal tigers live in border areas, the office should help with international coordination, he said.

China adopted the Action Plan for Restoration of Wild Tiger Population in 2011 to significantly increase the population and habitat of tigers.

The Chinese Association of Zoological Gardens has a commission for the protection of South China tigers.

Data is collected on each South China tiger, including their daily condition and records of their offspring, lead-

ing to improvements in the condition of the species and survival rate in recent years.

Sightings of Siberian tigers have increased in Changbai-shan Mountain forest area in Jilin province, from six to nine in the late 1990s to 11 to 13 in recent years, according to the provincial forestry department.

Stuart Bray, chairman of Save China's Tigers foundation, said: "I have no doubt China will change the face of tiger conservation."

As a top predator, tigers need a complete ecosystem, which entails stimulating the recovery of the natural vegetation, prey and smaller predators.

Gains have been made in returning milu deer and crested ibis to the wild in China, and there is hope for similar achievements in tiger protection, although this will be more difficult, he said.

Zhai Jiajia contributed to this story.

Briefly

BEIJING

Court releases bad credit list

The Supreme People's Court has released a list of more than 830,000 names of people with a bad credit record in 2014, 20 percent of whom eventually pay off their debts, court spokesman Sun Jungong said on Monday. During the year, the court also banned 54,353 people with a bad credit record from buying soft sleeper train tickets, 972,492 from buying flight tickets and some 100,000 from having bank credit cards and obtaining bank loans.

Train stations get direct rail link

A direct rail link between Beijing Railway Station and Beijing West Railway Station will open on March 20. Construction of the 9.15-kilometer rail line started in December 2005 and was completed on July 26, 2014. The trip will take 15 minutes.

SHANGHAI

Crest fined for white lie on TV

US toothpaste producer Crest was fined a record 6.03 million yuan (\$978,000) on Monday for its deceptive advertising that exaggerates the whitening effect of one of its products, according to the Shanghai Administration for Industry and Commerce. In a TV ad, Taiwan talk-show hostess Dee Hsu claimed the toothpaste could whiten teeth after one day, which was found to be false, the administration said.

CHINA DAILY

CHINA DAILY USA on the move

WEEKEND CHINA DAILY USA

Tech firms cut from approval list

China to keep US protest energy: Gallup

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DUCK PIE

WISE QUACKS?

Some see Peking duck on a pizza as a triumph of culinary fusion. Others see mere confusion.

Mike Peters ruffles a few feathers to sort it out.

You see it everywhere in this country: Western food “with Chinese characteristics”, or with simple tinkering — a bit less sugar, say — to appeal more to Chinese palates.

The idea of putting Peking duck on an Italian pizza crust, however, seems to be edgier fusion than most. A visiting European food critic burst out laughing when I mentioned it, while an Italian assistant chef in a Peking Duck restaurant simply muttered “sacrilege”.

His Chinese boss wouldn't dignify the question with a response. An Italian chef in Beijing who has won awards for pizza-making in Italy was similarly mum.

Pizza lovers around China, however, know that view is not universal.

“Yes, as often in life, there are equally as many detractors as supporters for that,” says a laughing Jade Gray, the New Zealander who co-founded Gung Ho pizza in Beijing and was among the first to have a hit with a duck pie.

“We have not had the Peking Duck Pizza for the last year,” he says. “We like to keep mixing up our menu, keeping it fresh and innovative. I have no doubt that we will bring it back for a visit at some point. It totally works, the hoisin sauce totally making it.”

At Tiago, the family-style Italian restaurant opened by a Chinese couple last year in Indigo Mall, Peking duck pizza with spring onion continues to be a star.

“It's the best-seller for foreign guests,” says manager Katie Li, who expects it to be even more popular when the restaurant opens its outdoor beer garden this spring.

“However, our Chinese customers prefer our house special, topped with Parma ham.”

I've tried the duck pizza at Tiago and felt my own skepticism washing away. As Gung Ho's Gray notes, the hoisin sauce nicely binds the flavors together, and Tiago's version is generous enough with duck slices that the cheese complements but never overpowers it.

The latest entry on the scene is at Pizza Express, the 500-plus world-



Online

What do you think about Peking duck pizza? Post your comments on the online version of this story at chinadaily.com.cn/life.



A staff member at Pizza Express in Beijing presents a Peking duck pizza. MIKE PETERS / CHINA DAILY

wide chain that opened its first mainland restaurant last year. Its Peking duck pizza is a special creation for the Beijing market — served on a Roman-style crust that's flat and thin, almost cracker-like, with good-sized slices of flavorful duck that don't have to compete with too much sauce or cheese on the palate. Like at Tiago, this pizza is topped with spring onions but it's given a little extra edge with some red chili as well.

It's pretty grand with a glass of the house red — though my server, who says the duck pizza is equally popular with Chinese and foreigners, had suggested prosecco.

So do Peking duck and pizza marry in a particularly clever example of fusion, or are some classics best left untampered with? Rachel Ray, the US host of a hit TV cooking show, is all for it — she goes even further and Americanizes her “all-star” recipe by substituting chicken for duck. At Cdkitch-

en.com, the Peking duck pizza recipe calls for 2 cups of mushrooms (!) and a sprinkling of fried wonton crisps (!!) on top.

That could make a few classically trained chefs shudder. But Wolfgang Puck started a pizza revolution in Los Angeles with his now-classic salmon pizza in 1982, and California Pizza Kitchen made barbecue chicken pizza a menu staple 30 years ago.

And if some French chefs are willing to put foie gras on a pizza (*mais oui!*), maybe cuisine has gone so global that we should just get over it.

Contact the writer at michaelpeters@chinadaily.com.cn



Online

See more stories about dining by scanning the code.

RESTAURANT



A set of Quanjude's roast duck features meat, lotus-leaf-shaped and hollow pancakes, sweet sauce and vegetable fillings. YANG FEIYUE / CHINA DAILY

Seeking the classic bird at Quanjude

By YANG FEIYUE

yangfeiyue@chinadaily.com.cn

A taste of Peking roast duck has been considered a must for any visitor to China's capital, on a par with visiting Tian'anmen Square and the Great Wall. With its history of 151 years, Quanjude is a respected place to experience the classic dish.

The brand's Hepingmen restaurant, built in 1979, not only offers gourmets a chance to dig into the traditional food but also the whole roast-duck culture, thanks to a 1,000-square-meter museum on the seventh floor. A visit there took me on a journey through 31 delicate steps of preparing the duck, from breeding to roasting, which helped me appreciate what was later on my plate.

Quanjude's whole roast duck (238 yuan, or \$38) featured tender slivers of juicy meat with purplish red skin, complemented with lotus-leaf-shaped and hollow pancakes, sweet dip and vegetable fillings.

A chef carved the roasted bird in front of us onto two plates of meat with skins — and a small plate of crispy breast skin. Waiters then demonstrated the process of wrapping duck meat up with proper ingredients.

Mixing the soft roasted meat and skin with ingredients such as cucumber and spring onion creates a nice chemistry. The sweet sauce offers a lush but lighter, fresher taste than I've found at other duck eateries. The restaurant presents each pancake folded over, so they separate from each other easily — a real bonus.

The duck's crispy breast skin is considered by many Chinese to be its defining essence. Fresh duck oil erupts from the skin after one bite and fills the mouth, like water released from a sponge.

“We use ducks that are plump and sturdy with tender meat,” says

If you go

Quanjude Hepingmen restaurant
11 am-2 pm; 4:30 pm-9 pm daily, 14 Qianmen Xidajie (near Hepingmen subway station), Dongcheng district, Beijing. 010-8319-3101.

Wu Yubo, who supervises the restaurant's roasting operation now after more than 30 years experience in this technique.

He stresses that it's important to air-dry frozen ducks after thawing for 20 hours before roasting to avoid compromising their quality.

“We pour water inside the duck before roasting to make sure the meat retains its fat and moisture,” says Wu.

It takes up to 50 minutes for his skilled chefs to finish the roasting process.

Most of the other dishes at the restaurant use duck as an ingredient, including some cold dishes we sampled.

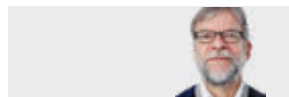
The spicy duck wing shreds won points for its presentation. The brown meat and transparent tendons were interlaced with each other, creating a chewy experience. The dish was slightly spicy with a touch of sweetness. The fragrant salty duck livers were not gamey and had a fine and silky texture. The dark-red spicy duck gizzards boasted a firm outside layer but were soft on the inside.

The other two cold dishes we tried featured pickled cucumbers and a white radish and carrots mix. Both tasted very sweet, with a faint sour tanginess, unlike most of pickles in China. Either makes a nice refresher between duck dishes.

The restaurant has five floors and can accommodate roughly 1,000 guests.

First person

Chinese wines get a grand showcase to shine



MIKE PETERS

The author is a food writer for China Daily. Contact the writer at michaelpeters@chinadaily.com.cn

The caricature of a wine expert from France would no doubt say French wines are *magnifique*. Italian wines? (Promising.) German wines? (Don't make me laugh.) New World wines? (Don't even go there.)

So what would real-life French wine experts make of today's Chinese wines?

I had a chance to find out last week at a pairing and tasting dinner, featuring comments by French wine journalists and critics Michel Bettane and Thierry Desseauve, authors of a globally respected annual wine guide. I was so intrigued by the prospect, in fact, that I uncharacteristically shelled

out 880 yuan (\$140) to check it out.

The dinner offered a second bonus: It was the first at the new special-events venue being opened by Temple Restaurant Beijing, often lauded as the capital's finest restaurant. The new spot, Copper, is an elegant, airy space crowned with a curved ceiling of ancient wood, like the hull of a overturned ship.

In 2012, I attended a symposium on Chinese wine, hosted by local experts. The consensus: Anyone who paid more than 300 yuan for a bottle of Chinese wine was an idiot. The logic: A 400-yuan bottle might not be bad wine, but for that money you could buy a much better bottle of French, Italian, Spanish or Chilean wine here.

So what would French critics — perhaps the most demanding and credible of oenophiles — have to say about Chinese wine three years later?

It is a night for praise, beginning with Helena Javitte, president of the Youth French Chamber of Commerce in Beijing, who declares the eight bottles on offer to be “Chinese

treasures with French knowledge”.

The cocktail hour begins with two Ningxia whites — Chandon sparkling wine (blend) and Kanaan Riesling 2013 — followed by six vintages paired with dinner courses. The next day, the experts would reconvene with industry folks and sample 180 vintages.

“How do you do that?” I ask Desseauve.

“It's what we do,” he says with a grin and a grand Gallic shrug.

While some speakers mourn the market opening in 2012 that allowed a peak in wine imports that year, others say the competition only made Chinese wine better.

“Eight years ago, all of the Chinese reds were too acidic, and all the whites were flat,” says one French wine particular quality. “Today there is much more balance, and tonight we are trying some of the best wines. The China wine story is not ‘will become’. It is already.”

It's no secret that most Chinese winemakers have so far seen little profit in investing time to make qual-

ity wines — they can sell cheap red grog as fast as they can make it. Why let the stuff age in casks for an extra year or so, when any consumer in China willing to pay a premium price would buy a French wine anyway?

The economics are changing slowly. And in some niche Chinese wineries, where already rich investors are more eager to make a reputation than a quick buck, more deliberate production is starting to turn heads and even win a few international prizes.

But there's a long way to go.

For example, it's too early to talk about “wine regions” in China, says Li Demei, assistant professor of food science at Beijing Agriculture College, who made a presentation on the state of the wine industry. When that term is used here, he says, it's more about administrative regions, not about terroir — the soil and climate conditions that give an area's wine a particular quality.

Grace Vineyard in Shanxi, the first boutique winery to convince many drinkers there was good wine made in China, led off the dinner

pairings with its Tasya's Reserve Chardonnay 2010. Also served with the first courses (cauliflower soup with curry oil and a delicate plate of gravlax) was Helan Mountain Domaine D'Arora 2013, a cab-sauv from that Ningxia winery.

With the main course — a seared roast pigeon with foie-gras pistachio croutons, polenta and roasted grapes — came a string of increasingly hearty reds. Zhongfei Merlot Reserve 2013 from Xinjiang was followed by a Ningxia-grape trio: Jinfulan's 2013 blend of cab-sauv, merlot and cabernet gernerisch; Silver Heights' Summit 2013 and Hansen's Red Camel 2012. The last two seemed to be the favorites of the room — and not surprisingly the priciest, with the Silver Heights bottle retailing at about 2,000 yuan and the Red Camel commanding five grand.

“Incredible,” says a Chinese wine critic at my table when winemaker Bruno Paumard revealed the price. “My clients are very rich people in Inner Mongolia,” he says, smiling. “They can afford this quality.”



A pigeon entree paired well with a series of hearty reds. MIKE PETERS / CHINA DAILY

Perhaps so, I thought, quickly pouring myself another short glass before the precious stuff was gone. But couldn't I buy something even better if I aimed my 5,000 yuan at ... well, a Bordeaux?

I ask one of the French panelists, who simply smiles. If the French know anything better than wine, it's discretion.

HERITAGE



RULES FOR RELICS

A new set of guidelines is unveiled to regulate China's vast museum sector, but experts say more needs to be done, Wang Kaihao reports.

In China, finding museums has seldom been a problem. But other than the big and established ones, many fail to be taken seriously by visitors because they don't have the resources to manage their collections or haven't been officially registered as museums.

However, change is afoot. Last week, Premier Li Keqiang set the course to make the country's museums' sector less chaotic by signing the State Council's first regulation of museums, effective from March 20.

The new rules demand that all museums have collection reservation areas, complete management systems and approval documents.

"The greatest breakthrough is that the new rules give equal status to State-owned museums and private ones," Duan Yong, head of the museum supervision office for the State Administration of Cultural Heritage, says.

"The two are no longer treated differently in terms of duties, qualifications, financial support or supervision."

China had 4,165 registered museums by the end of 2013, according to last year's statistics released by the State Administration of Cultural Heritage on May 18, International Museum Day.

Of these, 811 were privately owned. Together the museums attracted more than 600 million visitors in 2013.

But at least 20 percent of museums in the country aren't registered with the authorities, 30 percent are unable to make ends meet, and 60 percent do not even have a complete inventory of their collections, according to a report by Xinhua News Agency, citing a



Top: A visitor views an ancient porcelain exhibition in the Palace Museum in Beijing. JIANG DONG / CHINA DAILY Above: Newly designed museum souvenirs are on display at a fair held in Xiamen, Fujian province. WANG KAIHAO / CHINA DAILY

source in the State Council's Legislative Affairs Office.

Detailed inventory of collections and identification information of cultural relics will be needed for museums to get their licenses approved, according to the new regulations.

A cultural relic with an "unclear origin" will not be allowed to be collected by museums, it adds.

In order to better identify museum exhibits, a national general survey of cultural relics is underway.

The process will help create a national database of all items that have been preserved in China's various museums.

More than 12 million cultural relics have been assessed.

The general survey will last until

the end of 2016, according to the State Administration of Cultural Heritage.

The new rules also suggest that museums give free entry tickets to visitors, and all museums are required to open to the public within six months of getting their licenses.

"Rational business operations," like developing cultural innovation products, are also encouraged.

"Many Chinese museums are public institutions fully supported by fiscal expenditure. It used to be unclear whether they can make a profit, which can be an obstacle to nurture creativity," says Zhang Peng, a member of a national committee for cultural innovation products under the Chinese Museums Association, the industry supervision body.

However, the new rules encourage a museum to explore multiple ways to get financed "so long as basic discipline and its role as an educator" isn't changed.

"Collections are treasures of museums. Making money isn't the priority, but it will help establish a link between cultural institutions and the creative industry through areas like souvenir design," says Song Xiangguang, a museology professor from Peking University.

"It will enhance people's consumption of culture."

China's State-owned museums are public institutions, which generally lack enterprising business models, and many existing management problems are attributed to the institutions' overwhelming dependence on government administration and aid, Song says.

"The private museum boom nationwide in the last decade brought unprecedented challenges and made us realize that people's demand for museums is diverse, and therefore the urgency to promulgate such a regulation," he says.

"It will upgrade management levels and will simultaneously provide the industry with professional guidance that was considered insufficient in China so far."

Though Song feels the new rules are good first steps, he says they have limitations.

For example, popular science institutions and military museums are not included in the regulation.

"The regulation focuses on museums exhibiting cultural relics, and does not pay equal attention to those of folklore, nature science and the fine arts, but a complete museum system should include a wider range," he adds.

In addition, it might be difficult to coordinate efforts of different government departments to implement the regulation because the cultural relics administration is not the only department responsible for museum management.

"Perhaps, a national museum law is still needed to solve such problems," Song says.

Contact the writer at wangkaihao@chinadaily.com.cn

MUSIC HUB

Jamaica looks to reclaim global dominance in reggae

By ASSOCIATED PRESS in Kingston, Jamaica

For decades, the sound of Jamaica has been reggae, the infectious, uniquely syncopated music that transformed the small Caribbean island into a cultural powerhouse.

But the genre's success has taken it far beyond its roots, and now many in Jamaica worry that reggae-lovers abroad are forgetting the motherland where it was born.

"Reggae was given to the world by Jamaica so nobody can or ever should discourage anyone overseas from making this music. But we think there should be acknowledgment that reggae was created in Jamaica," says Michael "Ibo" Cooper, a musician who is chairman of the Jamaica Reggae Industry Association.

Around the world, music festivals celebrating the sounds made famous by reggae patron saint Bob Marley and followers who developed the faster, brasher derivative of dancehall are more likely to be headlined by bands from places like California or France than by native-born Jamaicans. Aside from albums by the late Marley or his progeny, few of the top-selling reggae CDs or downloads come from Jamaican artists.

To get a stronger foothold in the information age, Jamaican officials and reggae industry insiders are brainstorming ways to better capitalize on Jamaica's exuberant music culture and help protect what some claim is local intellectual property. After years of only piecemeal support, the government increasingly is viewing reggae and other cultural enterprises as a hoped-for economic engine on the island.

Officials are hashing over the creation of a certification mark to designate "authentic reggae" — a sort of "Good Housekeeping Seal" — to encourage the use of Jamaican musicians, producers and merchandise. They also hope to defend Jamaica reggae by having the UN's culture organization add it to a global list of "intangible cultural heritage," such as Argentina's tango and China's Peking opera.

The Paris-based agency says the island's government has yet to apply for inclusion on the list of more than 280 cultural traditions.

Rob Bowman, a music professor from Canada's York University who has researched intellectual property and Jamaican music,

says that while population numbers mean reggae's biggest markets always will be overseas there's no reason why more revenue streams from foreign commerce shouldn't flow back to Jamaica.

"With few exceptions, these styles of music cannot be authentically replicated by non-Jamaicans. As such, these styles of music represent intellectual property that is, for all intents and purposes, already a part of Jamaica's branding," Bowman asserts in a World Intellectual Property Organization consultancy report for Jamaica.

A country of fewer than 3 million people, Jamaica has had remarkable success originating influential musical forms such as ska, rocksteady, reggae, dub and dancehall. Musicologists say production innovations and the discovery of "toasting," reggae deejays chanting over a beat, directly inspired hip-hop.

A cross-pollination of Afro-Caribbean folk music and American R&B, reggae first was introduced to Europe by Jamaican migrants settling in Britain in the late 1960s. Its popularity exploded in the 1970s with the rise of Marley and other Jamaican Rastafarian stars, whose music influenced British groups like The Clash, UB40 and The English Beat. Jamaican music later shaped US bands like No Doubt and Sublime.

Eric Smith, CEO of the New York-based reggae label Easy Star Records, says American bands are succeeding now due to their strong "do-it-yourself" ethos and online marketing, a key to making it in independent music. Unlike some earlier non-Jamaican reggae artists who adopted island patois and themes, they use the genres to highlight their own US culture, not Jamaica's.

Few Jamaicans argue there is any troubling cultural appropriation going on with foreign artists who embrace their music. Still, local musicians want better opportunities to make money and reach audiences abroad playing the island's top cultural export.

Just like everywhere else, Jamaican performers have scrambled to offset losses from plunging CD sales when consumers simply download music for free. And current Jamaican acts have had difficulty building fan bases overseas due to difficulty securing visas, among other issues.



Jamaican singer R.C., whose given name is Ryan Campbell, performs at a concert organized by the Jamaica Reggae Industry Association in Kingston, Jamaica. ASSOCIATED PRESS

MODERN MASTER

Peter Max still living the colorful pop-art vibe he created

By ASSOCIATED PRESS in Los Angeles

If you haven't seen one of Peter Max's paintings or drawings today, chances are you haven't opened your eyes yet.

Since he charged onto the pop-art stage a half-century ago, the progenitor of psychedelic art has stamped his creative presence on practically everything from the sides of an airliner and the hull of a Norwegian Cruise Lines ship to commemorative US postage stamps and, most lately, an endless string of art galleries.

He shows up at the latter about every weekend to sign paintings for which people pay anywhere from five to six figures. He'll even throw in a little bonus drawing on the back for someone who takes the time to

come up and say hi.

When he's not doing that, this exuberant, seemingly tireless 77-year-old child of the '60s keeps busy in his New York studio, cranking out more wildly colorful paintings in a style merging the realism of Norman Rockwell with the pop-art sensibilities of Ed Ruscha and Andy Warhol.

He says he paints and draws every day, sometimes cranking out his most recognizable works over and over again.

"When I come to work, whether I walk to work or I'm in a car, when I'm about five, six blocks away, the adrenaline starts to kick in, and I say, 'Oh my God, I can't wait. In five minutes, I'll be at the easel,'" he says during a phone interview from his New York studio.

This weekend, he'll be in Los Angeles for a combination career retrospective and sale at Gallery 319. Then it's on to Florida for more shows, then North Carolina, then Pennsylvania.

His constant flooding of the art market with his work and the fact it seems to be ubiquitous — he's been the official artist for such events as the Super Bowl, World Series, Kentucky Derby and Indianapolis 500 — has led some high-brow critics to dismiss him as mainly a brand, not an artist.

That's unfair, says Elizabeth Currid-Halkett, author of *The Warhol Economy: How Fashion, Art and Music Drive New York City*.

"I think his accessibility and appeal to the general public probably has taken away from his position

amongst the art world cognoscenti, but that quality, in and of itself, shouldn't be the detractor from his position as a serious artist," Currid-Halkett says.

"His art is accessible and can be understood without a PhD in art history, and that is a good thing."

It is very good for someone who never set out to be an artist.

"I always wanted to be an engineer," Max recalls, chuckling.

Born in Berlin as Peter Max Finckelstein, he was a year old when his family fled Germany ahead of the Holocaust. They settled in Shanghai, where his mother, noting her son's love of doodling, found him an art teacher.

Ten years later the family began a peripatetic, globe-trotting existence that took them to Tibet, Israel, Paris

and finally New York City, where the artist found his second love — celebrity.

He was sitting outside art school one day when Marilyn Monroe happened by, pausing momentarily to compliment his colorful, paint-splattered pants.

"She talked to me! Can you imagine? Marilyn Monroe," he says.

He would eventually cross paths with about every pop-culture icon of the 1960s and '70s and represent many in his paintings.

"Ringo Starr still comes to see me every few weeks," he says. "Paul McCartney's my buddy. He calls me."

For a time it looked like Max might have locked himself in the '60s. Then a few years ago, he began doing wildly colorful paintings of Taylor Swift.



Artist Peter Max poses for a photo during his retrospective with the Road Show Company exhibit in Northbrook, Illinois. ASSOCIATED PRESS

FIRST EXHIBITION

CHOPIN'S WORLD

A show of Polish masterpieces gives an overview of the political and cultural history of a country that sits between East and West.
Lin Qi reports.

For many Chinese people, Frederic Chopin (1810-1849) and his music have been a gateway to Polish art. But the country and its cultural traditions that made Chopin a leading musician of his era remain remote and mysterious to his fans in China.

Treasures from Chopin's Country, an ongoing exhibition at the National Museum of China, is filling in the blanks of people's knowledge of the composer's homeland, from the perspective of fine arts and handicraft.

The first-ever large-scale Polish art show in China is exhibiting 350 paintings, sculptures, textiles and silver and bronze wares from 20 of Poland's museums and institutions.

Curator Maria Poprzcka, a professor with the University of Warsaw, says the exhibition will tell "a second story" about Poland with the language of art, different from what one reads in political or history textbooks.

"Poland sits in between the East and the West. Because of the unique geographic position, Poland is open to absorbing different cultures while maintaining its own artistic characteristics," Poprzcka says. "The exhibits demonstrate the influence of Western art, especially that of Germany, Italy and France. The costumes, weapons and artifacts on show



Treasures from Chopin's Country, at the National Museum of China, fills in the blanks of people's knowledge of the composer's homeland. JIANG DONG / CHINA DAILY

If you go

9 am-5 pm, closed Mondays, through May 10. National Museum of China, east of Tian'anmen Square, Dongcheng district, Beijing. 010-6511-6188.

present the Oriental impact of when the country's territory expanded eastward in the 17th century."

Together, the exhibited works tell a story of a nation's artistic greatness spanning from the 15th to the 20th centuries. To arouse the interest of local audiences in the story, Chen Chengjun, deputy-director of the National Museum

of China, says the challenge was for the Chinese museum staff and their Polish counterparts to find a hook to draw people in. They couldn't find a better choice than Chopin, an expatriate in France who never forgot that he was Polish at heart.

Three parts of the exhibition unveil the social conditions and artistic world before, during and after Chopin's time, and the various things that influenced the musician. They show the art created during Poland's fall in the late 18th century. The last king of Poland, Stanislaw August Poniatowski, failed to save his nation from the crisis of being partitioned but he contributed greatly to the flourishing of arts. He established national museums and art academies.

His patronage attracted foreign artists including Italian painter Marcello Bacciarelli (1731-1818).

Bacciarelli's notable portrait of the king, *Stanislaw August Poniatowski with an Hourglass*, is part of the exhibition. It portrays a hopeless monarch who found it impossible to regain Poland's independence through reforms.

The loss of sovereignty pushed Polish art in a different direction. People's strong interest in Poland's history, scenery and folklore made historic, landscape and genre paintings popular. The expression of national spirit and anti-suppression underlined the artistic creativity of Chopin's contemporaries.

Symbolic artworks on show include a masterpiece of Jan

Matejko (1838-1893), *King Stefan Batory at Pskov*. The painting, a permanent display at the Royal Castle in Warsaw, measures 6 meters long and 3 meters high. It depicts the Polish king's victory in a campaign against Russia. *Chopin playing at Paris' Hotel Lambert*, another shown picture by the pianist's friend Teofil Kwiatkowski (1809-1891), recreates the gatherings of Polish expatriates living in Paris who often organized charity balls to raise funds for the poor back at home. It serves as the background of the exhibition's poster.

Also on display are landscapes of Warsaw during the 19th century, which engage the audience with the circumstance that nurtured the child prodigy Chopin.

Professor Poprzcka says one can feel that though Poland as a cohesive country vanished, Polish people took comfort from these paintings; the Polish cultural traditions were safeguarded through flourishing artistic activities, which united people and helped Poland to later retain its independence.

Polish paintings experienced a golden age at the turn of the 20th century. Young artists shrugged off the responsibility to be patriotic and created pure art. Painters sourced inspirations from poems and music. Considered a poetic genius, Chopin's compositions continued to inspire them and others worldwide.

Contact the writer at linqi@chinadaily.com.cn

Art beat

BEIJING

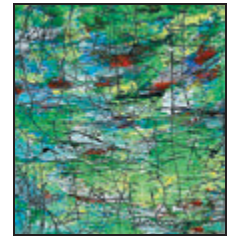
Solo show



Dutch artist Guido van der Werve is bringing his video work to Beijing's M Woods Museum. It is the artist's first solo show in Asia. The video work *Number veertien, home* took the artist six years to film. It is a story combining the narratives of Alexander the Great, the death of composer Frederic Chopin and the artist's personal narrative. Like most of Werve's works, it features soul-stirring music and poetic images. Since Werve's solo show at New York's Museum of Modern Art in 2012, he has gained worldwide reputation.

10 am-6 pm, Tuesdays and Saturdays, March 20-June 20. M Woods Museum, D-06, 798 Art Zone, 2 Jiuxianqiao Road, Chaoyang district. 010-8312-3450.

Ink and oil

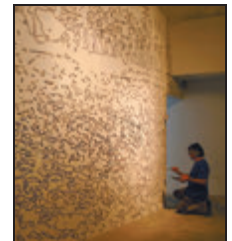


After devoting himself to Chinese calligraphy for decades, Liu Youju has turned his attention to abstract painting. Liu's exhibition of abstract paintings to be opened at Today Art Museum will feature dozens of his latest works in which he explores a combination of Chinese ink with Western oil painting.

10 am-6 pm, March 14-28. Today Art Museum, 32 Baizhuan Road, Chaoyang district. 010-5876-0600.

SHANGHAI

Project realism



Installation art from two Israeli artists Daniel Shoshan and Amit Matalon is featured in a new exhibition *Live Trace*. Shoshan and Matalon take an almost scientific approach to their art, taking photographic and drawing records of real landscapes and using them as raw material for further processing. They then assemble these images in a laboratory environment to create works of visual mapping, traces of memories and reflections.

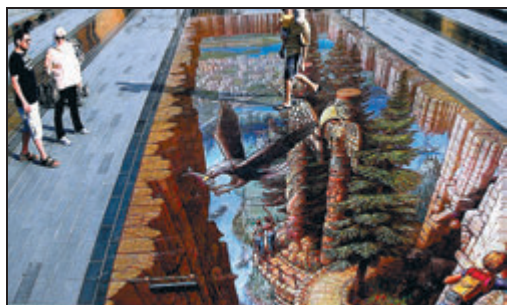
9 am-5 pm, Tuesday-Sunday, through March 31. Duolun Museum of Modern Art, 27 Duolun Road, Hongkou district. 021-5609-5728.

Wood prints

Wood prints by Judy Oong are on display at Okura Garden Hotel in Shanghai. Also known as Yung Ching-yu, Oong is a singer and actress from Taiwan, who has lived and worked in Japan for decades. Her career focus is wood print and her work has been selected to be featured in several national art shows in Japan.

10 am-7 pm, March 18-24. Okura Garden Hotel Shanghai, 58 Maoming Road, Luwan district. 021-6415-1111.

DUBAI 3-D FAIR



A man walks on a chalk 3-D artwork by US artist Kurt Wenner on March 4, near the Jumeirah Beach Residence in Dubai during the Canvas Festival. AGENCE FRANCE-PRESSE

Art on the ground

By AGENCE FRANCE-PRESSE in Dubai

The Middle East's first three-dimensional pavement art festival, starring works by international artists that appear to rise from the ground, kicked off last week in Dubai.

The Dubai Canvas Festival features 3-D artworks in chalk or paint, many of them depicting eye-catching images of the Emirati city. Kurt Wenner, creator of the 3-D pavement painting technique, says the setting of Dubai provided a "wonderful" chance to incorporate art into the city's ever-expanding landscape.

"What happened in Dubai as far as I can tell is that the concentration of vision has been architectural and I think they're still working on how they're going to be incorporating the visual arts," he says.

Noora al-Abbar, director of communications and innovation at the government of Dubai, says the festival was part of a wider initiative to

transform the city into "an open air art museum".

One of the festival pieces, a chalk drawing by Wenner, shows a boy aboard a traditional Emirati fishing boat surrounded by children carrying baskets of pearls and shells. Dubai's landmark high-rise skyscrapers are seen in the background.

Syrian visitor Omar Adi says the festival was "a huge opportunity for artists to showcase their talents and it is a new form of 3-D art that we haven't been used to in the Middle East".

Dubai, famous for its glitzy buildings, is home to Burj Khalifa, the world's tallest tower, as well as Dubai Mall, one of the largest shopping centers on Earth.

But the city has recently been investing in cultural projects, with plans afoot to build an opera house and a modern art museum.

Later this month it will hold the ninth edition of Art Dubai, billed as the leading contemporary art fair in the Middle East and North Africa.

ALTERNATIVE APPROACH

Display presents Picasso as a ceramist

By ASSOCIATED PRESS in Washington

Pablo Picasso crafted thousands of ceramic pieces late in his career that reflected his Mediterranean and Spanish roots, this art was long overshadowed by his famous paintings and sculptures.

Now a major exhibition of Picasso's ceramics is making its United States debut as the centerpiece of a new Iberian arts festival at the Kennedy Center in Washington. Many people don't know about Picasso the ceramist, so curators brought together more than 140 pieces to showcase his work.

Picasso's approach was a departure from the centuries-old traditions of smooth and polished ceramics as he created his own shapes in clay and employed his own colorful painting style. Curators say they hope the exhibition surprises many visitors who already know some of Picasso's work.

"He would really reinvent ceramics ... he completely upended the way that you worked with clay" with a more rough-hewn approach, says Josephine Matamoros, a Paris-based curator who created the exhibit.

The free exhibition opened on Wednesday, requiring timed-entry tickets. *Picasso, Ceramist and the Mediterranean* will be on view through March 22. It was originally conceived for a Marseille-Provence 2013 cultural festival in France last year and was shown at the National Museum of Ceramics near Paris.

As a ceramist, Picasso



Ceramics by Picasso are displayed in an exhibition hall at the Kennedy Center in Washington on March 3. AGENCE FRANCE-PRESSE



Pablo Picasso

would transform traditional clay shapes, such as a water jug farmers would take into the fields. He molded the tall jug into the shape of a woman, creating a kind of sculpture. In the case of an oval serving platter, Picasso painted a bullfighting arena surrounded by spectators, evoking a favorite subject from his native Spain.

While living much of his life on the French Riviera and vowing not to return to Spain under its fascist regime, Picasso idealizes his homeland, curators say. His ceramics provide a window into Picasso's deep attachment to Mediterranean culture, Matamoros said. The artist died in 1973 without ever returning to Spain.

The three-week, \$6 million Iberian arts festival, "Iberian Suite: Global Arts Remix", will also feature theater, music, dance, design and fashion from Spain, Portugal and the regions they have influenced around the world for centuries.

Performance highlights include Spanish flamenco dancer Sara Baras; Latin-Grammy winner and Spanish singer Buika with Cuban art-

ist Ivan "Melon" Lewis and theater from Portugal, Spain and Brazil.

Contemporary artists from Portugal, such as Nuno Vasa, have created visual art installations. Vasa from Lisbon, Portugal, created a full-size cable car out of cork — a major Portuguese export — as an homage to Portuguese poet Fernando Pessoa, who wrote about cable cars.

Festival curator Alicia Adams says she wanted to show the mix of cultures and traditions.

"It actually is about cultural exchange and transformation over a very long period of time because of the impact of the explorers from the 15th century from the Iberian peninsula and where they went," Adams says. "These explorations changed the world."

COMMENT

EDITORIAL • OPINION

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EDITORIALS

Clearing air pollution won't be done in a day

Thanks to a strong wind from Sunday on, clear blue sky appeared on Monday after heavy smog had shrouded Beijing for two days. Little wonder air pollution has become a hot topic for the current sessions of the National People's Congress, the top legislature, and the National Committee of the Chinese People's Political Consultative Conference, the top political advisory body. It will be a topic for discussion at all the annual sessions until the air quality substantially changes for the better.

In more than 300 prefecture-level cities nationwide, the air quality in 80 percent of them failed to meet the required standard, according to Chen Jining, the newly appointed minister of environmental protection. It is no longer rare for Beijing to be enveloped in smog when there has been no wind for days.

In 2014, according to the minister, the renovation of facilities for desulfurization, denitrification and dust control involved 130 million, 260 million and 240 million kilowatts in electricity generating capacity, and the installed capacity for desulfurization and denitrification has reached 95 and 82 percent. More than 6 million motor vehicles that failed to meet the exhaust emissions standard were eliminated, and so were 55,000 boilers that caused pollution.

Also last year, the public security department dealt with 2,080 criminal cases involving environmental law violations, twice the total number over the previous 10 years.

The government has made greater efforts to curb air pollution. Yet, the pollution is too serious for these efforts to produce an evident effect in such a short period of time.

There are also corrupt elements in the environmental watchdogs who turn a blind eye to violations of environmental protection law after receiving a bribe.

A lot more needs to be done to provide watchdogs with teeth and make it impossible for the watchdogs to become the accomplices of polluters. Something must also be done to make local leaders feel how imperative it is to fight pollution, so that they do not just promise a severer crackdown on the sources of pollution or pledge harsh measures against polluters just to please the public.

These are what people expect of the environmental protection minister, who took his post late last month.

Abe needs German courage

With German Chancellor Angela Merkel kicking off a working visit to Japan on Monday, Tokyo would not be its opportunistic self if it did not try to turn Berlin into a cheerleader for its bid to be a "normal country".

The Shinzo Abe administration is eager to elevate itself to the rank of Germany on the international stage and exploit Merkel's trip to doctor its ugly image on historical issues and obtain the kind of global respect Berlin enjoys.

But this wishful scheme is just Abe's pipe dream, says a Xinhua News Agency commentary on Monday. For starters, there is no sensible reason for Germany to debase its dignity and throw itself behind Japan's craven and irresponsible historical stance, to which China, South Korea and the broader international community are firmly opposed, and from which even Japan's closest ally, the United States, keeps a good distance.

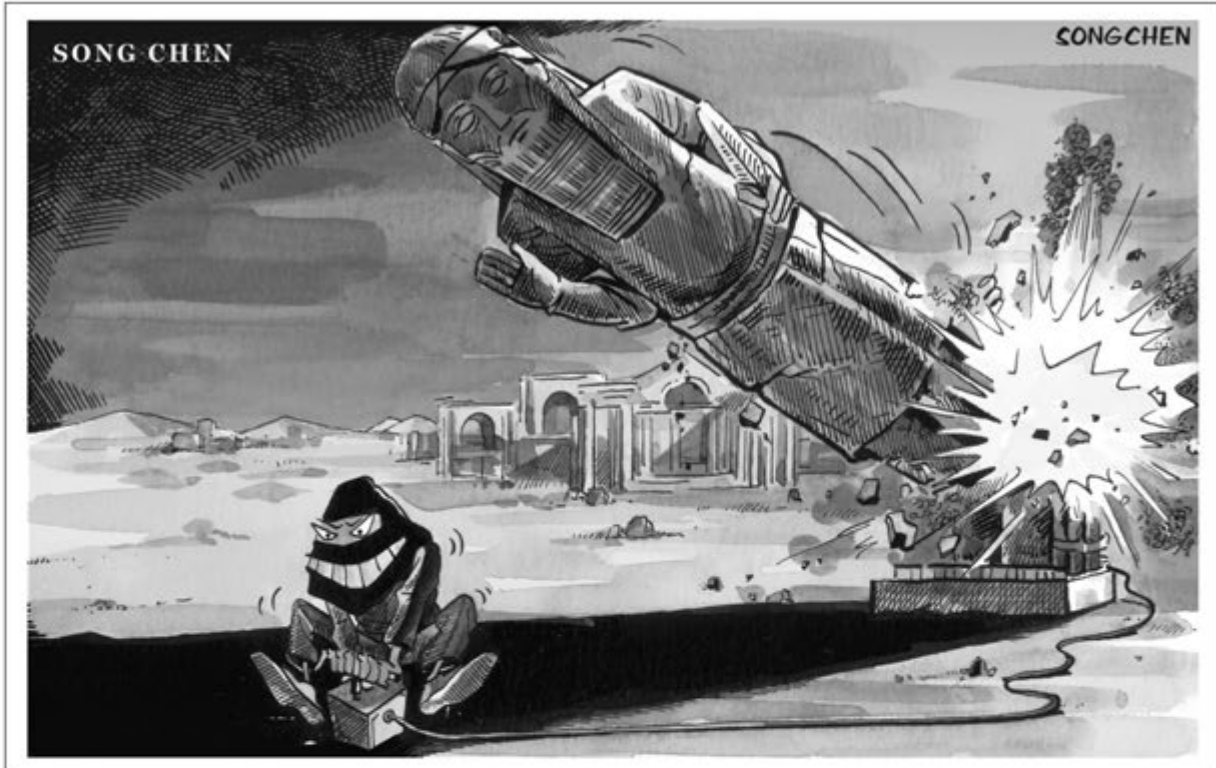
For another, even if Tokyo could cajole some sort of backing from Berlin for its aspiration to become a "normal country," Germany standing behind it will not help Abe's Japan look any more normal. Instead, it will only reveal how far it is from being that.

For against the backdrop of Berlin's bravery on historical self-reflection, Tokyo's cowardice is all the more conspicuous; against the backdrop of Berlin's sincerity in expressing remorse for its past, Tokyo's brazen impenitence looks ever more shameful.

As the world prepares to commemorate the 70th anniversary of the end of World War II, Merkel's visit indeed presents Japan with a unique opportunity. But it is not for Tokyo to manipulate the trip for the purpose of gilding its own image, but to truly learn some historical lessons from Germany.

It is time for Abe to understand that when West German Chancellor Willy Brandt knelt down at the monument to victims of the 1943 Warsaw Ghetto Uprising, his nation stood up.

It is time for Tokyo politicians to recognize that glossing over Japan's past atrocities and gutting its pacifist Constitution will never enable it to be viewed as a "normal country".



OPINION LINE

Anti-corruption campaign boosts sustainable economic health

UPON ATTENDING THE PANEL DISCUSSION of the Jiangxi provincial delegation at the ongoing session of the National People's Congress, China's top legislature, and hearing they achieved satisfactory economic results last year, top leader Xi Jinping noted that the anti-corruption campaign is a boost to sustainable economic prosperity instead of a drag on development. Comments:

The campaign against corruption will bring fairer market order, in which entrepreneurs will improve their products for a bigger market share instead of bribing officials for a monopoly. Such a market environment will not only raise the efficiency of the economy, it will also attract more domestic and overseas investors.

xinhuanet.com, March 8

Sixty five-star hotels suffered losses in 2014, because about 70 percent of their revenue came from government-related consumption; that's only one example of the withering luxury consumption. However, it should be noted that their past prosperity was based mainly on officials' massive selfish spending of taxpayers' money.

chinanews.com, March 7

Corruption is a cancer in the body of the economy because it makes good policies ineffective and serves the privileged class at the cost of those without power. The anti-graft efforts will change this and raise the efficiency of the economy, thus promoting, instead of curbing, healthy economic development.

Li Daokui, an economist and member of the Chinese People's Political Consultative Conference National Committee, March 7

Corruption lowers the quality of economic development. For example, when someone bribes an official and wins a government contract to build a bridge, he will almost surely build one of inferior quality for profit. Another example is officials selling State-owned mining sites at extremely low prices for personal gain, which hurts the economy. The anti-graft efforts will prevent both of these examples, as well as others.

Justin Yifu Lin, an economist, March 7

The anti-corruption campaign is part of a greater strategic move, which means much more than hunting some tigers (high-ranking officials) and swatting some flies (low-level bureaucrats). It will reshape society in terms of values and behavior, thus making sustainable development possible.

People's Daily, via WeChat, March 9

Who is trying to persuade people that the anti-graft campaign is hurting the economy? Obviously, it is the privileged class that absorbs astonishing amounts of illegal gains and hopes to keep on absorbing them. The campaign against their efforts to continue their corruption will be a long one.

Qianjiang Evening News, March 7

Ending college exam bonus marks a fair move

MINISTER OF EDUCATION YUAN GUIREN said in a recent interview that all national-level bonus marks for the annual National College Entrance Exam, or *gaokao*, will be cancelled in 2015, while over 60 percent of the province-level bonuses will be cut. Bonus marks for students with special abilities, such as sporting prowess, have long been criticized for being unfair. Comments:

When the authorities introduced the bonus marks years ago, they aimed at making the *gaokao* fairer because some students have special abilities but fail to get high scores in the national exams. Yet, corrupt officials have used loopholes in the policy, and falsified certificates to get the bonus marks for their children. This is a good example of corruption ruining a good policy.

Beijing Times, March 9

Some scholars warn that the new move might make the *gaokao* less efficient. But do not forget that the bonus marks have been misused. When fairness is the basic principle of the exam is threatened, the smart choice is to change the policy.

Qianjiang Evening News, March 9

The scandals linked with bonus marks are only part of the corruption in the exam. The root problem is that it still plays a decisive role in a person's future, and families put huge pressure upon children and try every measure possible to get them higher scores in the exam. Only a total reform of education can change this.

Ge Jianxiang, an education professor at Fudan University, March 8

Canceling the bonus policies is not necessarily bad news for students with strong sports or other abilities. They can apply for sports colleges or majors, or join a college team, both of which mean a better future.

Zhong Binglin, president of the Chinese Society of Education, March 9

Learn lessons so flights can arrive on time

ONLY AROUND 68 percent of scheduled flights in the Chinese mainland arrived on time last year, which was 4 percent less than in 2013, said Li Jun, director of China Air Transport Association at a panel discussion of the 12th National Committee of the Chinese People's Political Consultative Conference in Beijing on Sunday. Apart from changeable factors such as the weather, the poor management of the country's airspace is to blame for the increasing delays, Li added. Comments:

I myself have encountered flight delays. Methods were adopted last year to improve flight services with higher-level performance at air management, airlines and airports.

Li Jianxiang, vice-minister of transport in charge of civil aviation, March 6

To improve the domestic flight punctuality rate and service, Chinese airports should cut their use of shuttle buses for transporting passengers. Instead, passengers might find it much more convenient if the airport assigned trucks to "push" a plane to a boarding gate.

Li Dongsheng, president and chief executive officer of TCL Corp and deputy to the National People's Congress, March 6

The on-time performance of airplanes has a lot to do with the number of flights. The increasing number of flights unavoidably imposes greater pressure on a country's air management, even in those economies that boast an advanced and mature aviation market, such as the United States. Therefore, the flight punctuality rate is not just a case of the higher the better, unless it meets all the requirements for flight safety. Of course, we are obliged to learn more from those reputed foreign airlines whose punctuality rate can reach 90 percent, in regards to flight management.

Wang Jiangmin, a columnist of sina.com.cn, Dec 26, 2014

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HOT WORDS

Made in China 2025

中国制造2025 zhōngguó zhìzào 2025

To accelerate the transformation of China from a big manufacturing power to a strong manufacturing power, Premier Li Keqiang advanced the "Made in China 2025" concept in his Government Work Report to the top legislature this year. There are three stages to the transformation that will take about

three decades all together. "Made in China 2025" is the guideline for the first decade. It will lay a solid foundation for the next two stages.

It focuses on an innovation drive, intellectual property and green development. The authorities will also provide preferential policies to promote the restructuring of the traditional manufacturing industry, and support enterprises' mergers and reorganization, as well as market competition. Industrialization and informatization will be deeply integrated to make breakthroughs

in some key fields.

Minister of Industry and Information Technology Miao Wei said the "Made in China 2025" strategy is of great significance to the development of China's manufacturing industry. In 2010 China became the biggest manufacturing power in the world, but not a strong manufacturing power as China lacks enterprises and products that have international competitiveness. It is expected that the "Made in China 2025" plan will lift the country into the second tier of the global manufacturing industry by then.

“ I do not eat the fish that are too fat ... The domestic aquaculture industry uses too much antibiotics, which, if they accumulate inside the human body, might grant bacteria greater resistance to drugs. That situation is worth our concern.”

Zhong Nanshan, a senior medical researcher and deputy to the National People's Congress, said in a group discussion at the ongoing annual session of the top legislature.

VIEWS

The opinions expressed on this page do not necessarily reflect those of China Daily USA.

QIAO XINSHENG

Party disciplines complementary to rule of law

The rule of law and strictly regulating the Party are two of “Four Comprehensives” put forward by the top leader Xi Jinping recently as a blueprint for realizing the rejuvenation of the nation.

A better understanding of the relationship between the rule of law and strictly regulating the Party will help people better understand China's anti-corruption campaign and why it will continue.

Some deem that the ruling Communist Party of China is superior to the rule of law, and the policies and guidelines mapped out by the Party, including its disciplines, are superior to the State's laws. This view conforms to China's decades-long reform and opening-up practices. The Party first drafted the policies and guidelines to push forward reform, and then the law was revised to fit the changes brought about when the reform was developed to a certain stage; which turned the Party's policies into national operative norms.

However, others believe that the Party's disciplines must be within the framework of the Constitution and the law, and they should only exist if they are in line with the law. When they violate the law, they should be abolished.

In fact, the communiqué that focuses on “comprehensively advancing the rule of law”, which was passed by the Fourth Plenum of the 18th CPC Central Committee in October last year, resolved this difference.

It clearly states that the regulations of the Party provide the basis for the Party's management, and they guarantee the construction of the country with socialist rule of law. The regulations and disciplines of the Party are more rigid than the State's laws, and they are an essential part of the anti-corruption system and the most basic code of conduct for all Party members.

The anti-corruption system with Chinese characteristics presents the following features.

Usually the Party's discipline

... the regulations of the Party provide the basis for the Party's management, and they guarantee the construction of the country with socialist rule of law.

inspection commissions are responsible for investigating suspected corruption. According to the CPC's regulations, the discipline inspection officials are empowered to check any files or data of the suspects, and to talk with suspects to better understand their situation. More importantly, the discipline inspection officials can request the suspects answer inquiries at a designated place and time when necessary. It's a way of self-disciplining the Party, and has proven effective in the fight against corruption.

Reinforcing the internal rules of

the Party under the strategy of comprehensively running the Party strictly, produces a good work style. It has been a long-established rule of the Party to turn down offers of favors, treats or gift and uphold good moral integrity.

This is applied not only to the working lives but also the personal lives of the Party members. In some graft cases recently, “adultery” has been revealed in the reports of the discipline inspection investigations. It reflects that the Party puts much emphasis on both the social and private morality of Party officials. Those who if have improper sexual relations will not get a legal penalty, but in line with the CPC's rules, they would receive demotion or even deposition. All these indicate that the Party is setting a higher standard for its members.

The CPC has worked out a complete system and a systematic strategy to fight against corruption. The anti-corruption strategies have been working effectively, including the actions specially tar-

getting the “big tigers”, or senior officials, and dispatching inspection teams to the Party organs, government departments and State-owned enterprises to accept the reports from the public.

The influential anti-corruption campaign of the CPC is to meet the demands of China's efforts to deepen reform, which is also necessary to reinforce the foundations for the CPC's rule and improve its credibility. The campaign will continue and more “big tigers” will be caught. The discipline inspection commissions of the CPC are advised to increase the transparency of their anti-corruption efforts, fully satisfy the public's right to know and right of supervision. Meanwhile, China's democratic political system should be improved continuously as the anti-corruption campaign is carried out, so as to ensure the anti-corruption efforts meet their goal.

The author is dean of Anti-Corruption Research School of Zhongnan University of Economics and Law.

Bullet train let down by service



FU JING

The author is deputy chief of China Daily European Union Bureau. fujing@chinadaily.com.cn

With more than 16,000 kilometers of high-speed rail network so far, China has 60 percent of the world's total. Based on such a miracle, achieved within about ten years, Premier Li Keqiang has been going all-out to sell the country's high-speed railway capabilities around the world during his overseas trips.

Having worked in Brussels for several years, I have not had a chance to take a high-speed train in China, until I took a train from Beijing to Zhengzhou in Henan province during the recent Spring Festival to visit my relatives. Frankly, this was both a happy and annoying journey.

Shortly after I landed in Beijing airport on the early morning of the sixth day of Lunar New Year, I took a taxi to Beijing West Train Station, where I could only buy a privileged guest ticket on the self-service machine, which cost two times more than a second class ticket.

Having learned from the media that China's high-speed railway services are comparable to those offered on the flight when the bullet trains were first put into operation, I thought I would be treated as distinguished guest on the train.

After the safety checks, I entered the waiting hall and waiting to be called to take train at eight o'clock without queuing because I had a special ticket. However, I was not asked to enjoy such privilege, and I joined a long line to the platform.

My carriage was in the very front of the train, and I was the only guest in the carriage. Many reports have revealed that such seats are difficult to sell due to the high price.

It was in the early morning, I thought the attendants would serve me with breakfast, or at least water. But instead a middle-aged male attendant checked my ticket again. I asked about breakfast and he replied it would be offered soon.

Half hour later, an attendant came asking whether I needed something from trolley he was pushing. When I asked whether I need to pay, he nodded. I became annoyed, questioning him when the free breakfast and water would be served. He replied: very soon. In the middle of the three-hour journey, another male attendant came in with a bottle of water and a pack of cookies, instead of a formal breakfast. I was disappointed.

When I was college student traveling between Sichuan and Beijing twenty years ago, taking crowded trains in the summer and winter holidays were nightmares. They were dirty, slow and noisy. And of course, it was hard to get a seat and, on many occasions, we had to stand on foot on such long journey, which took more than 30 hours from Chengdu to Beijing. The service on the train was really terrible in those years.

I had hoped it would be improved on the bullet trains. Maybe my experience is uncommon, but while it was undoubtedly quicker, I don't think mine was value for money.

I experienced the first-class ticket service on a Eurostar train from Brussels to London. The meal, with starter, main course, desert, coffee, tea, is free. The newspaper and magazine are free. And it even offered a taxi booking services on board. Such a journey was memorable, comparable to traveling business class on a flight.

Europe has only 6,000 km of high-speed railways, less than half that of China's high-speed rail network. Premier Li said in the annual work report last week, that China will maintain the momentum, aiming to invest 800 billion yuan (\$130 billion) to construct more than 8,000 km of railways in 2015.

While the hardware is undoubtedly excellent, China needs to improve the quality of service on the trains if this sector wants to stand out in competing with the airlines.

ZHANG XIAODE

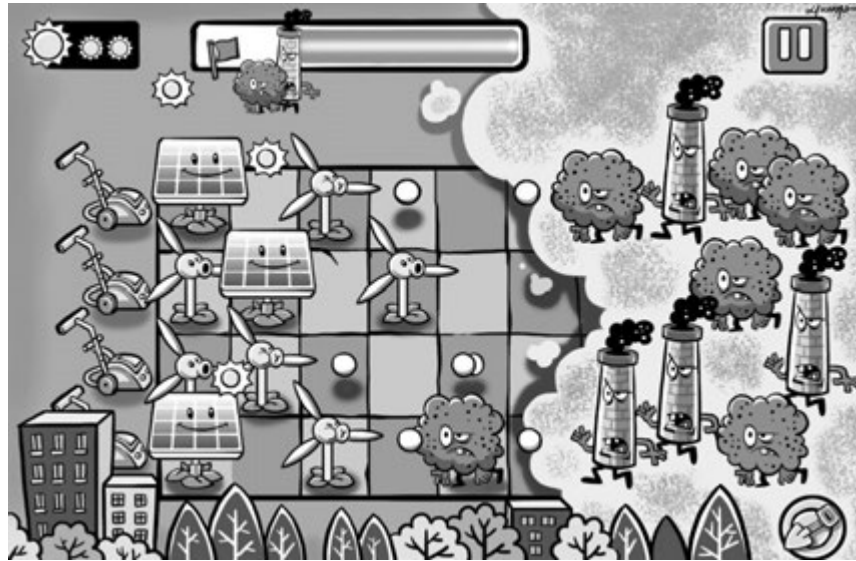
A silver lining has come in fight against smog

Smog is a hot topic at the Two Sessions with Premier Li Keqiang vowing to enforce environmental regulations in the Government Work Report.

The efforts made by governments at all levels to curb pollution have had a positive effect in the past year, which to many marks the first year that the air pollution has been reined in. More importantly, a mechanism for cross-regional cooperation involving both short-term emergency measures and long-term institutional endeavors, is taking shape.

According to statistics released by the Ministry of Environmental Protection, all 74 major Chinese cities subject to air quality monitoring of PM2.5, carbon monoxide and ozone, reportedly met the national standards for clear air on 241 days on average last year. For the Beijing-Tianjin-Hebei area, which has been plagued by frequent and severe smog in recent years, the figure was 156 days. The concentration of PM2.5 in the Beijing-Tianjin-Hebei area was reduced from 106 micrograms in 2013 to 93 micrograms over the same period. Such monitoring data indicate that the country's tough pollution fight throughout 2014 began to be effective. However, despite the decrease in PM 2.5 concentration, the figure of 93 micrograms was still nearly three times higher than the standard level.

The central government has made a significant increase in its



LI MIN / CHINA DAILY

investment in air pollution control projects. By doubling its special funds for the elimination of air pollution from 5 billion yuan (\$798 million) in 2013 to 10 billion last year, the central government has set an example for all local governments to follow.

Acknowledging that the root cause of most cases of air pollution is usually related to industries that generate illegal and excessive emissions, the terribly polluted Beijing-Tianjin-Hebei area, for example, witnessed several noteworthy moves aimed at cracking down on the major pol-

lutant producers in the region.

The following numbers speak louder than any hollow bureaucratic speeches do. The capital, last year alone, weeded out nearly 476,000 vehicles generating illegal exhaust emissions, and closed some 392 polluting enterprises, such as those in the chemical and printing industries. Meanwhile, 268 local enterprises received due punishments and 31 were shut down in neighboring Tianjin, with approximately 90 suspects were held accountable for allowing pollution.

Although more than 7,000

enterprises were punished in Hebei province during 2014, many of them such as steel producers were seen as local economic pillars. The whole province, as a result, is still struggling to find alternative sources of growth following the closures.

Nevertheless, the truth is, most of these “pillar industries” were already nearing obsolescence because of overstaffing and excess capacity. Of course, local governments should compensate the closed enterprises in accordance with the relevant laws and more importantly, encourage

companies to adapt to the new energy economy.

Given the borderless nature of air pollution, the Beijing-Tianjin-Hebei area is in dire need of the coordinated control mechanism which started to take shape last year. Aside from a regional committee for preventing air pollution and an information-sharing system based on air quality, the three areas also cooperated to reduce emissions of sulfur dioxide and nitrogen oxides by controlling major airborne pollutant generators.

To keep track of the real-time air quality around China, governments at all levels have set up over 1,400 monitoring stations, while the environmental watchdog completed a massive online monitoring system on polluting industries, the biggest of its kind in the world.

Public awareness of smog-related dangers which was absent for a long time, has also been aroused. A free smartphone application “Pollution Map” developed by the Institute of Public and Environmental Affairs, an environmental group in Beijing, allows users to check the latest emissions in about 190 Chinese cities on an hourly basis, and has become a hit with the public. This is indeed a promising trend, despite there still being a long way to go in the country's war against air pollution.

The author is a professor and director of ecological civilization research center at the Chinese Academy of Governance.

LI XIANGPING

Shaolin Temple's ‘commercialism’ is pragmatic

Shaolin Temple has kicked up a storm with its plans to build a modern Buddhism practice center and a four-star hotel in Shoalhaven city, Australia at the cost of 360 million Australian dollars (\$281.2 million). Thanks to TV dramas and films, many residents are so accustomed to linking monks with simple lifestyles, that news of such a huge commercial deal provoked many critical comments.

That's also why, even after Shi Yongxin, principal abbot of Shaolin Temple, said the investment is being paid with donations by Shaolin followers and all the temple will do is to manage the practice center, several domestic

media outlets rushed into the furor accusing the martial arts superstar temple of trying to cash in on its fame, with some of them even calling for intervention from the State.

In fact, such claims reflect a severe misunderstanding of Buddhism, even religion as a whole. Like all other civil organizations, religious institutions also need to cover their running costs.

Religions have never been divorced from economic needs – the institutions that spread them need money to support themselves and expand. Those that failed to gain material support have perished.

It is impossible for religious institutions to survive without

some commercial operations, especially if they want to develop and prosper.

Anybody who has ever visited a famous temple in China must be familiar with ticket offices at the gates; most of them are run by the local governments to generate revenue, from which the monks in the temples will get a certain percentage for the temples' upkeep.

Of course, the practice of religious institutions running a business is not without problems and risks. A big problem is that temples are registered as non-profit organizations in China, so they don't need to pay tax on their revenue. Although, according to the law, the money they make and

any donations they receive must be used for public benefit, not for personal gain.

Another potential risk is belief being kidnapped by commercial interests. There have been instances of religious institutions forcing believers to donate or consume at certain shops.

The relevant government agencies must strictly supervise and audit the commercial activities of religious institutions. And this applies not only to Buddhist temples, but also to other religious institutions such as Christian churches and Taoist temples.

Having lived in a planned economy for a long time, many Chinese residents might not

know that it is quite common for religious institutions in developed countries to participate in commerce. For example in Japan, being a monk is considered a job; in many countries temples register as corporate organizations that enjoy favorable tax rates.

Thus there is yet no need to worry about “commercialization” of religious institutions, what is needed is strict law enforcement to prevent illegal activities.

Li Xiangping is researcher at and director of Center on Religion and Society, East China Normal University. The article is an excerpt of his interview with China Daily's Zhang Zhouxiang.

BUSINESS

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INDUSTRY



The booth of CNR Corp at a recent railways expo, which was held in Beijing. The merger of CSR Corp and CNR Corp is expected to pave the way for the establishment of the world's largest maker of rolling stock. ZOU HONG/CHINA DAILY

Train merger gets green light from shareholders

Raft of regulatory approvals pending; deal will create global rolling stock giant

By LAN LAN
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Shareholders of CSR Corp and CNR Corp approved a proposed merger of the two companies on Monday, paving the way for the establishment of the world's largest maker of rolling stock with annual revenue of more than \$30 billion.

All assets, liabilities, certifications, staff, contracts and other rights and obligations of the two companies will go to the new merged entity, both CSR and CNR said in separate announcements.

CNR holds 51.83 percent of its listed company, while HKSCC Nominees Ltd holds 17.39 percent and an investment subsidiary of the parent

group holds 2.82 percent. The rest is held by parties including China's National Social Security Fund and China Construction Bank Corp.

CSR holds 56.48 percent of its listed company, while HKSCC Nominees Ltd holds 14.62 percent and the remaining shareholders have less than 1 percent.

The merger still requires approval by the China Securities Regulatory Commission, Hong Kong Exchanges and Clearing Ltd (which runs the city's stock exchange), Ministry of Commerce, overseas antitrust regulators and other agencies.

The merged company will be named China Railway Rolling Stock Corporation, and it will control the vast majority of the domestic market for rolling stock and urban transit rail cars.

CSR will issue new shares to CNR shareholders in exchange for their shares in CNR.

The State-owned Assets Supervision and Administration Commission will hold a controlling equity stake in the merged company.

The SASAC has approved the merger, the two companies announced last Thursday. Following that announcement, shares of CSR climbed about 7.6 percent and those of CNR increased by 8 percent on Friday.

Experts said that the merger will help the trainmakers become more competitive against rivals including France-based Alstom SA, Canada-based Bombardier Inc and Germany-based Siemens AG.

Zhang Cheng, an analyst with Changjiang Securities Co Ltd, said that the merger will promote the localization of the core components of railway equipment and avoid the wasted expense of duplicate research and development.

The merger will also reduce

competition in the domestic and foreign markets, where the two companies have been cutting their bid prices to gain an edge.

CNR is China's largest railway equipment manufacturer with 2013 revenue of 96.8 billion yuan, while CSR is ranked the second-largest with revenue of 96.5 billion yuan.

Premier Li Keqiang mentioned in the annual Government Work Report last week that China will implement a "Made in China 2025 strategy".

Although he did not elaborate, experts said that his comments indicated the government's resolve to boost the nation's manufacturing industry. The new CRRC is expected to play a key role in that strategy.

Experts believe that there will be no major issue with the domestic antitrust authority, but approval will still be required in the European Union and United States.

POLICY

Regulator: Name, shame e-commerce fraudsters

By MENG JING
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The key to tackling fake goods sold online is to establish a system that will record those who break the rules, said a top commercial regulator in Beijing on Monday.

Zhang Mao, head of the State Administration for Industry and Commerce, told reporters during the ongoing two sessions that it is important to "name and shame" those who sell counterfeit products online.

"If they sell fake goods, their behavior will be recorded in a credit system, which will affect their business, whether it means applying for a license or getting a bank loan," he said.

He did not give details on the timing of setting up such a system, but said that selling fake goods online has become "a major challenge" to an orderly market.

Zhang's comments came in response to a question regarding the sales of fake goods on the e-commerce platforms of Alibaba Group Holding Ltd.

Alibaba and the SAIC engaged in an unusual public dispute in January over a quality-check report, which



“Innovation is necessary when it comes to supervising the online market.”

Zhang Mao, head of the State Administration for Industry and Commerce

said that less than 40 percent of the goods tested that were sold on Taobao, one of Alibaba's online shopping sites, were authentic.

Zhang said that China's e-commerce boom was a new challenge for regulators. "Issues such as ... fake goods and the difficulty in getting refunds for purchases have become the top complaints of online shoppers," he said.

Although the government

and e-commerce sites have made a lot of effort, fake goods will not go away easily. Zhang said his administration will do more by pushing the drafting of China's e-commerce law.

"Innovation is necessary when it comes to supervising and monitoring the online market," he said, adding that big data technology can be used to analyze the online behavior of companies and to see if they follow the rules.

Wang Xiaoxing, an analyst with Analysys International, a Beijing-based Internet consultancy, said that fighting fake goods online requires further cooperation between the government and e-commerce companies.

"Government organizations may not have a deep understanding of how online marketplaces work. Setting up a mechanism to encourage e-commerce companies to share their information and expertise with the government is key," he said.

According to the SAIC, e-commerce transactions accounted for about 10 percent of retail sales last year, passing that mark for the first time. The market is growing at 30 percent to 40 percent annually, it said.

AVIATION

Solar plane's visit to lift environmental awareness

By CECILY LIU in Monaco
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Stops in China are important landmarks on the route of the Solar Impulse II, the first solar-powered plane to circumnavigate the world, said mission flight director Raymond Clerc.

This is because China is a big market for environmentally friendly technology, and the Solar Impulse II will raise awareness of this project in China, Clerc said on Saturday.

The plane took off on Monday in Abu Dhabi at 7:12 am local time. Its flight plan called for stops in various cities, including Muscat in Oman, Varanasi and Ahmedabad in India, Chongqing and Nanjing in China and Phoenix, Arizona in the United States.

Stopovers were also planned for Europe and North Africa.

The Solar Impulse II is expected to set a record for flying 40,000 km on solar power alone. To make the mission possible, 20 engineers and specialists have been monitoring the flight on video screens at the Mission Control Center, which was built for the project.

The takeoff took just seconds, and the workers at the MCC watched the live broadcast with pride and applauded as the plane took off.

One special guest was Albert II, prince of Monaco, who attended the event to show his support. He wore the MCC uniform and sat among the MCC engineers during the takeoff.

Prince Albert said that it

“It is important to decouple economic growth from environmental impact.”

Maxine Ghavi, program director for microgrids at ABB Ltd

was an honor to host the MCC in Monaco because it was "great to have Monaco's name associated with the project". Monaco strongly supports renewable energy, he said.

"Mission Control Center is the guardian angel of the Solar Impulse II because we receive all the necessary data to keep the plane in the air and keep the pilots happy and healthy," said Conor Lennon, MCC's communications manager.

Lennon said that MCC's control team will handle meteorological data monitoring, air traffic control, mission control and flight strategy control. All this information will be provided to the flight director, who will provide information to the pilot with all the instructions from take-off to landing.

The history of the Solar Impulse II dates back to 1999, when Bertrand Piccard, a Swiss scientist and aeronaut, completed a nonstop around-the-world balloon flight.

Piccard promised himself that he would circumnavigate the world again, but this time

without fuel or polluting emissions. That in turn led to the Solar Impulse project, which began in 2003.

In July 2010, Solar Impulse I made the first round-the-clock flight without fuel. This year, the Solar Impulse II will fly across the world in 12 stages, with expected arrival in China in April.

Many of the innovative Solar Impulse II technologies can be commercialized to address environmental problems, said Maxine Ghavi, group senior vice-president and program director for microgrids at ABB Ltd, the Swiss power and automation technologies company.

ABB is the engineering partner for the Solar Impulse project. Three ABB engineers have participated in the project, and they are supported by ABB's research and development centers and other colleagues.

The ABB team will take care of improving the ground operations control systems and optimizing the electronic chargers for the airplane's battery systems, among other tasks.

"The two organizations have a common vision. We both believe that it is important to decouple economic growth from environmental impact, by focusing on energy efficiency and renewable energy," Ghavi said.

She said that energy efficiency, energy storage and efficient conversion from renewable sources to electricity are important technologies that can be taken from the Solar Impulse project for commercialization.

GOING GLOBAL

Future looks bright for electric cars

Fluctuating gasoline prices, clean energy push set to spur demand in domestic market, reports Lyu Chang.

The future looks bright for electric cars in China amid rapidly fluctuating gasoline prices and huge investments by the government to promote use of clean energy, industry sources said on Monday.

However, inadequate battery technologies and the long charging time continue to be major detriments for the rapid growth of electric cars in China, they said, adding that it was important for Chinese battery makers to spread wings in overseas markets to upgrade their battery technologies.

Tianneng Group, the biggest supplier of batteries for low-speed electric vehicles in China, said it plans to put in more efforts to expand in overseas markets by not only selling more products, but also

developing its lithium-ion battery technologies, hoping that it would play a key role in boosting the growth of the domestic electric car market.

Zhang Tianren, chairman of the battery manufacturer in East China's Zhejiang province, said Tianneng is likely to take a controlling stake or at least make an investment in a battery company in Germany.

"The reason why we zeroed in on German companies for deeper cooperation is because they are strong in research and development capabilities, especially in the automotive industry," he said.

Germany has pledged to make itself a hub for battery production with massive investment in research and development. The country also has a dense and modern transportation infrastructure,

creating a huge demand for electric bicycles and vehicles.

"Even during the financial crisis, Germany's battery industry was in rapid growth," said Zhang, also a member of the National Committee of the Chinese People's Political Consultative Conference. "An electric bike can sell at a price as high as 120,000 yuan (\$19,200), making the battery industry a potential market for growth."

Though a number of battery companies are on Zhang's shopping list, the timeline for such deals still remains unknown as the road ahead might be bumpy.

Zhang said the biggest hurdle for an overseas takeover in battery industry is how to manage the research and development costs.

"As automakers are racing

to make cheaper electric cars with longer battery life, they become more price conscious," he said. "A foreign investment will add more cost to the production, so we have to be very cautious in selecting the deals."

Beyond questions of what kind of deal it might be, Zhang said it is clear that the core value for a foreign takeover lies in its future potential, driven by research and development and technology breakthroughs in the battery industry like whether the batteries can retain charge at extreme temperatures.

Apart from Germany, countries in Southeast Asia such as Vietnam and the Philippines are also among top export destinations for Tianneng, the

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Quotes of the day

“China should be bold enough to let international brands enter the market and make these items affordable to consumers by cutting import taxes.”



Yang Yuanqing, chairman and CEO of Lenovo Group

“Airlines should be fully deregulated as soon as possible. Carriers should set their ticket prices to reflect seasonal demand.”



Ma Xulun, general manager of China Eastern Airlines Co Ltd

“Large enterprises must be managed according to rules and their business culture, not by individuals. Corporate culture is very important to commercial organizations.”



Fu Yuning, chairman of China Resources (Holdings) Co Ltd

“Until Chinese enterprises emerge from their current difficulties, the renminbi's exchange rate may remain weak against the US dollar.”



Gao Shanwen, chief economist at Essence Securities Co Ltd

SOURCE: IFENG.COM, 163.COM

What's news



GOVERNMENTS AND POLICIES
Yuan-based global payment system ready

A long-awaited China International Payment System that would facilitate international usage of the yuan is ready and may be launched as early as September or October, three sources with direct knowledge of the matter told Reuters. The system, which would be a worldwide payments superhighway for the yuan will replace a patchwork of networks and allow hassle-free renminbi transactions, greatly boosting the internationalization of the Chinese currency. “The CIPS is ready now and China has selected 20 banks to do the testing, among which 13 banks are Chinese banks and the rest are subsidiaries of foreign banks,” said a senior banking source who is involved in the matter.



COMPANIES AND MARKETS
Money market funds post growth in assets

Money-market funds' total assets surged six-fold in the 18 months through December, rising to 2.2 trillion yuan (\$351.3 billion), according to Fitch Ratings. The expansion was driven mainly by retail investments in e-commerce related funds, Fitch analysts Li Huang, Charlotte Quiniou and Alastair Sewel wrote in a report. Retail investors accounted for more than 70 percent by the end of the second half of last year, the report said, adding that the five largest asset managers held 51 percent of total assets. Yu'eobao, managed by Tianhong Asset Management Co and sold online by Alibaba Group Holding Ltd, was the largest with 26 percent.

Commodity shipments decline in February

Commodity trade slowed in February as the Lunar New Year holiday cramped imports of oil, iron ore, copper and soybeans while exports of aluminum and steel fell. Inbound shipments of copper tumbled by the most in four years, soybeans to the least since October, while oil and iron ore imports slowed to the weakest in three months, according to customs data released on Sunday in Beijing. Steel exports fell for the first time since August and the country shipped the smallest amount of aluminum products in four months.

Sinopec to cut crude oil purchase costs

China's largest oil refiner is seeking to cut its crude-purchase costs as the world's biggest energy consumer looks to benefit from the collapse in benchmark prices. China Petroleum & Chemical Corp, known as Sinopec, has



Finishing touches

An employee applies protective coating to a BMW on show at the 20th China International Expo for Auto Accessories, Tuning & Care Products in Beijing, on Saturday. More than 6,000 auto accessories companies from the United States, Germany, Japan and other nations are taking part in the four-day expo, which concludes on Tuesday. About 200,000 auto accessories are being showcased at the event. ZHAO BING / XINHUA

set its trading unit a target to buy crude this year at more than \$1 a barrel below its 2014 benchmark cost, according to Yu Xizhi, general manager of the company's second-largest refinery. The nation's oil imports climbed 9.5 percent to a record last year amid the biggest slump in prices since the 2008 global financial crisis.

Tesla Motors to reduce headcount in China

High-end electric vehicle maker Tesla Motors Inc on Monday said it is cutting jobs in China under a restructuring plan launched earlier this year, after missing a sales target in the world's biggest car market. Tesla declined to specify how many jobs would be cut, and did not comment on a report in the Economic Observer newspaper last week that it was eliminating 30 percent of its staff or about 180 of its 600 employees in China. Some positions are being eliminated while others are added, but overall headcount has gone down in a restructuring drive that was announced earlier this year, Tesla spokesman Gary Tao said.

Industrial Bank may acquire Huafu Securities

Industrial Bank Co Ltd is planning to acquire brokerage Huafu Securities Co, people familiar with the matter said, as the securities regulator considers allowing lenders to enter the industry. Industrial Bank has submitted its proposal to the State Council, the people said, asking not to be identified as they are not authorized to speak publicly. Huafu's Communist Party committee has moved its office into the lender's headquarters in Fuzhou, capital of Fujian province, two of the people added.

Interest-rate swaps climb to six-month high

Interest-rate swaps rose to a six-month high in China on Monday as a bigger-than-expected jump in exports reduced prospects for monetary easing. Overseas sales surged 48 percent from a year earlier in February, exceeding the median estimate of 14 percent in a Bloomberg survey. Together with January, shipments rose 15 percent, outpacing the 6 percent trade growth the government is targeting for 2015. The central bank cut its benchmark interest rates on March 1 for the second time in three months, and in February relaxed reserve requirements for all banks for the first time since 2012.

UBS names new head of China operations

Switzerland-based UBS Group AG said Karen Chen has taken over as president of UBS (China) Ltd and will be nominated as executive director in addition to her role as head of wealth management. Chen joined UBS (China) Ltd in 2014 from Commonwealth Bank of Australia where she was CEO for China. She has also held senior positions across various functions at Standard Chartered Bank.



AROUND THE WORLD
German trade surplus narrows as exports drop

Germany's trade surplus narrowed in January as a drop in imports was outpaced by a decline in exports. The Federal Statistical Office said on Monday

that exports fell 2.1 percent in January to 96.3 billion euros (\$105.57 billion) when adjusted for seasonal and calendar variances. Imports dropped 0.3 percent to 76.6 billion euros. The trade surplus narrowed to 19.7 billion euros in January from 21.6 billion euros in December.

NZ companies hurt by falling dairy prices

New Zealand manufacturers sold more by volume in the quarter to the end of December last year, but their sales values fell due to falling dairy prices, the government statistics agency said on Monday. The total manufacturing sales volume was up 0.9 percent in the December quarter, led by a 7.2-percent rise in petroleum and coal product manufacturing, with meat and dairy product manufacturing up by 0.9 percent, according to the statistics agency.

Alcoa to acquire RTI International for \$1.26b

Alcoa Inc has agreed to acquire RTI International Metals Inc for about \$1.26 billion to expand its business making titanium and specialty-metals products for the aerospace industry. The all-stock transaction, which values Pittsburgh, United States-based RTI at \$41 a share, is the third aerospace-related deal announced by Alcoa in less than nine months. Alcoa is focusing on areas that are more profitable than its commodity-aluminum business, which is the largest of any US company. Buying RTI will increase Alcoa's aerospace revenues by 13 percent, both companies said on Monday in a statement.

SOURCES: CHINA DAILY - XINHUA - BLOOMBERG - REUTERS

DEBT

Trillion-yuan swap to ease local govts' debt burden

By ZHENG YANGPENG
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The central government has ordered a swap plan amounting to 1 trillion yuan (\$160 billion) of low-yield municipal notes that will replace legacy liabilities, a move intended to ease local governments' mounting

interest repayment pressure. In a statement on its website on Monday, the Ministry of Finance confirmed the swap plan. Domestic media reports had speculated that the plan would be for 3 trillion yuan.

The swap plan is an obvious attempt to cut local governments' financing costs on total liabilities, which brokerages estimate exceed the

equivalent of \$3 trillion. The Ministry of Finance said in the statement that the action could reduce interest payments by 40 billion yuan to 50 billion yuan a year, giving local authorities room to boost other spending. “The risk of repaying matured obligations can be significantly reduced, which is good for market sentiment,”

said Zhang Li, an analyst with Shanghai-based Guotai Junan Securities Co.

China is seeking to rein in borrowing by local governments as it accelerates fiscal spending to defend a 7 percent economic growth target. Local governments' debt stood at 17.9 trillion yuan as of June 2013, according to data from the National Audit Office. Estimates of their liabilities at present vary from 20 trillion yuan to 25 trillion yuan.

Moody's Investors Service estimated that 2.8 trillion yuan in local debt falls due this year. In a separate report, Industrial Securities Co Ltd said that interest payments alone account for 53 percent of China's annual total social financing, the broadest measure of credit.

Local authorities set up tens of thousands of funding units, known as local government financing vehicles, to finance projects from sewage systems to subways after a 1994 budget law barred them from issuing notes directly. This debt typically features a short maturity and a high interest rate. “Given that there is 20 trillion yuan of ‘legacy debt’ and that must be repaid in five years, granting a 1 trillion yuan swap quota is reasonable,” said

Gao Qunshan, chief analyst in the fixed-income department of Fuzhou-based Industrial Securities.

What brokerages are focusing on is how the 1 trillion yuan in new notes are issued. The Ministry of Finance statement did not say whether that would take place under the pilot municipal bond program or through issues of special-purpose treasury debt. An official of the China Banking Regulatory Commission warned that local government debt risk is the country's top financial and fiscal risk, and he urged broader disclosure of debt data.

Liao Min, director of the CBRC's office in Shanghai, said: “There is very limited information in the budget report about how the principal and interest (of local government debt) will be repaid. Disclosure of this information is critical as it helps us evaluate risk, shapes public expectations and encourages private capital to help mitigate the risk.”

Bond swaps are just a temporary measure to reduce the interest payment burden. How revenue generated from local governments' projects can cover debt servicing remains unclear, he said.

Auto: Battery makers driving abroad

FROM PAGE 13

first battery company listed on the Hong Kong Stock Exchange in 2007.

A couple of years ago, the battery maker set up offices in Vietnam, mainly for lead-acid battery export.

Tianneng is not the only company reaching out to foreign markets for battery technology and betting big on the growth of electric vehicles in China.

In 2013, Chinese auto parts supplier Wanxiang Group outbid a United States-based firm, Johnson Controls, to purchase most of the assets of A123 Systems, which develops lithium-ion batteries, for about \$256.6 million.

Chengdu-based Tianqi Lithium, which claims to be the world's largest hard rock lithium converter and makes a variety of raw materials for the battery industry, is another company that has clinched an overseas deal. In 2013, the battery raw material company became a major shareholder of Talison, a lithium producer with projects in Western Australia and Chile.

5 million

the expected number of new-energy vehicles on China's road by 2020

Experts said more Chinese firms will pursue M&A deals in the battery industry, as the government is charting steps to reduce its carbon footprint and optimize its energy mix, thereby sparking new interest in electric vehicles.

But up till now, there has been no major technological breakthrough in China's battery making industry, even with large investments.

Wang Jinliang, vice-chairman of the China Battery Industry Association, said that the next decade will be a vital time in the development of battery industry, and Chinese companies may face an industrial reshuffle.

“Small and less competitive companies will be left out and big companies will become bigger, as the companies are speeding up efforts to strengthen their capabilities in innovation and industrial upgrading,” he said.

The battery industry has also laid a solid foundation for other new-energy industries, as it is an important storage component of solar, wind and other renewable energy sources, electric vehicles and other emerging industries, said Wang.

In 2013, the Ministry of Finance said that it would extend a program of subsidies for buyers of electric-powered vehicles after the current subsidy regime, part of an effort to combat pollution in cities, expires in 2015.

The subsidies were designed to help China meet a goal of putting a half-million new-energy vehicles on the road by 2015 and 5 million by 2020. But currently there are only 20,000 to 30,000 electric cars on the road, far from the government's target.

Zhang is betting more Chinese customers will buy low-speed electric vehicles and use batteries for driving in small cities and in rural-urban fringe areas.

Realizing the electric vehicles will not take off any time soon, Tianneng is also putting efforts into developing energy storage systems to bank wind or solar electricity.

Tianneng has risen 10 percent this year in Hong Kong trading, outpacing the 2.3 percent gain in the benchmark Hang Seng Index.

Contact the writer at lvchang@chinadaily.com.cn

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FINANCE

Bad loan risks 'kept at bay' in Shanghai

CBRC official urges commercial banks to disburse more funds for small firms nationwide

By **JIANG XUEQING**
jiangxueqing@chinadaily.com.cn

The bad loan ratio in Shanghai will not rise sharply this year although financial risks will continue to emerge, said an official with the local banking regulator.

"It is impossible for the asset quality of banks in Shanghai to slump broadly, although some individual enterprises may default on loans," said Liao Min, director-general of the Shanghai Office of the China Banking Regulatory Commission, over the weekend. Shanghai felt the pressure

of economic restructuring much earlier than many other places in the nation — in some cases, several years ahead. The nonperforming loan ratio in the Yangtze River Delta increased faster than that in the central and western regions from 2011 to 2013.

But since last year, the rise in the NPL ratio in eastern China has been contained. For example, banks' exposure to steel trade activities in Shanghai dropped from more than 220 billion yuan (\$35.14 billion) in 2011 to less than 50 billion yuan this year.

Steel prices may keep falling, but the decline will have a

much smaller impact on banks' asset quality, said Liao, who is also a member of the National Committee of the Chinese People's Political Consultative Conference.

At the end of December, the NPL ratio in Shanghai was 0.89 percent, lower than the national average among commercial banks, which stood at 1.25 percent. He estimated that the NPL ratio will increase to about 1 percent this year, still far below the national average.

Small companies are posing more credit risks than large ones. One unidentified commercial bank told Liao that its NPL ratio for small companies in Shanghai is more than 2 percent, while the rate is 1.5 percent for medium-sized

“It is impossible for the asset quality of banks in Shanghai to slump broadly.”

Liao Min, director-general of the Shanghai Office of the China Banking Regulatory Commission



companies and about 0.8 percent for large ones. This pattern is similar in many banks.

The CBRC is encouraging commercial banks to offer more financing to micro-sized and small companies by accepting more credit risk, because these companies may become a source of strength in the country's economic restructuring.

As long as a bank's NPL ratio for small companies is less than 2 percentage points above its annual target NPL ratio, its department in charge of small business banking will not be negatively affected by evaluations, the CBRC said on Friday.

In new guidelines on financial services for small busi-

nesses, the CBRC told commercial lenders that the number of small companies getting loans should be at least equal with the previous year, and the approval rate for small companies' loan applications should also be at least steady with the previous year.

These targets were added to a previous directive that credit growth to small companies should not be lower than the average growth of various types of credit.

Zhang Jinping, deputy director of the CBRC's financial inclusion affairs department, said: "We now put more emphasis on greater coverage of small companies by bank loans and a larger rate of success for their loan applications. This will complement

our country's economic restructuring."

Liao said that the banking regulator could further target the amount of credit by asking banks to increase the number of small firms receiving loans of less than 5 million yuan.

According to his experience, these companies have more difficulty borrowing at low costs than big companies.

He suggested that China learn from the United States and South Korea when it comes to enacting laws that mandate commercial banks support small enterprises or communities with a certain proportion of its loan assets.

Local governments could also form financing guarantee companies that they fund and manage, he said.

TRANSPORT

Gansu betting on rail network for growth

By **ZHONG NAN** and **XUE CHAOHUA**

The northwestern province of Gansu plans to have a railroad of 6,000 kilometers by the end of this year, as it steps up efforts to cash in on trade opportunities arising from the development of the Silk Road Economic Belt, senior provincial officials said on Monday.

Liu Weiping, the provincial governor and deputy to the National People's Congress, said all the 14 cities and autonomous prefectures in the province will be connected through the railroad this year, and give Gansu an edge over coastal provinces in the competition for industrial and infrastructure facilities.

"The railway network development will facilitate Gansu's exports of agricultural, heavy industry and new energy products to Central Asia and Eastern Europe through international rail cargo services," Liu said. "This will create more jobs in the service-related sectors from a long-term perspective."

According to official statistics, about 78 percent of China's 800 billion yuan (\$127.7 billion) in investment had been spent in rail construction projects in western and central regions last year, or 86 percent of the country's new rail facilities in 2014.

Gansu started an international rail cargo service between Wuwei and Almaty in Kazakhstan last year. Currently the train takes five days to make the 2,646-kilometer trip.

It can effectively save 80 percent of the cost compared



A train on the Lanzhou-Urumqi high-speed railway. The northwestern Gansu province plans to have a rail network of 6,000 kilometers by the end of this year. REN SHICHEN / FOR CHINA DAILY

with air shipments, and is about \$510 cheaper per container compared with road transportation, which is a major incentive for the Eurasian Land Bridge or the New Silk Road, a rail transport route for moving freight from China to seaports in Europe.

The international rail freight service is expected to reach Rotterdam in the Netherlands via Kazakhstan, Rus-

sia, Belarus, Poland and Germany in 2016.

"With many manufacturing companies moving their facilities to both Europe and inland China, there is an increasing demand for logistics and transportation services in these two fast-growing markets," said Yu Haiyan, Party chief of Lanzhou, capital of Gansu province, and also deputy to the National People's Congress.

Gansu sealed 83 major trade and investment deals with countries along the Silk Road Economic Belt in 2014 and its trade volume with these trading partners rose 5 percent year-on-year.



Liu Weiping, governor of Gansu province

Responding to rising trade volumes, the provincial government set up three business delegation offices in Minsk in Belarus, Teheran in Iran and Horgos, a border city in the Xinjiang Uygur autonomous region to strengthen its regional presence, as well as to attract overseas visitors by facilitating more international airlines and gradually opening international ports of entry at the Lanzhou,

Dunhuang and Jiayuguan airports.

After setting up three international passenger air routes between Lanzhou and Singapore, Dubai and Tbilisi of Georgia last year, Yu said the provincial capital will launch air cargo services operated by Air China Cargo Co to destinations in Central Asia and Eastern Europe in the second half of this year, in a bid to diversify its trading methods with countries along the Silk Road Economic Belt.

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POLICY

Creation of private-sector lenders to be accelerated

By **JIANG XUEQING** and **MENG JING**

China will accelerate the creation of privately owned commercial banks this year, according to a top banking regulation official.

Guo Ligen, vice-chairman of the China Banking Regulatory Commission, told China Daily on Saturday the banking regulator will offer more licenses for private banks this year.

Speaking at a group discussion with members of the National Committee of the Chinese People's Political Consultative Conference, Guo noted that Premier Li Keqiang said on Thursday in the annual Government Work Report that there is no quota for private investors to establish small and medium-sized banks and financial institutions.

"That sends a strong signal," Guo said. "The number of banking licenses to be issued by the CBRC will depend on the number of applications to launch private banks."

The commission has received more than 20 applications and given the green light to the creation of five private banks.

Liao Min, director-general of the CBRC's Shanghai office, said only a few private banks were approved last year because some other Asian countries and regions had had bad experience of private banking at the beginning of the sector's development.

"These family-owned commercial banks had insider-trading problems due to their shortcomings in corporate governance. We want to learn from these lessons and we are very prudent in how we launch the program," he said.

Earlier this year, Huarui

Bank, the first private bank in Shanghai, started operation on a trial basis.

"I don't care about how profitable a private bank might be," Liao said. "The most important thing on my radar is its corporate governance and business strategies."

Registered in the China (Shanghai) Pilot Free Trade Zone, Huarui is targeting FTZ-related business, such as cross-border and overseas funding for small and medium-sized enterprises and high-tech companies.

Liao said he is looking forward to Huarui providing a sustainable competitive business model for other new privately owned commercial banks in the country.

"Private banks are entering the market as China faces economic downturn. Commercial banks are suffering from profit decline and financial disintermediation."

"To become successful, private banks must find sustainable and competitive advantages of their own," he said, adding that China needs all kinds of financial services but the current system cannot provide them.

Market insiders say private banks are in great demand because of the difficulties and high costs involved in financing for small and micro-sized enterprises.

Chen Zhilie, a member of the CPPCC National Committee and head of the technical equipment chamber under the All-China Federation of Industry and Commerce, said the chamber plans to apply to create a private bank this year to help provide financial support to technical equipment firms.

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EQUITIES

Shenzhen-HK link to give a lift to startups

By **LI XIANG**
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Stocks of high-technology and startup companies will likely get a boost with the planned launch of a trading link between the exchanges in Hong Kong and Shenzhen, home to many Chinese information technology and software enterprises.

The Shenzhen Stock Exchange has completed a plan for the program and started technical preparations for the trading link, which will allow investors in Shenzhen and Hong Kong to trade shares in each other's markets, according to Song Liping, general manager of the bourse.

This program follows the Shanghai-Hong Kong Stock Connect as part of China's drive to open its capital markets to overseas investors without fully liberalizing its capital account.

Eligible stocks under the program will include not only blue chips listed on the main board but also small-cap stocks of young and innovative companies listed on the Shenzhen bourse, Song told reporters in Beijing on Sunday.

Hopes are that the link will inject excitement into the Shenzhen market. There has been rising demand by overseas investors to allocate more assets into China's innovative

or consumption-driven companies, which are believed to benefit from the country's economic transition.

Qualified foreign institutional investors have increased investment in stocks listed in Shenzhen from 50 billion yuan (\$7.98 billion) to 160 billion yuan over the past three years. One-third of that investment has been in small and medium-sized companies and startups, Song said.

"We will gradually expand the list of eligible stocks in line with demand from overseas investors," she said.

No definite launch date has been announced, but Xiao Gang, chairman of the China

Securities Regulatory Commission, has said that the link will be approved and launched this year.

The SSE will organize roadshows to boost the appeal of its stocks in overseas markets once the list of issues available to overseas investors is finalized, Song said.

The Shenzhen-Hong Kong Stock Connect is seen as another step for China to integrate itself with the global financial world. It will create a much wider spectrum of investable Chinese stocks for overseas investors, from blue chips of State-owned enterprises to smaller stocks of private and innovative companies.

The Shanghai-Hong Kong link has seen light turnover since its launch last November, partly due to the limited options. Only large blue chips are available to overseas investors.

Analysts have said that the new link will give investors a more diverse pool of equities for their portfolios. The total investment quota under the program is expected to reach 300 billion yuan.

Some observers, however, have expressed concern that the market may become more volatile after the launch of the link, because small-cap shares in Shenzhen have been more prone to manipulation.

Invitation for Bid

Bid No.: 0708-14200707J007
Date: March 10, 2015
Loan No.: 2765-PRC for Railway Energy Efficiency and Safety Enhancement Investment Program-Tranche 3

- This IFB follows the General Procurement Notice for this project that appeared in the "ADB Business Opportunities" on October 12, 2011.
- The PRC has received a loan from ADB towards the cost of the above mentioned project, and intends to apply part of the proceeds of this loan to payments under the contracts for Environmental Protection Equipment.
- China National Machinery Import & Export Corp. (CMC), authorized and on behalf of China Railway Corp. (the Purchaser), now invites sealed bids from eligible bidders for the following supply of Goods and related services:

Lot No.	Name of Goods	Quantity	Place of delivery
lot 3-1	Environmental Protection Equipment (Non-metal Lot)	Details as per Section VI	Sites
lot 3-2	Environmental Protection Equipment (Metal Lot)		

Detailed qualification requirements are in Section III of the BD.
4. ICB will be conducted in accordance with ADB's Single-Stage-One-Envelope Procedure and is open to all Bidders from eligible source countries.
5. Interested eligible Bidders may obtain further information from CMC, and inspect the Bidding Document (BD) at the address given below during working hours 8:30-11:30, 13:30-16:30. The Bidding Document, in English, may be purchased from CMC with a non-refundable fee of RMB 1,500 or USD 250.
6. Bids must be delivered to CMC at or before 9:30 a.m. (Beijing time) on April 21, 2015. Bids will be opened at CMC at 9:30 a.m. (Beijing time) on April 21, 2015.
China National Machinery Import & Export Corp.
Address: Rm. 2102, No. 1, (W) Fuchengmenwai Avenue, Beijing 100037, China
Contact Person: Ms. Tian Jia / Ms. Chen Wan
Tel: 86 10-68991564, 68991366; Fax: 86 10-68329810

BONDS | NICHOLAS ZHU

Landmark year for local debt sector

Accounting and budget reform trigger growth in direct borrowing

The fledgling regional and local government bond market in China is poised for more significant developments in 2015, with additional steps toward greater transparency and responsibility in borrowing.

The changes expected this year will be in line with the revised budget law that took effect on Jan 1, which will eventually allow some local administrations to issue bonds outside of an existing pilot program. The value of issuance this year will rise by 50% from 2014, according to the 2015 budget proposal.

The decision to expand the bond

program dovetails with the State Council guidelines released in October that encourage local governments to begin issuing debt directly to reduce their reliance on riskier indirect borrowing.

The national government wants to develop a genuine municipal bond market because the buildup of opaque local government leverage in recent years could hurt the sovereign and banking sectors.

For example, the Ministry of Finance was reported to have approved a quota of 3 trillion yuan according to which local governments can swap informal legacy liabilities into formal local government debt.

One of the biggest challenges for the development of a municipal bond market is the continued dearth of accurate data on debt and

financial performance and the absence of timely disclosure of such information.

Improvements in this area remain a work in progress. Market participants are unable to monitor the indebtedness of individual local governments. Accountability also needs further improvement.

Beyond creating the legal framework for a municipal debt market, the central government is also launching new accounting systems and enhancing disclosure rules to ensure that market participants have the information they need to make investment decisions.

Under the new system, local government debt will be reported in local government budgets, and it will also appear on their balance sheets.

This new framework will contrib-

ute to the central government's goal of having local governments take direct responsibility for their debt and encouraging them to borrow and invest more prudently.

To deter local governments from engaging in riskier transactions, such as off-balance sheet borrowing, the State Council debt guidelines introduce tougher sanctions against local officials found guilty of violations. This is an extremely important measure that will force local officials, even at the most senior level, to adopt a more prudent approach to borrowing.

It is difficult to forecast how the market will develop after 2015.

It is also difficult to predict how long it will take for a fully functioning municipal debt market to emerge, because the central government is still establishing the regula-

tory framework and the accounting systems.

Developments this year will be closely watched by investors. The local debt issued under the pilot program has received a very positive reception from onshore investors.

Investors will also begin to differentiate between the direct debt obligations of local governments and debt issued by local government financing vehicles.

Domestic municipal debt could become a new asset class, allowing investors to fine-tune their exposures. These instruments could also create more trading opportunities.

The author is a vice-president and senior analyst covering sub-sovereign debt at Moody's Investors Service in Beijing.

POLICY | WU YOUYOU

Innovation required to boost online finance

Internet finance offers innovative products and services based on Internet "thinking," and these new services are grabbing attention.

They feature high returns and flexible transactions, and they have raised a huge scale of funds in a short time. Internet finance also features low entry barriers and rapid development, enabled by the application of Internet technology.

The main problems in Internet finance include weak credit rating functions and inadequate risk and evaluation systems. The sector is also hampered by illegal network transactions that can be difficult to detect, gaps in information technology security and an incomplete regulatory system.

We also need to create a positive policy and market environment and ensure the effective regulation of financial firms.

The development of Internet finance will nonetheless have a huge impact on many aspects of traditional finance, such as the channels for and innovation in financial products.

To a certain extent, Internet finance replaces the traditional financial participants and accelerates the process of financial disintermediation.

After the early stages of development, Internet finance and traditional finance will complement and learn from each other and grow in tandem.

It will take about 10 years for these sectors to "fuse" and overlap in the areas of financial product innovation, customer service and their customer bases.

The customer will remain the center of the banking, insurance, securities and other financial fields. Regulators will need to create a framework that deals with both the separate and mixed presence of traditional and Internet finance. Doing so will promote the shared prosperity of the entire financial industry.

Based on these trends, we need to fully recognize the positive role of the development of Internet finance, implement the proper policies, encourage financial innovation combined with prudence and standardize the development of Internet finance in terms of policy, institutions, regulation, risk prevention, IT security and consumer protection.

We need to standardize Internet financial regulation and related systems. Internet finance is just an innovation in terms of operations and technology; it does not change the basic characteristics of finance.

We should clarify the legal nature of the Internet financial institutions and their functions. Some of the traditional regulations must be expanded to encompass Internet finance. Areas that the regulators must consider are entry barriers, business scope and standards, legal and regulatory compliance, financial operations, supervisory systems, risk monitoring and credit ratings.

We need to strengthen the management of entry and exit in the Internet finance sector and push the Internet finance sector toward the proper mix of risk management and social welfare. We also need to create a positive policy and market environment and ensure the effective regulation of financial firms.

Information security is a key area. This includes the completeness of data, timely responses to information security incidents and improving the overall security level.

In addition, a consumer protection system should be established for Internet finance, along with a risk management and consumer protection plan.

The author is a scholar at the School of Economics of Xiamen University.

PROPERTY | ZHANG CHUNYAN

Knowledge is power in overseas investment

A comprehensive understanding of the local market, regulations and business culture is crucial for Chinese companies that invest in overseas projects, especially when it comes to property.

As every market is unique, it is essential for Chinese companies to determine the specifics of each market. It is also the best way to get accustomed to local requirements and circumstances.

In recent years, European property has been a hot area for Chinese companies. Many Chinese developers are being driven by challenges in the domestic market and global branding needs.

Europe was the most popular destination for Chinese overseas property investment in 2014, accounting for \$5.5 billion, Jones Lang LaSalle Inc, a professional services and investment management company specializing in real estate, said in a report. London topped the list of cities with \$4 billion, followed by Sydney and New York City.

But the European property market is complex and legally demanding. Chinese investors must carefully investigate each market and do business in the European way, meaning that they are fully compliant with all legal and ethical requirements and the business culture.

Failure to do this can mean trouble. For example, a plan valued at 500 million pounds (\$772 million) involving a Chinese developer rebuilding London's famed Crystal Palace appears to have fallen apart in mid-February. The plan by Shanghai-based Zhongrong Property Group Co Ltd was abandoned after the local Bromley Council, which had to approve the bid, refused to renew an exclusive development deal.

The main problems were different business cultures, local procedures and appeals.

Privately held Zhongrong Proper-



A poster that reads "Creating London's next financial district and Asian Business Port" on derelict land at the Royal Albert Dock in east London. In recent years, European property has been a hot area for Chinese companies. REUTERS

ty Group announced in July 2013 that it would replicate the building in a park. It asked the Bromley Council for a 125-year lease with 100 percent control of the land and building before committing to the proposed development.

But the plans would have required the repeal of the 1990 Crystal Palace Act, which restricts construction in the park.

The council was unlikely to agree without being fully confident about the proposals, as it is the custodian of the park. Local residents also campaigned for noncommercial use for the segment of the park in question.

The differences did not arise

because Zhongrong was from China. Property experts noted that similar problems arose when a wave of Japanese companies initially invested in the United Kingdom.

The way to avoid these problems is to do what a European company would do. As newcomers to the European property market, Chinese companies need more experience in negotiating with local institutions, making use of local advice and ensuring that investment is conducted in a transparent way.

In another case, Chinese commercial developer Advanced Business Park's project in London's Royal Albert Dock experienced difficulties.

Its relationship with a local promotion agency was questioned and investigated by British media last year. But ABP stressed that it went through a transparent tender process.

Being scrutinized is normal when a foreign company first enters a market anywhere.

A full understanding of the European market includes knowledge of the local media, especially British media organizations, which have global influence.

Chinese companies always need to prepare a media plan and get proper counsel, even if they think their investment will be positive for

the local economy.

Property developers from the Chinese mainland, including Dalian Wanda Group Co, are moving to globalize their portfolios to ensure long-term returns as the domestic property market cools.

Chinese companies' investment in Europe will continue and perhaps even rise. But no matter how many Chinese companies are involved, and regardless of where they invest, they need to understand the market and make proper preparations.

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AUTO | GORDON XIE & ANGUS MILLER

'Sharing economy' makes inroads into cars

Have you booked a holiday using Airbnb or Tujia.com? Have you used an app to get around town? Or have you listened to Spotify or KuGou rather than purchase music?

If you have done any of these things, you have participated in what is frequently termed the "sharing economy," a collection of sectors that rely on access over ownership and digital platforms to connect demand with spare capacity.

This concept prioritizes providing consumers with access to a particular asset over ownership of that asset.

Car sharing alone is growing at double the rate of new car sales globally, but in China the concept is relatively unheard of. Major players are only just beginning to experiment with the concept here.

Car leasing, on the other hand, is a more traditional consumption model that also prioritizes access over ownership but enjoys greater

awareness in China. Although leasing is on the rise, companies face significant challenges if they wish to draw Chinese consumers away from vehicle ownership.

What do Chinese consumers think about car ownership and the concepts of car sharing and leasing? PricewaterhouseCoopers' survey of new car buyers in major cities in China revealed the common reasons for not owning a car are cost (47 percent), lack of need (20 percent) and traffic congestion (17 percent).

License plate lottery systems are not a major hurdle with only 10 percent giving this as the main reason for not owning a car.

Awareness of car sharing in China is low but consumers are easily persuaded to consider it. Only 20 percent of survey respondents were aware of car sharing but more than half (59 percent) were willing to consider it after a basic explanation.

Of those still unconvinced, 47 percent changed their minds after a

short "sales pitch," with the most favored benefits being its convenience and cost savings.

Popular uses for car sharing include "ban-day" replacement in Beijing (84 percent), leisure travel (65 percent), cost savings (55 percent) and business travel (48 percent).

The underlying concern among consumers is "getting in trouble" if the share car is damaged. Many respondents expressed concern over high financial costs or legal ramifications in the case of an accident.

Despite a lack of awareness, most Chinese consumers have a positive attitude toward car sharing. Strong growth potential exists and consumers can be persuaded by its benefits but the culture of asset ownership in China is a major hurdle to be overcome.

Companies need to consider how car sharing can complement traditional ownership, and leisure travel, business travel and ban day replacement are all examples of

this. Companies should educate potential customers on the convenience and cost savings.

Car leasing, on the other hand, enjoys much greater awareness in China: 91 percent of the survey respondents were aware of car leasing but the majority still bought their vehicle using cash. Only 3 percent leased their car.

Consumers choose not to lease due to their desire for car ownership, which is still a status symbol in China. Generally, if consumers can afford to buy a car with cash, they will.

Many consumers have a misinformed, negative perception of leasing, but when given a short "sales pitch," 41 percent changed their minds. Of the 59 percent who were still not convinced, the most common reason again came back to a strong desire for car ownership.

Chinese consumers are driven by price but also the status attached to car ownership. Given that one of the key benefits of car sharing and

car leasing is the opportunity to get behind the wheel of a potentially higher-end vehicle without capital outlay, both should make sense in China.

The fact that survey respondents cited cost as the main reason for not owning a car also underscores the potential of car sharing and leasing in the country.

To win the hearts and minds of consumers in China, companies must improve their understanding and engagement of potential customers. Engaging them early in the decision process and continuing that engagement throughout the customer lifecycle is key to educating them on the benefits of car sharing and leasing and winning their long-term loyalty.

Gordon Xie is a partner in automotive consulting and Angus Miller is a manager in customer strategy consulting at PricewaterhouseCoopers in the Chinese mainland and Hong Kong.